H91853

Inter-Office Communication

Comptroller of Florida
Division of Banking

DATE: June 24, 1999

TO: Karon Beyer, Department of State
Division of Corporations - Bureau of Commercial Recording

FROM: John A. Pullen, Licensing and Chartering

SUBJECT: Merger of Partners Bank of Florida, FSB into Manufacturers Bank of Florida

Please file the attached "Merger Agreement" (original and 2 copies) for the above-referenced institutions, using *June 25, 1999,* as the effective date.

Please make the following distribution of certified copies:

(1) One copy to: John A. Pullen
Division of Banking
Inter-Office Mail Code 4400

300002915093--2
-06/25/99--01002--004
*****87.50 *****87.50

(2) One copy to: Federal Deposit Insurance Corporation
Suite 1600, One Atlantic Center
1201 West Peachtree Street, Northeast
Atlanta, Georgia 30309-3449

Also attached is a $87.50 check which represents payment of the applicable fees. If there is an underpayment of fees, please call Sam Lester, Esquire at 878-2411. If there is an overpayment of fees, please issue a refund to Igler & Dougherty, P.A. and mail it to1501 Park Avenue East, Tallahassee, Florida 32301.

If you have any questions, please call me at 410-9527.

JAP:bms

Attachments

cc: Federal Deposit Insurance Corporation, Atlanta, Georgia
Bureau of Financial Institutions - District I

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******8.75 ******8.75

EFFECTIVE DATE
6-25-99

Merger
LG
6-25-99

FILED
99 JUN 24 PM 6:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

OFFICE OF COMPTROLLER

DEPARTMENT OF BANKING AND FINANCE

STATE OF FLORIDA

TALLAHASSEE
32399-0350

ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

FILED
99 JUN 24 PM 6:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Having given my approval on June 22, 1999, to merge Partners Bank of Florida, FSB, Tampa, Florida, and Manufacturers Bank of Florida, Tampa, Florida, and being satisfied that the conditions of my approval have been met, I hereby approve for filing with the Department of State, the attached "Agreement and Plan of Merger", which contains the Articles of Incorporation of Manufacturers Bank of Florida (the resulting bank), so that effective on June 25th, 1999, they shall read as stated herein.

Signed on this 11th day of June, 1999.

Comptroller

ARTICLES OF MERGER
Merger Sheet

MERGING:

PARTNERS BANK OF FLORIDA, FSB, a Federal stock savings association

INTO

MANUFACTURERS BANK OF FLORIDA, a Florida corporation, H91853

File date: June 24, 1999, effective June 25, 1999

Corporate Specialist: Louise Flemming-Jackson

EFFECTIVE DATE
6-25-99

FILED
99 JUN 24 PM 6:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is entered into as of the 4th day of March, 1999, by and among **Manufacturers Bank of Florida**, a Florida state chartered banking corporation ("Purchaser"), **Partners Bank of Florida, FSB**, a Federal stock savings association (the "Bank"), and the members of the Board of Directors of the Bank whose signatures appear on the signature page hereto (collectively, the "Directors").

WHEREAS, subject to the terms of this Agreement, Purchaser desires to affiliate with the Bank and the Bank desires to affiliate with Purchaser;

WHEREAS, the parties believe the transactions contemplated by this Agreement are desirable and in the best interests of the Bank, the Purchaser and their shareholders; and

WHEREAS, the respective Boards of Directors of Purchaser and the Bank have approved this Agreement and the proposed transactions on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1

HOLDING COMPANY FORMATION AND MERGER

1.1 Bank Holding Company Formation. The Board of Directors of Purchaser has caused the filing with the Department of Banking and Finance (the "Department") of the State of Florida and the Federal Reserve Board (the "FRB"), of an application and plan (the "Holding Company Plan") to cause the formation of a bank holding company to own the outstanding common stock of Purchaser. Pursuant to the Holding Company Plan:

(a) Purchaser shall use best reasonable efforts to cause the formation of and obtain regulatory approval for a new corporation to be called "Manufacturers Bancshares, Inc." ("Holding Company"), that is intended to own all of the outstanding common stock of Purchaser. It is contemplated that the Holding Company restructure herein described (the "Holding Company Restructure") will qualify for exemption from registration with the Securities and Exchange Commission ("SEC") under the applicable provisions of the Securities Act of 1933, as amended (the "Securities Act").

(b) Upon consummating the Holding Company Plan it is contemplated that one (1) share of Holding Company Common Stock shall be issued in exchange for each outstanding share of common

stock of Purchaser. Purchaser expects to obtain, but does not warrant, regulatory approval for the Holding Company Restructure prior to April 30, 1999.

1.2 The Merger. At the Effective Time (defined in Section 1.3 below) the Bank shall be merged with and into Purchaser (the "Merger") in accordance with the Florida Financial Institution's Code (which includes those Florida laws specified in Section 655.005(j) of the Florida Statutes and referred to collectively herein as "FFIC"). Following the Merger, Purchaser shall continue as the surviving corporation (the "Surviving Corporation") and the separate corporate existence of the Bank shall cease.

1.3 Effective Time. The Merger shall become effective on the date and at the time on which Articles and Plan of Merger are accepted for filing by the Department, in a form reasonably acceptable to the parties, or at such later date as is agreed upon by the parties and specified in the Articles and Plan of Merger (the "Effective Time"). Unless the parties otherwise agree in writing, the Articles and Plan of Merger shall be filed no later than the business day following the Closing Date (as defined below).

1.4 Certain Effects of the Merger. After the Effective Time, the Merger shall have the effects set forth in the FFIC.

1.5 Articles of Incorporation and Bylaws. Pursuant to the Merger and without further action by the Surviving Corporation or its stockholders, the Articles of Incorporation and the Bylaws of Purchaser as in effect at the Effective Time shall remain the Articles of Incorporation and Bylaws of the Surviving Corporation.

1.6 Directors and Officers. The Directors and officers of Purchaser immediately prior to the Effective Time shall be the Directors and officers of the Surviving Corporation, each to hold office following the Effective Time in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation, or as otherwise provided by law.

1.7 Conversion of Shares; Merger Consideration.

(a) There are now, and at the Closing there will be, 2,251,000 issued and outstanding shares of the Bank's common stock, par value $.001 per share (the "Bank Common Stock" or "Shares"), which sum shall include all Shares that may be acquired upon the exercise or conversion of any warrant, option, convertible debenture or other security entitling the holder thereof to acquire Shares. At the Effective Time, each share of Bank Common Stock outstanding immediately prior to the Effective Time (other than Dissenting Shares defined in Section 1.10) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and represent the right to receive the following (the "Merger Consideration"):

(i) if the Bank shareholder is not a Florida resident and not a Director of the Bank, then each share of Bank Common Stock owned by such shareholder shall be converted into and represent the right to receive One Dollar and 12/100 ($1.12) cash per Share; and

(ii) if the Bank shareholder is a Florida resident then each share of Bank Common Stock owned by such shareholder shall be converted into and represent the right to receive (a) forty five cents cash ($.45) per Share, plus (b) .045957 shares of Holding Company Common Stock per Share (the "Exchange Ratio"); provided that if such Florida resident Bank shareholder is not a Director of the Bank and therefore not required to deliver to Purchaser a Voting Agreement and Irrevocable Proxy, then such shareholder shall have the option to elect to receive, with respect to all of his, her or its Shares, the sum of sixty seven cents ($.67) cash per Share in lieu of receiving .045957 shares of Holding Company Stock per Share; and further provided

(iii) the cash and number of shares of Holding Company Common Stock to be received in the Merger (and therefore the Merger Consideration) is subject to adjustment as provided in Section 1.14 below.

(b) Each share of Holding Company Common Stock and Purchaser Common Stock outstanding immediately prior to the Effective Time shall be remain unchanged as a result of the Merger.

(c) Holding Company will not issue any fractional shares of Holding Company Common Stock in connection with the Merger, and each holder of Bank Common Stock who would otherwise be entitled to receive a fractional share of such stock (after taking into account all certificates delivered by such holder) shall receive, in lieu thereof, cash in an amount equal to such fractional share multiplied by $1.12. No such holder is entitled to dividends, voting rights, or any other shareholder rights in respect of any fractional shares.

(d) The Exchange Ratio is predicated on there being 2,701,987 outstanding shares of Holding Company Common Stock following the Holding Company Restructure, as determined on a fully diluted basis. If the number of such shares changes prior to the Effective Time, whether as a result of a stock split or dividend, recapitalization, reclassification, or similar transaction, or through any issuance of authorized and previously unissued shares, then the Exchange Ratio shall be proportionately adjusted to prevent the dilutive effect of such transactions on the number of shares of Holding Company Common Stock to be issued in connection with the Merger.

1.8 Shareholders' Meeting. The Bank, acting through its Board of Directors, shall, in accordance with applicable law:

(a) duly call, give notice of, convene and hold a special meeting (the "Shareholders' Meeting") of its shareholders as soon as practicable after the conditions of Section 1.11 below are met, for the purpose of considering and taking action on the approval of the Merger, the adoption of this Agreement, and the taking such other action as may be required to consummate the transactions contemplated hereby;

(b) require no greater than the minimum vote of shares required by applicable law in order to approve the Merger;

(c) use its reasonable best efforts (i) to obtain and furnish the information required to be included by it in the Information Statement, as defined below, and cause the Information Statement to be mailed to its shareholders at the earliest practicable time following the effective date of the Registration Statement (if applicable), and (ii) subject to compliance with its fiduciary duties under applicable law as advised by counsel, to obtain the approval and adoption of the Merger by shareholders holding the minimum vote required by applicable law. The Bank's letter to shareholders, notice of meeting and Information Statement to be distributed to shareholders in connection with the Merger shall be in form and substance reasonably satisfactory to Purchaser, and are collectively referred to herein as the "Information Statement;"

(d) include in the Information Statement the unanimous recommendation of its Board of Directors (subject to their fiduciary duties under applicable law as advised by counsel and to the receipt of the Fairness Opinion referenced in Section 6.3(f) below) that the shareholders of the Bank vote in favor of the approval of the Merger and adoption of this Agreement; and

(e) deliver to Purchaser on the date hereof a Voting Agreement and Irrevocable Proxy in a form acceptable to Purchaser from each of the Bank shareholders identified in Section 5.9 below.

1.9 Closing. Upon the terms and subject to the conditions hereof, as soon as practicable after the vote of the shareholders of the Bank in favor of the approval and adoption of this Agreement has been obtained, and the satisfaction or waiver, if permissible, of the conditions set forth in Article VII hereof, the Bank and Purchaser shall execute and file the Articles and Plan of Merger, and the parties shall take all such other and further actions as may be required by law to make the Merger effective. Prior to the filing referred to in this Section, a closing (the "Closing") will be held at the office of Bush Ross Gardner Warren & Rudy, P.A. (or such other place as the parties may agree) for the purpose of confirming all of the foregoing. The date such Closing will be held is called the "Closing Date." The parties shall use their reasonable best efforts to cause the Closing to occur within five (5) business days following the last to occur of: (i) the effective date of the receipt of the last Regulatory Approval (as defined in

Section 6.1(a) below) to be obtained, (ii) the date on which the shareholders of the Bank approve the Merger and adopt this Agreement, (iii) the effective date of the Registration Statement (if applicable) and (iv) consummation of the Holding Company Plan and Holding Company Restructure.

1.10 Dissenting Shares. Any Shares outstanding immediately prior to the Effective Time which are held by shareholders who voted such shares against the Merger or who have given notice to the Bank in writing at or prior to the Bank's Shareholders Meeting that such shareholders dissent from the Merger and who shall have delivered a written request for payment of the value of such Shares within the time and in the manner provided by applicable law (the "Dissenting Shares") shall be entitled only to the rights of appraisal granted by applicable law (the "Dissent Provisions") and shall not be converted into or be exchangeable for the right to receive the Merger Consideration provided above, unless and until such holder fails to perfect or effectively withdraws or otherwise loses his right to appraisal and payment under the Dissent Provisions. If, after the Effective Time, any such holder fails to perfect or effectively withdraws or loses such right to appraisal, such holder's Shares shall thereupon be deemed to have been converted into and to have become exchangeable for, at the Effective Time, the right to receive the Merger Consideration without any interest thereon. Each holder of Dissenting Shares (a "Dissenting Shareholder") that becomes entitled, pursuant to the Dissent Provisions, to payment for his or her Shares shall receive payment therefor from Purchaser (but only after the amounts thereof shall have been agreed upon or otherwise determined) and all of such Dissenting Shareholder's Shares shall be canceled.

1.11 Registration Statement.

(a) Subject to paragraph (c) below, after the execution of this Agreement, Purchaser will use its reasonable best efforts to cause to be filed a registration statement (the "Registration Statement"), including the Information Statement, with the SEC under the Securities Act within the later of forty-five (45) days from the date hereof or fifteen (15) days after the Bank provides to Purchaser all information required to be included therein by the Bank and its Affiliates (as defined in Subsection (b) below), in form and content substantially complying with the requirements of the Securities Act and the rules and regulations of the SEC. Once filed, Purchaser shall use its reasonable best efforts to cause the Registration Statement to become effective under the Securities Act and to take any action required to be taken under the applicable blue sky or state securities laws in connection with the issuance of the Holding Company Common Stock to Bank shareholders in the Merger.

(b) The Bank has identified in Section 1.11(b) of the Bank Disclosure Schedule (as defined in Article II below) all persons whom it reasonably believes are "Affiliates" of the Bank for

purposes of Rule 145 of the Securities Act, and, if required by Purchaser, shall use reasonable best efforts to cause such persons to deliver to Purchaser an Affiliate Letter in a form reasonably acceptable to the parties.

(c) Purchaser shall not be required to file the Registration Statement described in this Agreement if Purchaser obtains, within thirty (30) days following the date of this Agreement, a written opinion of legal counsel reasonably acceptable to the Bank pursuant to which such counsel opines that the Merger and the payment of the Merger Consideration will qualify for an exemption from registration under applicable federal and state laws. For purposes of this Agreement, the Bank's receipt of such opinion letter shall be treated the same as receipt of notice that the Registration Statement, if required, had been declared effective.

1.12 Exchange Agent.

(a) At the Effective Time, Holding Company shall deposit or shall cause to be deposited with the law firm of Igler & Dougherty, P.A. (the "Exchange Agent"), pursuant to an exchange agent agreement in a form reasonably acceptable to the parties (the "Exchange Agent Agreement"), cash and certificates evidencing shares of Holding Company Common Stock in such amounts necessary to provide all the Merger Consideration required to be exchanged for the Bank Common Stock pursuant to this Agreement (such certificates for Holding Company Common Stock, together with the cash portion of the Merger Consideration and any cash to be paid in lieu of fractional shares hereinafter referred to as the "Exchange Fund"). The Exchange Agent shall, pursuant to irrevocable instructions jointly given by the Bank and Holding Company, promptly issue the certificates representing the Holding Company Common Stock and make the cash payments from the Exchange Fund upon surrender of Shares in accordance with Sections 1.7 and 1.14. The Exchange Fund shall not be used for any other purpose, except as provided in this Agreement.

(b) Promptly after the Effective Time, Holding Company shall cause the Exchange Agent to mail to each former Bank shareholder as of the Record Date (hereafter defined) a letter approved by the Bank and Purchaser and instructions for use in effecting the surrender of the certificates representing the Shares, or proof of loss thereof (the "Certificates"). After the Effective Time, each holder of the Bank Common Stock shall surrender the Certificate(s), together with such transmittal letters properly executed, to the Exchange Agent and promptly upon surrender shall receive in exchange therefor the Merger Consideration applicable to such Shares. The Certificate(s) so surrendered shall be duly endorsed as the Exchange Agent may require and such Certificate(s) shall forthwith be canceled. Upon surrender of the Certificate(s), any fractional shares shall be paid for as provided in Section 1.7(c). If payment or delivery of Holding Company Common Stock is to be made to a person other than the person in whose name the Certificate surrendered for exchange is

registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such exchange shall either pay any transfer or other taxes required by reason of the payment and delivery of Holding Company Common Stock to a person other than the registered holder of the Certificate surrendered or establish to the satisfaction of the Surviving Corporation that such tax has been paid or is not applicable.

(c) Within thirty (30) days prior to the Effective Time (the "Record Date"), the Bank's stock transfer books shall be closed and there shall be no transfers on the Bank's stock transfer books of the Shares outstanding immediately prior to Record Date. Any Certificates presented to the Surviving Corporation after the Effective Time shall be promptly presented to the Exchange Agent and exchanged as provided in this Section 1.12.

(d) Any portion of the Exchange Fund that remains unclaimed by the Bank's former shareholders for six months after the Effective Time shall be paid to Holding Company. Any holders of Shares not theretofore presented to the Exchange Agent shall look to Holding Company for payment in respect of such Shares.

1.13 Deposits. (a) Simultaneous with the execution of this Agreement each party shall deliver to the law firm of Igler & Dougherty, P.A. ("Escrow Agent") an earnest money deposit (the "Deposit") in the amount of Two Hundred Fifty Thousand Dollars ($250,000.00). If the proposed transaction is consummated in accordance with the terms hereof, the Deposit shall be delivered to the Exchange Agent and credited to the Merger Consideration payable at the Closing.

(b) The entire Deposit shall be paid to the non-defaulting party if this Agreement is terminated (and the transaction therefore does not close) pursuant to Section 7.1(h) below (as a result of the breach of this Agreement by the other party which is not cured in accordance with Section 7.1(h)), other than by Purchaser for a reason also covered by Section 7.1(j).

(c) The entire Deposit shall be paid to the Purchaser if Purchaser terminates this Agreement pursuant to Section 7.1(b) below as a result of the inaccuracy of a representation or warranty made by the Bank, but only if, at the time of making such representation or warranty, the Bank had actual knowledge of the untruth or inaccuracy of the same.

(d) The entire Deposit shall be paid to the Bank if the Bank terminates this Agreement pursuant to Section 7.1(c) below as a result of the inaccuracy of a representation or warranty made by the Purchaser, but only if at the time of making such representation or warranty, the Purchaser had actual knowledge of the untruth or inaccuracy of the same.

(e) The sum of $225,000 of the Deposit shall be paid to the Bank, and the balance paid to Purchaser, if the Purchaser terminates this Agreement under either: (i) Section 7.1(b) below, because of the inaccuracy of the Bank's representations or warranties and Section 1.13(c) above does not apply because the Bank did not have actual knowledge of the inaccuracy when the representation or warranty was made, or (ii) Section 7.1(c)(2) below, because the Bank fails to receive a favorable Fairness Opinion, or (iii) Section 5.8(c) below, pertaining to unfavorable Environmental Conditions. Similarly, the sum of $225,000 of the Deposit shall be paid to Purchaser, and the balance paid to the Bank, if the Bank terminates this Agreement under Sections 7.1(c) below because of the inaccuracy of Purchaser's representations or warranties, and Section 1.13(d) above does not apply because Purchaser did not have actual knowledge of the inaccuracy when the representation or warranty was made.

(f) If the transaction does not close for any reason other than as set forth in Sections (b) through (e) above, then each party shall receive one-half (50%) of the Deposit. Any party believing it is entitled to the Deposit hereunder shall give written notice thereof to the other party and the Escrow Agent.

(g) Escrow Agent, by separate letter agreement, shall agree to hold the Deposit, when received, and to disburse the same only in accordance with the terms and conditions of this Agreement. When Closing occurs, Escrow Agent shall deliver the Deposit to the Exchange Agent handling the Merger Consideration. In the event either party requests Escrow Agent to disburse the Deposit to that party, Escrow Agent shall be entitled to refuse to do so unless the other party agrees to the disbursement in writing. In the absence of written agreement of both parties as to the disbursement of the Deposit, Escrow Agent may, in its sole discretion, continue to hold such funds until the parties agree to disbursement thereof, or until a judgment of a court of competent jurisdiction determines the rights of the parties to the Deposit. If Escrow Agent is in doubt as to its duties or liabilities under the provisions of this Section 1.13, Escrow Agent may interplead the funds into the Circuit Court of Hillsborough County, whereupon after notifying all parties concerned with such action, all liability on the part of Escrow Agent shall terminate.

(h) The Deposit shall, if directed by either party and in accordance with applicable law, be deposited with multiple FDIC member banking institutions in amounts not to exceed $100,000 for each bank, which accounts shall bear interest. The parties acknowledge that, in holding the Deposit, Escrow Agent is acting at their request and for their convenience, that in this capacity, Escrow Agent shall not be deemed an agent of either of the parties and that Escrow Agent shall not be liable to either of the parties for any act or omission on its part except in the case of gross negligence or willful malfeasance by Escrow Agent. The parties shall jointly indemnify and hold Escrow Agent harmless from and

against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with Escrow Agent's faithful performance of its duties hereunder.

1.14 Escrow of Holding Company Common Stock. (a) At the Closing, a portion of the cash and Holding Company Common Stock (valued at $14.50 per share for the calculation set forth below) that would otherwise be distributed to the Bank's shareholders in satisfaction of the Merger Consideration (collectively, the "Escrow Deposits") shall instead be delivered to Escrow Agent and held in accordance with this Section 1.14. The number of shares of Holding Company Common Stock and the amount of cash to be delivered as the Escrowed Deposits shall be determined based on the same ratio which $499,525 bears to the total value of the Merger Consideration.

As an example of this determination, assume (a) at Closing there are 2,251,000 outstanding Shares of Bank Common Stock, of which 29,785 Shares are owned by non-Florida residents, 503,200 Shares are owned by the remaining Bank shareholders who are not Directors (and who therefore have the option to take all cash in lieu of Holding Company Common Stock), and 1,718,015 Shares are owned by the Bank's Directors (who are required to take Holding Company Common Stock); (b) there are no Dissenting Shareholders; (c) every Bank shareholder having the option to receive cash instead of Holding Company Common Stock elects to take entirely cash, (d) the number of shares of Holding Company Common Stock outstanding prior to Closing is 2,701,987; (e) the resulting number of shares of Holding Company Common Stock to be issued to the Bank's shareholders will equal approximately 78,955 (.045957 x 1,718,015); therefore (f) the value of the Holding Company Common Stock to be delivered as Merger Consideration will be **$1,144,847** (78,955 shares x $14.50), and the cash portion thereof will be approximately **$1,370,050** (i.e., [$1.12 x 532,985, or $596,943] plus [$.45 x 1,718,015, or $773,107], for an aggregate Merger Consideration value of approximately **$2,514,897**. Therefore, based on the above assumptions, approximately 19.86% ($499,525/$2,514,897) of the cash and Holding Company Common Stock to be delivered as Merger Consideration will instead be delivered and held as the Escrowed Deposits, consisting of approximately 15,683 shares of Holding Company Common Stock and approximately $272,121 cash.

The Escrowed Deposits shall be held, subject to the provisions of numbered clauses (2) and (3) below, until the later to occur of: (i) termination of that action now pending in the Circuit Court for Hillsborough County, Florida styled and numbered Partners Bank of Florida, et.al., v. Eugene C. Langford and Marvin DeBerry, No. 98-06642(E) (the "DeBerry Suit") by dismissal, final judgment (for which all appeals have adjudicated or extinguished), or other disposition pursuant to which the Bank has no continuing duty to Eugene C. Langford and/or Marvin DeBerry, or (ii) termination of the counterclaims brought against the Bank by Mr. Haugseth in connection with that action now pending styled Partners Bank of Florida,

et.al., v. Roy M. Haugseth (the "Haugseth Counterclaims") by dismissal, final judgment (for which all appeals have adjudicated or extinguished), or other disposition pursuant to which the Bank has no continuing obligation concerning the Haugseth Counterclaims. Upon the termination of this escrow any Escrowed Deposits remaining in escrow shall be distributed prorata to the Bank's shareholders who receive Merger Consideration, provided that such Escrowed Deposits shall be reduced by the following adjustments (the "Adjustments"):

(1) If the Net Worth of the Bank is less than the minimum amount required by Section 6.2(h) as of the Closing Date the deficiency shall be treated as an Adjustment (the "Net Worth Adjustment"). The Net Worth Adjustment shall be determined within 60 days following the closing;

(2) All costs incurred by Purchaser or the Bank from and after the date of this Agreement in connection with the DeBerry Suit, including all defense costs and any final judgment or settlement expenses, attorneys fees and other associated costs, shall be treated as an Adjustment (the "DeBerry Adjustment"). The DeBerry Adjustment shall be determined within 30 days following the termination of the DeBerry Suit. If the DeBerry Adjustment is less than $250,000, then Escrowed Deposits representing the balance of $250,000 less the amount of the DeBerry Adjustment shall be released to the Bank's shareholders at the time Escrowed Deposits representing the DeBerry Adjustment are delivered to Purchaser; and

(3) All costs incurred by Purchaser or the Bank after the date hereof in connection with the Haugseth Suit, including any final judgment or settlement expenses pertaining to the Haugseth Counterclaim, attorneys fees and other associated costs, shall be treated as an Adjustment (the "Haugseth Adjustment"). It is provided, however, that the Haugseth Adjustment shall be zero if the Haugseth Suit is terminated prior to the Closing, and the Haugseth Adjustment shall not exceed the balance determined by subtracting the Net Worth Adjustment from the lesser of (i) $250,000 or (ii) the balance determined by subtracting the DeBerry Adjustment from $500,000.

After each event for which the above Adjustments are to be determined (the "Adjustment Events"), the Escrowed Deposits to be delivered to the Bank's shareholders shall be reduced by, and the Escrow Agent shall deliver to Purchaser, escrowed cash and shares of Holding Company Common Stock having a value equal to such Adjustment, with the portion of such delivery to be paid in cash and in shares of Holding Company Common Stock being the same proportions in which they were delivered into escrow.

(b) Purchaser shall provide an accounting of each Adjustment to Escrow Agent and to Donald R. Page, as the representative of the

former Bank shareholders (the "Representative") within the time periods established for determining the Adjustments. Any objection to an accounting must be delivered to Escrow Agent and Purchaser within 10 days following the Representative's receipt of the same. If the Representative delivers a timely objection and the parties cannot reach a mutual agreement concerning the same within 30 days after the objection is delivered then either party may submit the dispute to binding arbitration in Tampa, Florida, in accordance with the rule of the American Arbitration Association. Escrowed Deposits shall be delivered according to the terms hereof within 30 days after the date an Adjustment is finally determined.

(c) From the date of the Closing until the distribution of Escrowed Deposits to Purchaser, each Bank shareholder shall be treated for all purposes as the owner of such shareholder's proportionate percentage of the shares of Holding Company Common Stock delivered to the Escrow Agent the same as if the same had been delivered to him, her or it at the Closing as Merger Consideration.

(d) As with the Deposit, the parties acknowledge that, in holding the Escrowed Deposits, Escrow Agent is acting at their request and for their convenience, that, in this capacity, Escrow Agent shall not be deemed an agent of either of the parties and that Escrow Agent shall not be liable to either of the parties for any act or omission on its part except in the case of gross negligence or willful malfeasance by Escrow Agent. The parties shall jointly indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with Escrow Agent's faithful performance of its duties hereunder. If either party requests Escrow Agent to disburse the Escrowed Deposits to that party, Escrow Agent shall be entitled to refuse to do so unless the other party agrees to the disbursement in writing. In the absence of written agreement of both parties as to the disbursement of the Escrowed Deposits, Escrow Agent may, in its sole discretion, continue to hold such funds until the parties agree to disbursement thereof, or until the arbitration process determines the rights of the parties. If Escrow Agent is in doubt as to its duties or liabilities under the provisions of this Section 1.14, Escrow Agent may interplead the funds into the Circuit Court of Hillsborough County, whereupon after notifying all parties of such action, all liability on the part of Escrow Agent shall terminate.

1.15 Alternate Acquisition Structure. At any time prior to the Closing, Purchaser may elect to change the structure of this transaction so long as the new structure (i) is in accordance with all applicable laws and all regulatory approvals are obtained, (ii) the cash portion of the Merger Consideration is no less than $.45 per Share, (iii) the stock portion of the Merger Consideration is no less than .045957 shares of Purchaser or Holding Company common stock; and (iv) the federal income tax consequences resulting from the alternate structure are no less favorable to the Bank shareholders than those resulting from the Merger. Purchaser shall

notify the Bank in writing of its decision to change the acquisition structure and the Bank shall have the right to comment on the same.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE BANK

The Bank hereby makes the representations and warranties set forth in this Article 2 to Purchaser. The Bank agrees at the Closing to provide Purchaser with a supplement to the Bank Disclosure Schedule herein described to reflect any changes thereto from the date hereof through the date of the Closing.

2.1 Organization and Qualification. The Bank is a Federal stock savings Bank, duly organized and validly existing under the laws of the United States. The Bank has all requisite corporate power and authority to carry on its business as now being conducted and to own, lease and operate its properties and assets as now owned, leased or operated. The Bank does not own or control any Affiliate or Subsidiary (each as defined in Section 9.13). True and correct copies of the Articles of Incorporation and Bylaws of the Bank, with all amendments thereto through the date of this Agreement, have been delivered by the Bank to Purchaser. The Bank is chartered by the Office of Thrift Supervision ("OTS") and is subject to the regulation of and examination by the Federal Deposit Insurance Corporation ("FDIC").

2.2 Bank Capitalization. As of the date hereof, the authorized capital stock of the Bank consists solely of 10,000,000 shares of Bank Common Stock, par value $.01 per share, of which 2,251,000 shares are issued and outstanding, and no shares are held in treasury; provided that Section 2.2 of the Bank's Disclosure Schedule sets forth the Bank's current understanding of the manner in which the Shares held by the ESOP (as defined in Section 6.2(o) below) may be distributed or redeemed, and the effect either such action may have on the Bank's capital structure. There are no outstanding subscriptions, options, convertible securities, rights, warrants, calls, or other agreements or commitments ("Rights") of any kind issued or granted by, or binding upon, the Bank to purchase or otherwise acquire any security of or equity interest in the Bank. There are no outstanding Rights obligating the Bank to issue any shares of the Bank, or to the knowledge of the Bank, irrevocable proxies or any agreements restricting the transfer of or otherwise relating to shares of its capital stock of any class. All of the shares of Bank Common Stock have been duly authorized, validly issued and are fully paid and non-assessable, and are free of preemptive rights. The Bank has never declared or paid a dividend on the shares of Bank Common Stock.

2.3 Other Securities. Section 2.3 of the Bank Disclosure Schedule sets forth a list of all equity ownership by the Bank for

the account of the Bank in any other person (the "Other Securities"). Except as otherwise described in Section 2.3 of the Bank's Disclosure Schedule, the Bank owns each Other Security free and clear of any lien, encumbrance, security interest or charge.

2.4 Authority Relative to the Agreement. The Bank has full corporate power and authority, and, except for the approval by the Bank's shareholders and the consents and filings specified on Section 2.4 of the Bank Disclosure Schedule, no further proceedings on the part of the Bank are necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby which have been duly and validly authorized by its Board of Directors. This Agreement has been duly executed and delivered by the Bank and is a duly authorized, valid, legally binding and enforceable obligation of the Bank, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally and general equitable principles, and subject to such shareholder approvals and such approval of regulatory agencies and other governmental authorities having authority over the Bank as may be required by statute or regulation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, or result in any violation or breach of or default under the respective Articles of Incorporation or Bylaws of the Bank or any agreement, document or instrument by which the Bank is obligated or bound.

2.5 No Violation. Except as set forth in Section 2.5 of the Bank Disclosure Schedule, neither the execution, delivery nor performance of this Agreement in its entirety, nor the consummation of all of the transactions contemplated hereby, following the receipt of such approvals as may be required from the Bank's shareholders, the FDIC, the FRB, the OTS and the Department will (i) violate (with or without the giving of notice or the passage of time), any law, order, writ, judgment, injunction, award, decree, rule, statute, ordinance or regulation applicable to the Bank or (ii) be in conflict with, result in a breach or termination of any provision of, cause the acceleration of the maturity of any debt or obligation pursuant to, constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of any security interest, lien, charge or other encumbrance upon any property or assets of the Bank pursuant to, any terms, conditions or provisions of any note, license, instrument, indenture, mortgage, deed of trust or other agreement or understanding or any other restriction of any kind or character, to which the Bank is a party or by which any of its assets or properties are subject or bound. Except as set forth in Section 2.5 of the Bank Disclosure Schedule, there are no proceedings pending or, to the knowledge of the Bank, threatened, against the Bank or involving the shares of Bank Common Stock, at law or in equity or before or by any foreign, federal, state, municipal or other governmental court, department, commission, board, bureau, agency,

instrumentality or other person which may result in liability to Purchaser upon the consummation of the transactions contemplated hereby or which would prevent or delay such consummation.

2.6 Consents and Approvals. The Bank's Board of Directors (at a meeting called and duly held) has unanimously approved this Agreement and resolved to recommend the approval and adoption of this Agreement by the Bank's shareholders. Except as described in Section 2.6 of the Bank Disclosure Schedule, no prior consent, approval or authorization of, or declaration, filing or registration with any person, domestic or foreign, is required of the Bank in connection with the execution, delivery and performance by the Bank of this Agreement and the transactions contemplated hereby or the resulting change of control of the Bank, except such filings and approvals as may be required from the FRB, the OTS, the FDIC, the Department and holders of shares of Bank Common Stock.

2.7 Takeover Laws. The Bank is not subject to the requirements of Sections 607.0901 and 607.0902 of the FBCA.

2.8 Securities Issuances. The Bank is not subject to the registration provisions of Section 12 of the Exchange Act of 1934, as amended ("Exchange Act") or the rules and regulations of the SEC promulgated under Section 12 of the Exchange Act, other than the anti-fraud provisions of such Act. All issuances of securities by the Bank were exempt from registration under the Securities Act, the Florida Securities Investor Protection Act, and all other applicable laws.

2.9 Financial Statements. Section 2.9 of the Bank Disclosure Schedule contains a true and complete copy of the audited balance sheets of the Bank as of June 30, 1998, 1997 and 1996 and the related consolidated statements of income, shareholders' equity and in cash flows for the years ended June 30, 1998, 1997 and 1996 and its unaudited interim financial statements as of December 31, 1998, (such balance sheets and the related statements of income, shareholders' equity and cash flows are collectively referred to herein as the "Bank Financial Statements"), and the Bank's Thrift Financial Reports ("TFRs") filed with the OTS and/or the FDIC for the Bank's fiscal years 1996, 1997 and 1998. The Bank Financial Statements fairly present the financial position of the Bank as of the dates thereof and the results of operations and cash flows of the Bank for the periods then ended, in conformity with Generally Accepted Accounting Principles ("GAAP") applied on a basis consistent with prior periods (subject, in the case of the unaudited interim financial statements, to normal year-end adjustments and the fact that they do not contain all of the disclosures required by GAAP), except as otherwise noted therein. The accounting records underlying the Bank Financial Statements fairly reflect in all material respects the transactions of the Bank. As of their dates, the Bank Financial Statements conformed, or will conform when delivered, in all material respects with all applicable rules and

regulations promulgated by the OTS and the FDIC. The Bank has no material liabilities or obligations of a type which should be included in or reflected on the Bank Financial Statements if prepared in accordance with GAAP, whether related to tax or non-tax matters, accrued or contingent, due or not yet due, liquidated or unliquidated, or otherwise, except as and to the extent disclosed or reflected in the Bank Financial Statements. Promptly following their availability, the Bank will provide Purchaser with the unaudited balance sheets of the Bank as of the end of each month hereafter which precedes the Closing, prepared on a basis consistent with prior periods. Promptly following their availability, the Bank will provide Purchaser with the TFRs for all periods ending after December 31, 1998. All TFRs filed with the OTS or the FDIC have been prepared in material compliance with the rules and regulations of the regulatory agency with whom they were filed. The Bank has no off balance sheet liabilities associated with financial derivative products or potential liabilities associated with financial derivative products. The Bank Financial Statements contain no deferred tax assets and will not contain any such assets as of the Closing.

2.10 Absence of Certain Changes. Except as and to the extent set forth in Section 2.10 of the Bank Disclosure Schedule, since December 31, 1998 (the "Balance Sheet Date") the Bank has not:

(a) amended its Articles of Incorporation or Bylaws or changed the character of its business in any material manner;

(b) suffered any Material Adverse Effect (as defined in Section 9.13(e));

(c) except in the ordinary course of business and consistent with prudent banking practices, entered into any agreement, commitment or transaction;

(d) except in the ordinary course of business and consistent with prudent banking practices, incurred, assumed or become subject to, whether directly or by way of any guarantee or otherwise, any obligations or liabilities (absolute, accrued, contingent or otherwise);

(e) except in the ordinary course of business and consistent with prudent banking practices, permitted or allowed any of its property or assets to be subject to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind (other than statutory liens not yet delinquent);

(f) except in the ordinary course of business and consistent with prudent banking practices, canceled any debts, waived any claims or rights, or sold, transferred, or otherwise disposed of any of its properties or assets;

(g) disposed of or permitted to lapse any rights to the use of any trademark, service mark, trade name or copyright, or disposed of or disclosed to any person other than its employees or agents, any trade secret not theretofore a matter of public knowledge;

(h) except as set forth in Section 2.10(h) of the Bank Disclosure Schedule, granted any increase in compensation or paid or agreed to pay or accrue any bonus, percentage compensation, service award, severance payment or like benefit to or for the credit of any director, officer, employee or agent, or entered into any employment or consulting contract or other agreement with any director, officer or employee or adopted, amended or terminated any pension, employee welfare, retirement, stock purchase, stock option, stock appreciation rights, termination, severance, income protection, golden parachute, savings or profit-sharing plan (including trust agreements and insurance contracts embodying such plans), any deferred compensation, or collective bargaining agreement, any group insurance contract or any other incentive, welfare or employee benefit plan program or agreement maintained by the Bank, for the directors, employees or former employees of the Bank ("Employee Benefit Plan");

(i) directly or indirectly declared, set aside or paid any dividend or made any distribution in respect to its capital stock or redeemed, purchased or otherwise acquired, or arranged for the redemption, purchase or acquisition of, any shares of its capital stock or other securities;

(j) organized or acquired any capital stock or other equity securities or acquired any equity or ownership interest in any person (except through settlement of indebtedness, foreclosure, the exercise of creditors' remedies or in a fiduciary capacity, the ownership of which does not expose the Bank to any liability from the business, operations or liabilities of such person);

(k) issued, reserved for issuance, granted, sold or authorized the issuance of any shares of its capital stock or Rights of any kind relating to the issuance or sale of or conversion into shares of its capital stock;

(l) made any or acquiesced with any change in any accounting methods, principles or practices;

(m) experienced any Material Adverse Change in relations with customers, clients or line of business of the Bank;

(n) except for the transactions contemplated by this Agreement or as otherwise permitted hereunder, entered into any transaction, or entered into, modified or amended any contract or commitment, other than in the ordinary course of business and consistent with prudent banking practices; or

(o) agreed, whether in writing or otherwise, to take any action the performance of which would change the representations contained in this Section 2.10 in the future so that any such representation would not be true as of the Closing.

2.11 Non-Deposit Bank Indebtedness. The Bank has no indebtedness other than with respect to deposits ("Non-Deposit Bank Indebtedness").

2.12 Litigation. Except as set forth in Section 2.12 of the Bank Disclosure Schedule, there are no actions, suits, claims, investigations, reviews or other proceedings pending or, to the knowledge of the Bank, threatened against the Bank or involving any of its properties or assets, at law or in equity or before or by any foreign, federal, state, municipal, or other governmental court, department, commission, board, bureau, agency, or other instrumentality or person or any board of arbitration or similar entity ("Proceeding"). The Bank will notify Purchaser promptly in writing of any Proceedings initiated by or against the Bank following the date of this Agreement.

2.13 Tax Matters. The Bank has duly filed all tax returns required to be filed by it involving a tax liability or other material potential detriment for failure to file (the "Filed Returns"). The Bank has paid, or has established adequate reserves for the payment of, all federal income taxes and all state and local income taxes and all franchise, property, sales, employment, foreign or other taxes required to be paid with respect to the periods covered by the Filed Returns. With respect to the periods for which returns have not yet been filed, the Bank has established adequate reserves determined in accordance with GAAP for the payment of all federal income taxes and all state and local income taxes and all franchise, property, sales, employment, foreign or other taxes. Except as described in Section 2.13 of the Bank Disclosure Schedule, the Bank has no direct or indirect liability for the payment of federal income taxes, state and local income taxes, and franchise, property, sales, employment or other taxes in excess of amounts paid or reserves established, nor has the Bank entered into any tax sharing agreement or other agreement or similar arrangement regarding the allocation of the tax liability of the Bank. The Bank has not filed any Internal Revenue Service ("IRS") Forms 1139 (Application for Tentative Refund). There are no pending questions raised in writing by the IRS or other taxing authority for taxes or assessments of the Bank, nor are there any outstanding agreements or waivers extending the statutory period of limitation applicable to any Bank tax return. The Bank has withheld from employee wages and paid over to the proper governmental authorities all amounts required to be so withheld and paid over. For the purposes of this Agreement, the term "tax" shall include all federal, state and local taxes and related governmental charges and any interest or penalties payable in connection with the payment of taxes.

2.14 Employee Benefit Plans. With respect to all employee benefit plans and programs in which employees of the Bank participate, the following are true and correct:

(a) Section 2.14(a) of the Bank Disclosure Schedule lists each "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) maintained by the Bank or to which the Bank contributes or is required to contribute (such plans hereinafter collectively referred to as the "Welfare Benefit Plans"), and sets forth (i) the amount of any liability of the Bank for contributions more than thirty days past due with respect to each Welfare Benefit Plan as of the date hereof and as of the end of any subsequent month ending prior to the Closing and (ii) the annual cost attributable to each of the Welfare Benefit Plans; no Welfare Benefit Plan provides for continuing benefits or coverage for any participant, beneficiary or former employee after such participant's or former employee's termination of employment except as may be required by Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 601-608 of ERISA;

(b) The Bank neither maintains, contributes to or is required to contribute to any "employee pension benefit plan" (as defined in Section 3(2) of ERISA and not exempted under Section 4(b) or 201 of ERISA), including any multiemployer plan (as defined in Section 3(37) of ERISA);

(c) Section 2.14(c) of the Bank Disclosure Schedule lists each deferred compensation plan, bonus plan, stock option plan, restricted stock, excess benefit plan, incentive compensation, stock bonus, cash bonus, severance pay, golden parachute, life insurance, all nonqualified deferred compensation arrangements, rabbi trusts, cafeteria plans, dependant care plans, all unfunded plans and any other employee benefit plans or programs, agreements, arrangements or commitments not required under a previous subsection to be listed and maintained by the Bank (referred to as "Other Programs");

(d) All of the Welfare Benefit Plans and all Other Programs (hereinafter collectively and severally as the "Plans"), and any related trust agreements, annuity contracts or any other funding instruments comply currently, and have complied in the past, both as to form, administration and operation, with the provisions of ERISA, the Code and with all other applicable laws, rules and regulations governing the establishment and operation of such Plans; all necessary governmental approvals relating to the establishment of such Plans have been obtained; and with respect to each Plan that is intended to be tax-qualified under the Code, a favorable determination letter of each such Plan and each material amendment thereto has been issued by the Internal Revenue Service;

(e) Neither the Bank nor any corporation or other trade or business controlled by or under common control with the Bank (as

determined under Sections 414(b) and 414(c) of the Code) ("Common Control Entity") is, or has been within the past five years, a contributing sponsor (as defined in Section 4001(a)(13) of ERISA) of, nor maintained or participated in any employee pension benefit plan (defined in Section 3(2) of ERISA) subject to the provision of Title IV of ERISA. In addition, neither the Bank nor a Common Control Entity (i) is a party to a collective bargaining agreement, (ii) has maintained or contributed to, or has participated in or agreed to participate in, a multiemployer plan (as defined in Section 3(37) of ERISA), or (iii) has made a complete or partial withdrawal from a multiemployer plan (as defined in Section 3(37) of ERISA) so as to incur withdrawal liability as defined in Section 4201 of ERISA (without regard to subsequent reduction or waiver of such liability under Section 4207 or 4208 of ERISA);

(f) True and complete copies of each Plan and related trust agreement or annuity contract (or any other funding instrument), summary plan description, the most recent determination letter issued by the Internal Revenue Service with respect to each employee pension benefit plan, the most recent application for a determination letter from the Internal Revenue Service with respect to each employee pension benefit plan and Annual Reports on Form 5500 Series filed with any governmental agency for each Plan for the two most recent plan years, have been furnished to Purchaser;

(g) All Plans and related trust agreements or annuity contracts (or any other funding instruments), are legally valid and binding and in full force and effect and there are no promised increases in benefits under any of these Plans nor any obligations, commitments or understandings to continue any of these Plans, except as required by Section 4980B of the Code and Sections 601-608 of ERISA;

(h) There are no claims pending with respect to, or under, any of the Plans, other than routine claims for benefits, and there are no disputes or litigation pending or threatened with respect to any such Plans;

(i) No action has been taken, nor has there been a failure to take any action that would subject any person or entity to any liability for any income, excise or other tax or penalty in connection with any Plans, other than for income taxes due with respect to benefits paid; and

(j) Except as otherwise set forth in Section 2.14(j) of the Bank Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will (i) result in any payment to be made by the Bank becoming due to any Bank employee, director or consultant or (ii) increase any benefits otherwise payable under any of the Plans.

2.15 Employment Matters. Except as disclosed in Section 2.15 of the Bank Disclosure Schedule, (i) the Bank is not a party to any oral or written contracts or agreements granting benefits or rights to employees or any collective bargaining agreement or to any conciliation agreement with the Department of Labor, the Equal Employment Opportunity Commission or any federal, state or local agency which requires equal employment opportunities or affirmative action in employment, (ii) there are no unfair labor practice complaints pending against the Bank before the National Labor Relations Board and no similar claims pending before any similar state, local or foreign agency; and (iii) to the knowledge of the Bank, there is no activity or proceeding of any labor organization (or representative thereof) or employee group to organize any employees of the Bank, nor of any strikes, slowdowns, work stoppages, lockouts, or threats thereof, by or with respect to any such employees. The Bank is in compliance in all material respects with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and the Bank is not engaged in any unfair labor practice.

2.16 Leases, Contracts and Agreements. Section 2.16 of the Bank Disclosure Schedule sets forth an accurate and complete description of all leases, subleases, licenses, contracts and agreements (other than contracts excepted below) to which the Bank is a party or by which the Bank is bound which obligate or may obligate the Bank in the aggregate for an amount in excess of $25,000 over the entire term of any such agreement or related contracts of a similar nature which in the aggregate obligate or may obligate the Bank in the aggregate for an amount in excess of $25,000 over the entire term of such related contracts (the "Contracts"). The Bank has delivered to Purchaser true and correct copies of all such Contracts. For the purposes of this Agreement, the Contracts shall be deemed not to include loans made by, repurchase agreements made by, bankers acceptances of, agreements with Bank customers for trust services, or deposits by the Bank. The Bank has provided Purchaser with a list of all unfunded loan commitments and letters of credit issued by the Bank as of the end of the most recent preceding month. Except as set forth in Section 2.16 of the Bank Disclosure Schedule, no participations or loans have been sold which have buy back, recourse or guaranty provisions which create contingent or direct liabilities of the Bank. All of the Contracts are legal, valid and binding obligations of the parties to the Contracts enforceable in accordance with their terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally and to general equitable principles, and are in full force and effect. Except as described in Section 2.16 of the Bank Disclosure Schedule, all rent and other payments by the Bank under the Contracts are current, there are no existing defaults by the Bank under the Contracts and no termination, condition or other event has occurred which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would

constitute a default. The Bank has a good and valid leasehold interest in each parcel of real property leased by it free and clear of all mortgages, pledges, liens, encumbrances and security interests, other than in favor of its Landlord.

2.17 Related Party Transactions. Except as set forth in Section 2.17 of the Bank Disclosure Schedule, the Bank is not a party to any transaction, agreement, instrument, commitment, extension of credit, or other contractual agreement of any kind with (i) any person who is an officer or a director of the Bank, (ii) any spouse of any such officer or director, (iii) any parent, child, brother, sister, or other family relation of any such officer or director who has the same principal residence as such officer or director, (iv) any corporation or other entity of which any such officer or director or any such family relation is an officer, director, partner, or greater than 5% shareholder (based on percentage ownership of voting stock) or (v) any Affiliate of any such persons or entities including, without limitation, (x) any transaction involving a contract, agreement, or other arrangement providing for the employment of, furnishing of materials, products or services by, rental of real or personal property from, or otherwise requiring payments to, any such person or entity, and (y) loans (including any loan guaranty) outstanding at the date hereof, but not (z) deposit accounts maintained at the Bank in the ordinary course of its banking business. Section 2.17 of the Bank Disclosure Schedule also sets forth a list and the amount of all deposits and accounts maintained at the Bank by the Bank's officers and directors as of a date no more than five (5) business days prior to the execution of this Agreement.

2.18 Compliance with Laws. Except as set forth in Section 2.18 of the Bank Disclosure Schedule, the Bank is not in default with respect to or in violation of (i) any judgment, order, writ, injunction or decree of any court or (ii) to the actual knowledge of the Bank, any statute, law, ordinance, rule, order or regulation of any governmental department, commission, board, bureau, agency or instrumentality, federal, state or local, including (for purposes of illustration and not limitation) capital and FRB reserve requirements, capital ratios and loan limitations of the FRB, the FDIC, the OTS or the Department; and the consummation of the transactions contemplated by this Agreement will not constitute such a default or violation as to the Bank. The Bank has all permits, licenses, and franchises from governmental agencies required to conduct its business as it is now being conducted.

2.19 Insurance. The Bank has in effect the insurance coverage described in Section 2.19 of the Bank Disclosure Schedule. The Bank has not made an insurance claim within the last 5 years and it is not aware of any facts which would form the basis of a claim under such coverages, other than as identified in Section 1.13. The Bank has no reason to believe that the existing fidelity coverage would not be renewed by its carrier on substantially the same terms.

2.20 Loan Portfolio; Documentation and Reports.

(a) Except as disclosed in Section 2.20 of the Bank Disclosure Schedule, the Bank is not a creditor as to any written or oral loan agreement, note or borrowing arrangement including, without limitation, leases, credit enhancements, commitments and interest-bearing assets (the "Loans"), other than Loans the unpaid principal balance of which does not exceed $25,000 per Loan or $50,000 in the aggregate, under the terms of which the obligor is, as of the date of this Agreement, over 90 days delinquent in payment of principal or interest or in default of any other material provisions. Except as otherwise set forth in Section 2.20 of the Bank Disclosure Schedule, the Bank is not a creditor as to any Loan, including without limitation any loan guaranty, to any director, executive officer or 10% stockholder thereof, or within the knowledge of the Bank, any person, corporation or enterprise controlling, controlled by or under common control of any of the foregoing. All of the Loans held by the Bank were, within the actual knowledge of the Bank, solicited, originated and exist in material compliance with all applicable Bank loan policies, except for deviations from such policies that (a) have been approved by current management of the Bank, in the case of Loans with an outstanding principal balance that exceeds $25,000 or (b) will not adversely effect the ultimate collectibility of such Loan. Except as set forth in Section 2.20 of the Bank Disclosure Schedule, the Bank does not hold any Loans in the original principal amount in excess of $25,000 per Loan or $50,000 in the aggregate since January 1, 1996, which have been classified by any bank examiner, whether regulatory or internal, or by the Bank itself as other loans Specifically Mentioned, Special Mention, Substandard, Doubtful, Loss, Classified, Criticized, Credit Risk Assets, concerned loans or words of similar import. The allowance for possible loan or credit losses (the "Bank Allowance") shown on the balance sheet of the Bank included in the most recent Bank Financial Statements dated prior to the date of this Agreement was, and the Bank Allowance shown on the balance sheets of the Bank included in the Bank Financial Statements as of dates subsequent to the execution of this Agreement will be, as of the dates thereof, adequate (within the meaning of GAAP and applicable regulatory requirements or guidelines) to provide for losses relating to or inherent in the loan and lease portfolios) including accrued interest receivables) of the Bank and other extensions of credit (including letters of credit and commitments to make loans or extend credit) by the Bank as of the dates thereof, except where the inadequacy of such Allowance does not have a Material Adverse Effect on the Bank. Section 2.20 of the Bank Disclosure Schedule also sets forth a complete list of all letters of credit and commitments to make loans or extend credit issued by the Bank.

(b) The documentation (the "Bank Loan Documents") relating to each Loan made by the Bank and to all security interests, mortgages and other liens with respect to all collateral

for Loans is adequate for the enforcement of the material terms of such Loan, security interest, mortgage or other lien, except for inadequacies in such documentation which will not, individually or in the aggregate, have a Material Adverse Effect on the Bank.

(c) The Bank has timely filed all material reports, registrations and statements, together with any amendments required to be made with respect thereto, that it was required to file since December 31, 1995 with (i) the OTS, (ii) the FDIC and (iii) any state regulatory authority ("State Regulator") (collectively "Regulatory Agencies") and all other material reports and statements required to be filed by it since December 31, 1995, including, without limitation, any report or statement required to be filed pursuant to the laws, rules or regulations of the United States, the FDIC or any State Regulator, and has paid all fees and assessments due and payable in connection therewith. Except as set forth in Section 2.20 of the Bank Disclosure Schedule and as otherwise provided herein, and except for normal examinations conducted by a Regulatory Agency in the regular course of the business of the Bank, no Regulatory Agency has, to the knowledge of the Bank, initiated any proceeding or investigation into the business or operations of the Bank since December 31, 1995. Except as set forth on Section 2.20 of the Bank Disclosure Schedule, there is no unresolved violation, criticism or exception by any Regulatory Agency with respect to any report or statement or lien or any examinations of the Bank.

2.21 Fiduciary Responsibilities. The Bank has performed in all material respects all of its duties as a trustee, custodian, guardian or as an escrow agent in a manner which, within the actual knowledge of the Bank, complies in all material respects with all applicable laws, regulations, orders, agreements, instruments and common law standards.

2.22 Patents, Trademarks and Copyrights. Except as set forth in Section 2.22 of the Bank Disclosure Schedule, the Bank does not require the use of any material patent, patent application, invention, process, trademark (whether registered or unregistered), trademark application, trade name, service mark, copyright, or any material trade secret for the business or operations of the Bank. The Bank owns or is licensed or otherwise has the right to use any items listed in Section 2.22 of the Bank Disclosure Schedule.

2.23 Environmental Compliance. Except as set forth Section 2.23 of in the Bank Disclosure Schedule:

(a) The Bank and any property owned or operated by it are, to the actual knowledge of the Bank, in compliance with all applicable Environmental Laws (as defined in Section 9.13(c)) and has obtained and is in compliance with all permits, licenses and other authorizations (individually a "Permit," and collectively "Permits") required under any Environmental Law. There is no present nor, to

the actual knowledge of the Bank, past event, condition or circumstance that could (1) interfere with the conduct of the business of the Bank in the manner now conducted relating to such entity's compliance with Environmental Laws, (2) constitute a violation of any Environmental Law or (3) which could have a Material Adverse Effect upon the Bank;

(b) The Bank does not currently lease, operate, own, or exercise managerial functions at, nor has it formerly leased, operated, owned, or exercised managerial functions at, any facility or real property that is subject to any actual, or, to the actual knowledge of the Bank, threatened or potential Proceeding under any Environmental Law;

(c) There is no Proceeding pending or, to the actual knowledge of the Bank, threatened against the Bank under any Environmental Law or relating to the release, threatened release, management, treatment, storage, or disposal of, or exposure to Polluting Substances, and the Bank has not received any notice (whether from any regulatory body or private person) of any claim under or violation of, or potential or threatened violation of, any Environmental Law;

(d) There is no action or Proceeding pending or, to the actual knowledge of the Bank, threatened under any Environmental Law involving the release or threat of release of any Polluting Substances (as defined in Section 9.13(f)) at or on any property where Polluting Substances generated by the Bank have been disposed, treated or stored;

(e) To the actual knowledge of the Bank, there is no Property for which the Bank is or was required to obtain, or is or was required to have, any Permit under an Environmental Law to construct, demolish, renovate, occupy, operate, or use such Property or any portion of such Property;

(f) To the actual knowledge of the Bank, the Bank has not generated any Polluting Substances for which it was required under an Environmental Law to execute any waste disposal manifest or receipt;

(g) To the actual knowledge of the Bank, there has been no release of Polluting Substances in or on any Property in violation of any Environmental Laws or which would require remediation or any report or notification (other than routine, non-incident specific, annual reporting under applicable Environmental Laws) to any governmental or regulatory authority;

(h) To the actual knowledge of the Bank, there are no underground or above ground storage tanks on or under any Property which are not in compliance with Environmental Laws and any Property previously containing such tanks has been remediated in compliance

with all Environmental Laws;

(i) To the actual knowledge of the Bank, there is no asbestos containing material on any Current Controlled Property (as defined below) or any Collateral Property (as defined below); and

(j) The Bank has, to its knowledge, fully complied with the guidelines issued by the FDIC on February 25, 1993, and any other governmental authority with jurisdiction over the Bank, that direct banks to implement programs to reduce the potential for banks to incur liability under, or to assess the compliance of borrowers or Collateral Property with, Environmental Laws.

(k) For purposes of this Section 2.23 and Section 5.8, "Property" includes (1) any property (whether real or personal) which the Bank currently or in the past has leased, operated or owned or managed in any manner including without limitation any property acquired by foreclosure or deed in lieu thereof (respectively, "Current Controlled Property" and "Former Controlled Property," and collectively "Controlled Property") and (2) property now held as security for a loan or other indebtedness to the Bank or property currently proposed as security for loans or other credit the Bank is currently evaluating whether to extend or has committed to extend a loan ("Collateral Property").

2.24 Regulatory Actions. Except as set forth in Section 2.24 of the Bank Disclosure Schedule, there are no actions or proceedings pending or, to the knowledge of the Bank, threatened against the Bank by or before the FRB, the FDIC, the OTS, the Environmental Protection Agency, the Florida Department of Environmental Protection or any other nation or government, any state or political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government. Except as set forth in Section 2.24 of the Bank Disclosure Schedule, the Bank is not subject to a formal or informal agreement, memorandum of understanding, enforcement action with or any type of financial assistance by any regulatory authority having jurisdiction over such entity. The Bank has not taken or agreed to take any action or has knowledge of any fact or circumstance that would materially impede or delay receipt of any required regulatory approval. Except as set forth in Section 2.24 of the Bank Disclosure Schedule, the Bank has not received or been made aware of any complaints or inquiries under the Community Reinvestment Act, the Fair Housing Act, the Equal Credit Opportunity Act or any other state or federal anti-discrimination fair lending law and, to the knowledge of the Bank, there is no fact or circumstance that would form the basis of such complaint or inquiry.

2.25 Title to Properties; Encumbrances. Except as set forth in Section 2.25 of the Bank Disclosure Schedule, the Bank has unencumbered, good, legal, and marketable title to all its properties and assets, real and personal, including, without

limitation, all the properties and assets reflected in the Bank Financial Statements, except for those properties and assets disposed of for fair market value in the ordinary course of business and consistent with prudent banking practice since the date of the Bank Financial Statements. Except as set forth in Section 2.25 of the Bank Disclosure Schedule, the Bank has a title policy in full force and effect from a title insurance company which, to the actual knowledge of the Bank, is solvent, insuring good and indefeasible title to all real property owned by the Bank in favor of the Bank. The Bank has made available to Purchaser all of the files and information in the possession of the Bank concerning such properties, including any title exceptions. The Bank holds good and legal title or good and valid leasehold rights to all assets that are necessary for it to conduct its business as it is currently being conducted. The Bank owns or leases all furniture, equipment, art and other property used to transact business presently located on its premises. Except as set forth in Section 2.25 of the Bank Disclosure Schedule, to the actual knowledge of the Bank, no Property has been deed recorded or otherwise been identified in public records or should have been recorded or so identified as containing Polluting Substances.

2.26 Shareholder List. Section 2.26 of the Bank Disclosure Schedule sets forth a complete list of the holders of shares of Bank Common Stock as of December 31, 1998, containing the names, addresses and number of shares or such other securities held of record, which is accurate in all respects as of such date, and the Bank will promptly, and in any event prior to the mailing of the Information Statement, advise Purchaser of any significant changes thereto.

2.27 Information Statement. None of the information supplied or to be supplied by the Bank, or, to the knowledge of the Bank, any of its respective directors, officers, employees or agents for inclusion in the Information Statement or any other documents to be filed with any governmental agency or authority in connection with the transactions contemplated hereby, at the respective times such documents are filed, and, with respect to the Information Statement, when first mailed to the shareholders of Bank, will be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Information Statement or any amendment thereof or supplement thereto, at the time of the Shareholders' Meeting, be false or misleading with respect to any material fact, or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the furnishing of information for the Shareholders' Meeting. All documents that the Bank is responsible for filing with any regulatory or governmental agency in connection with the Merger will comply in all material respects with all applicable laws.

2.28 Dissenting Shareholders. The Bank, and its directors, have no knowledge of any plan or intention on the part of any Bank shareholders to make written demand for payment of the fair value of such shares of Bank Common Stock.

2.29 Regulatory Approvals. The Bank knows of no reason why all requisite Regulatory Approvals should not be obtained or why any opinion of counsel referred to in Section 6.2(f) below cannot be obtained.

2.30 Broker's Fees. Neither the Bank nor any of its respective officers or directors has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with any of the transactions provided for in this Agreement, other than Kendrick, Pierce and Company, Inc.

2.31 Representations Not Misleading. No representation or warranty by the Bank, nor any statement, exhibit or schedule furnished to Purchaser by the Bank under and pursuant to, or in anticipation of this Agreement including but not limited to those in the Bank Disclosure Schedule, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby makes the representations and warranties set forth in this Article 3 to the Bank. Purchaser agrees at the Closing to provide the Bank with a supplement to Purchaser's Disclosure Schedule herein described to reflect any changes thereto from the date hereof through the date of the Closing.

3.1 Organization and Authority. Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, and has all requisite corporate power and authority to conduct its business as now conducted, to own, lease and operate its properties and assets as now owned, leased or operated.

3.2 Authority Relative to Agreement. Subject to the receipt of all required regulatory approvals, this Agreement has been (i) duly and validly approved by all necessary action of Purchaser, and (ii) duly executed and delivered by Purchaser and is a duly authorized, valid, legally binding and enforceable obligation of Purchaser, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally and general equitable principles, and subject to such approval of regulatory agencies and other governmental authorities having authority over Purchaser as may be

required by statute or regulation.

3.3 Financial Statements. Section 3.3 of Purchaser's Disclosure Schedule contains a true and complete copy of the audited (unless otherwise indicated) balance sheets of the Purchaser as of December 31, 1998, 1997 and 1996, and the related statements of income, shareholders' equity and cash flows for the years ended December 31, 1998, 1997 and 1996, (such balance sheets and the related statements of income, shareholders' equity and cash flows being collectively referred to herein as the "Purchaser Financial Statements"). The Purchaser Financial Statements fairly present the financial position of the Purchaser as of the dates thereof and the results of operations and cash flows of the Purchaser for the periods then ended, in conformity with GAAP applied on a basis consistent with prior periods, except as otherwise noted therein. The accounting records underlying the Purchaser Financial Statements fairly reflect in all material respects the transactions of the Purchaser. As of their dates, the Purchaser Financial Statements conformed, or will conform when delivered, in all material respects with all applicable rules and regulations promulgated by the FDIC and the Department. The Purchaser has no material liabilities or obligations of a type which should be included in or reflected on the Purchaser Financial Statements if prepared in accordance with GAAP, whether related to tax or non-tax matters, accrued or contingent, due or not yet due, liquidated or unliquidated, or otherwise, except as and to the extent disclosed or reflected in the Purchaser Financial Statements. The Bank has no off balance sheet liabilities associated with financial derivative products or potential liabilities associated with financial derivative products. The Purchaser Financial Statements contain no deferred tax assets and will not contain any such assets as of the Closing.

3.4 Tax Matters. The Purchaser has duly filed all tax returns required to be filed by it involving a tax liability or other material potential detriment for failure to file. The Purchaser has paid, or has established adequate reserves for the payment of, all federal income taxes and all state and local income taxes and all franchise, property, sales, employment, foreign or other taxes required to be paid with respect to the periods covered by its Filed Returns. With respect to the periods for which returns have not yet been filed, the Purchaser has established adequate reserves determined in accordance with GAAP for the payment of all federal income taxes and all state and local income taxes and all franchise, property, sales, employment, foreign or other taxes. Except as described in Section 3.4 of Purchaser's Disclosure Schedule, the Purchaser has no direct or indirect liability for the payment of federal income taxes, state and local income taxes, and franchise, property, sales, employment or other taxes in excess of amounts paid or reserve established, nor has the Purchaser entered into any tax sharing agreement or other agreement or similar arrangement regarding the allocation of the tax liability of the Purchaser. There are no pending questions raised in writing by the IRS or other

taxing authority for taxes or assessments of the Purchaser, nor are there any outstanding agreements or waivers extending the statutory period of limitation applicable to any Purchaser tax return. The Purchaser has withheld from employee wages and paid over to the proper governmental authorities all amounts required to be so withheld and paid over.

3.5 No Conflict with Other Instrument. The consummation of the transactions contemplated by this Agreement will not result in a breach of or constitute a default (without regard to the giving of notice or the passage of time) under any material contract, indenture, mortgage, deed of trust or other material agreement or instrument to which Purchaser is a party or by which it or its assets may be bound; will not conflict with any provision of the Articles of Incorporation by bylaws of Purchaser; and, within the actual knowledge of Purchaser, will not violate any provision of any law, regulation, judgment or decree binding on it or any of its assets.

3.6 Absence of Certain Changes. Since the date of the most recent balance sheet provided under Section 3.3 above, there has been no event, change or occurrence which has had or is reasonably likely to have, individually or when aggregated with other such matters, a Material Adverse Effect on Purchaser.

3.7 Title and Related Matters. Purchaser has good and marketable title to all of its properties, interests in properties and assets, real and personal, reflected in the most recent balance sheet referred to in Section 3.3, or acquired after the date of such balance sheet (except properties, interests and assets sold or otherwise disposed of since such date, in the ordinary course of business), free and clear of all mortgages, liens, pledges, charges or encumbrances except (i) mortgages and other encumbrances referred to in the notes to such balance sheet, (ii) liens for current taxes not yet due and payable, and (iii) such imperfections of title and easements as do not materially detract from or interfere with the present use of the properties subject thereto or affected thereby, or otherwise materially impair present business operations at such properties. To the knowledge of Purchaser, the material structures and equipment of Purchaser comply in all material respects with the requirements of all applicable laws.

3.8 No Subsidiaries. Purchaser maintains no ownership interest in a Subsidiary.

3.9 Contracts. Purchaser is not in violation of its Articles of Incorporation or bylaws or in default in the performance or observance of any material 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.

3.10 Litigation. Except as set forth in Section 3.10 of Purchaser's Disclosure Schedule, there are no actions, suits, claims, investigations, reviews or other proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser or involving any of its properties or assets, at law or in equity or before or by any foreign, federal, state, municipal, or other governmental court, department, commission, board, bureau, agency, or other instrumentality or person or any board of arbitration or similar entity. The Purchaser will notify the Bank immediately in writing of any Proceedings against the Purchaser.

3.11 Compliance. Except as set forth in Section 3.11 of Purchaser's Disclosure Schedule, the Purchaser is not in default with respect to or in violation of (i) any judgment, order, writ, injunction or decree of any court or (ii) any statute, law, ordinance, rule, order or regulation of any governmental department, commission, board, bureau, agency or instrumentality, federal, state or local, including (for purposes of illustration and not limitation) capital and FRB reserve requirements, capital ratios and loan limitations of the FDIC or the Department; and the consummation of the transactions contemplated by this Agreement will not constitute such a default or violation as to the Purchaser. The Purchaser has all permits, licenses, and franchises from governmental agencies required to conduct its business as it is now being conducted.

3.12 Registration Statement. If applicable, at the time the Registration Statement becomes effective and at the time of the Shareholders' Meeting, the Registration Statement, including the Information Statement which shall constitute a part thereof, will comply in all material respects with the requirements of the Securities Act and the rules and regulations thereunder, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statement therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this Section shall not apply to statements in or omissions from the Information Statement made in reliance upon and in conformity with information furnished in writing to Purchaser by the Bank or any of its representatives expressly for use in the Information Statement or information included in the Information Statement regarding the business of the Bank, its operations, assets and capital.

3.13 Form S-4. The conditions for use of a registration statement on SEC Form S-4 set forth in the General Instructions on Form S-4 have been or will be satisfied with respect to the Holding Company, Purchaser and the Registration Statement, but only if required by the other provisions of this Agreement.

3.14 Government Authorization. Purchaser has all permits that, to the knowledge of Purchaser, are or will be legally required

to enable Purchaser to conduct its business in all material respects as now conducted by it.

3.15 Absence of Regulatory Communications. Purchaser is not subject to, nor has received during the past three years, any written communication directed specifically to it from any governmental agency to which it is subject, pursuant to which such agency has imposed or has indicated it may impose any material restrictions on the operations of, or the business conducted by, Purchaser or in which such agency has raised a material questions concerning the condition, financial or otherwise, of Purchaser.

3.16 Representations Not Misleading. No representation or warranty by Purchaser in this Agreement, nor any statement or exhibit furnished to the Bank under and pursuant to, or in anticipation of this Agreement, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE 4

COVENANTS OF THE BANK

4.1 Affirmative Covenants of the Bank. For so long as this Agreement is in effect, the Bank shall, from the date of this Agreement to the Closing, except as specifically contemplated by this Agreement:

(a) operate and conduct the businesses of the Bank in the ordinary course of business and consistent with prudent banking practices;

(b) preserve intact the Bank's corporate existence, business organization, assets, licenses, permits, authorizations, and business opportunities;

(c) comply with all material contractual obligations applicable to the Bank's operations;

(d) maintain all the Bank's properties in good repair, order and condition, reasonable wear and tear excepted, and maintain the insurance coverages described in Section 4.1(d) of the Bank Disclosure Schedule (which shall list all Property insured by such coverages) or obtain comparable insurance coverages from reputable insurers which, in respect to amounts, types and risks insured, are adequate for the business conducted by the Bank and consistent with the existing insurance coverages;

(e) in good faith and in a timely manner (i) cooperate with Purchaser in satisfying the conditions in this Agreement, (ii) assist Purchaser in obtaining as promptly as possible all consents,

approvals, authorizations and rulings, whether regulatory, corporate or otherwise, as are necessary for Purchaser and the Bank (or either of them) to carry out and consummate the transactions contemplated by this Agreement, including all consents, approvals and authorizations required by any agreement or understanding existing at the Closing between the Bank and any governmental agency or other third party, (iii) furnish information concerning the Bank not previously provided to Purchaser required for inclusion in any filings or applications that may be necessary in that regard and (iv) perform all acts and execute and deliver all documents necessary to cause the transactions contemplated by this Agreement to be consummated at the earliest possible date;

(f) timely file with the OTS and the FDIC, all financial statements and other reports required to be so filed by the Bank and to the extent permitted by applicable law, promptly thereafter deliver to Purchaser copies of all financial statements and other reports required to be so filed;

(g) comply in all material respects with all applicable material laws and regulations;

(h) promptly notify Purchaser upon obtaining actual knowledge of any default, event of default or condition with which the passage of time or giving of notice would constitute a default or an event of default under any Bank Loan Documents and promptly notify and provide copies to Purchaser of any material written communications concerning the Bank Loan Documents;

(i) between the date of this Agreement and Closing, promptly give written notice to Purchaser upon obtaining knowledge of any event or fact that would cause any of the representations or warranties of the Bank contained in or referred to in this Agreement to be untrue or misleading in any material respect;

(j) deliver to Purchaser a list (Section 4.1(j) of the Bank Disclosure Schedule), dated as of the Closing Date, showing (i) the name of each bank or institution where the Bank has accounts or safe deposit boxes, (ii) the name(s) in which such accounts or boxes are held and (iii) the name of each person authorized to draw thereon or have access thereto;

(k) deliver to Purchaser a list (Section 4.1(k) of the Bank Disclosure Schedule), dated as of the Closing, showing all liabilities and obligations of the Bank, except those arising in the ordinary course of its business, incurred since the Balance Sheet Date, certified by an officer of Bank;

(l) promptly notify Purchaser of any material change or inaccuracies in any data previously given or made available to Purchaser pursuant to this Agreement; and

(m) provide access, to the extent that the Bank has the right to provide access, to any or all Property (as defined in Section 2.23) so as to enable Purchaser to physically inspect any structure or components of any structure on such Property, including without limitation surface and subsurface testing and analyses.

4.2 Negative Covenants of the Bank. Except with the prior written consent of Purchaser or as otherwise specifically permitted by this Agreement, the Bank will not, from the date of this Agreement to the Closing:

(a) make any amendment to its articles of incorporation or association or Bylaws;

(b) make any change in the methods used in allocating and charging costs, except as may be required by applicable law, regulation or GAAP and after notice to Purchaser;

(c) make any change in the number of shares of the capital stock issued and outstanding, or issue, reserve for issuance, grant, sell or authorize the issuance of any shares of its capital stock or Rights of any kind relating to the issuance or sale of or conversion into shares of its capital stock;

(d) contract to create any obligation or liability (absolute, accrued, contingent or otherwise) except in the ordinary course of business and consistent with prudent banking practices;

(e) contract to create any mortgage, pledge, lien, security interest or encumbrances, restrictions, or charge of any kind (other than statutory liens for which the obligations secured thereby shall not become delinquent), except in the ordinary course of business and consistent with prudent banking practices;

(f) cancel any debts, waive any claims or rights of value or sell, transfer, or otherwise dispose of any of its material properties or assets, except in the ordinary course of business and consistent with prudent banking practices;

(g) sell any real estate owned as of the date of this Agreement or acquired thereafter, which real estate qualifies as "other real estate owned" under accounting principles applicable to it, except in the ordinary course of business and consistent with prudent banking practices and applicable banking laws and regulations;

(h) dispose of or permit to lapse any rights to the use of any material trademark, service mark, trade name or copyright, or dispose of or disclose to any person other than its employees any material trade secret not theretofore a matter of public knowledge;

(i) except as set forth in Section 2.10 of the Bank Disclosure

Schedule and except for regular non-officer salary increases granted in the ordinary course of business within the Bank's fiscal 1998 budget and consistent with prior practices, grant any increase in compensation or directors' fees, or pay or agree to pay or accrue any bonus or like benefit to or for the credit of any director, officer, employee or other person or enter into any employment, consulting or severance agreement or other agreement with any director, officer or employee, or adopt, amend or terminate any Employee Benefit Plan or change or modify the period of vesting or retirement age for any participant of such a plan;

(j) declare, pay or set aside for payment any dividend or other distribution or payment in respect of shares of its capital stock;

(k) except through settlement of indebtedness, foreclosure, the exercise of creditors' remedies or in a fiduciary capacity, acquire the capital stock or other equity securities or interest of any person;

(l) make any capital expenditure or a series of expenditures of a similar nature in excess of $5,000 individually or $10,000 in the aggregate;

(m) make any income tax or franchise tax election or settle or compromise any federal, state, local or foreign income tax or franchise tax liability, or, except in the ordinary course of business consistent with prudent banking practices, make any other tax election or settle or compromise any other federal, state, local or foreign tax liability;

(n) except for negotiations and discussions between the parties hereto relating to the transactions contemplated by this Agreement or as otherwise permitted hereunder, enter into any transaction, or enter into, modify or amend any contract or commitment other than in the ordinary course of business and consistent with prudent banking practices;

(o) except as contemplated by this Agreement, adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization, or other reorganization or business combination of the Bank;

(p) issue any certificates of deposit except in the ordinary course of business and in accordance with prudent banking practices;

(q) make any investments except in the ordinary course of business and in accordance with prudent banking practices;

(r) modify, amend, waive or extend either the Bank Loan Documents or any rights under such agreements;

(s) modify any outstanding loan, make any new loan, or acquire any loan participation, unless such modification, new loan, or participation is made in the ordinary course of business and in accordance with prudent banking practices;

(t) modify, amend, waive, make or extend any outstanding or new loans, contracts or commitments to any of the Bank's officers, directors or greater than 5% stockholders;

(u) sell or contract to sell any loans or investments;

(v) sell or contract to sell any part of the Bank premises;

(w) change any fiscal year or the length thereof;

(x) prepay in whole or in part any Non-Deposit Bank Indebtedness established after the date hereof; or

(y) intentionally take any action that would reasonably be expected to jeopardize or delay the receipt of any of the regulatory approvals required in order to consummate the transactions provided for in this Agreement; or

(z) take any action that would cause the transactions provided for in this Agreement and the Voting Agreement and Irrevocable Proxy to be subject to requirements imposed by Sections 607.0901 and 607.0902 of the FBCA, and the Bank shall take all necessary steps within its control to ensure continued exemption of the transactions provided for in this Agreement and the Voting Agreement and Irrevocable Proxy from, or if necessary challenge the validity or applicability of, Sections 607.0901 and 607.0902 of the FBCA.

(aa) enter into any agreement, understanding or commitment, written or oral, with any other person which is in any manner inconsistent with the obligations of the Bank and its directors under this Agreement or any related written agreement. Nothing contained in this Section 4.2 or in Section 4.1 is intended to influence the general management or overall operations of the Bank in a manner not permitted by applicable law and the provisions thereof shall automatically be reduced in compliance therewith.

ARTICLE 5

ADDITIONAL AGREEMENTS

5.1 Access To, and Information Concerning, Properties and Records. During the pendency of the transactions contemplated hereby, the Bank shall, to the extent permitted by law, give Purchaser, its legal counsel, accountants and other representatives full access, during normal business hours and on the weekends as scheduled in advance, to all of the Bank's properties, books,

contracts and records, permit Purchaser to make such inspections (including the surface and subsurface of any property and any structure thereon) as they may require and furnish to Purchaser during such period all such information concerning the Bank and its affairs as Purchaser may reasonably request. All information disclosed by the Bank to Purchaser which is confidential and which is not in the public domain shall be held confidential by Purchaser and its representatives, except to the extent counsel to Purchaser has advised it such information is required to or should be disclosed in filings with regulatory agencies or governmental authorities or in proxy materials delivered to shareholders of the Bank. In the event this Agreement is terminated for any reason, upon the written request of the Bank, Purchaser agrees to return to the Bank all copies of such confidential information, and this Section 5.1 shall survive such termination.

5.2 Filing of Regulatory Approvals. As soon as reasonably practicable, Purchaser and the Bank shall file all notices and applications to the OTS, FRB, FDIC and the Department which Purchaser deems necessary to complete the transactions contemplated herein. Purchaser will deliver to the Bank, and the Bank will deliver to Purchaser, copies of all such applications.

5.3 Miscellaneous Agreements and Consents. Subject to the terms and conditions of this Agreement, Purchaser and the Bank each agrees to use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective, as soon as practicable after the date hereof, the transactions contemplated by this Agreement.

5.4 Non-Deposit Bank Indebtedness. Prior to Closing, the Bank shall pay all regularly scheduled payments on all Non-Deposit Bank Indebtedness and shall cooperate with Purchaser in taking such actions as are reasonably necessary in connection with prepaying, modifying, satisfying or eliminating any Non-Deposit Bank Indebtedness for which a consent is required to effectuate this transactions but has not been so obtained.

5.5 Best Good Faith Efforts. All parties hereto agree that the parties will use their best good faith efforts to secure all third party and/or regulatory approvals necessary to consummate the transactions contemplated by this Agreement and to satisfy the other conditions to Closing contained herein.

5.6 Acquisition Proposals. The Bank will not, and will use its best efforts to cause its directors, officers, financial advisors, legal counsel, accountants and other representatives (for purposes of this Section 5.6, being referred to as "affiliates") not to initiate, solicit or encourage, directly or indirectly, or take any other action to facilitate any inquiries or the making of any proposal with respect to, engage or participate in negotiations

concerning, provide any nonpublic information or data to or have any discussions with any person other than a party hereto or their affiliates relating to any acquisition, tender offer, exchange offer, merger, consolidation, acquisition of beneficial ownership of or the right to vote securities of the Bank, dissolution, business combination, purchase of all or any significant portion of the assets of, or any equity interest in, such entity, or similar transaction other than the transactions contemplated by this Agreement (such proposals, etc. being referred to as "Acquisition Proposals"). The Bank will promptly notify Purchaser in writing of any such Acquisition Proposals (including the terms thereof and identify of the persons making such proposal) received and will furnish to Purchaser a copy of any written proposal.

5.7 Public Announcement. Subject to written advice of counsel with respect to legal requirements relating to public disclosure of matters related to the subject matter of this Agreement, the timing and content of any announcements, press releases or other public statements concerning the proposal contained herein will occur upon, and be determined by, the mutual consent of the Bank and Purchaser.

5.8 Environmental Investigation; Right to Terminate Agreement.

(a) Purchaser and its representatives shall have the right (but not the obligation) to inspect any Property, including, without limitation, for the purpose of conducting asbestos surveys and sampling, and other environmental assessments and investigations ("Environmental Inspections"). Purchaser' right to conduct Environmental Inspections shall be at Purchaser's expense and shall include the right to sample and analyze air, sediment, soil and groundwater of any Property. Purchaser may conduct such Environmental Inspections at any time prior to the Closing.

(b) The Bank shall give to Purchaser written notice of any Property it intends to acquire, lease, manage or control or in which the Bank intends to acquire a security interest between the date hereof and the Closing ("Interim Acquisition"). Such written notice shall be given to Purchaser within 5 business days of the date of an Interim Acquisition. Purchaser may conduct an Environmental Inspection of any such Property which is the subject of an Interim Acquisition at Purchaser's expense.

(c) Purchaser may terminate this Agreement if:

(i) the factual substance of any representation or warranty set forth in Section 2.23 is not true and accurate irrespective of the knowledge or lack of knowledge of the Bank;

(ii) the results of any Environmental Inspection, secondary investigation or other environmental survey are disapproved by Purchaser because the same identifies violations or potential violations of Environmental Laws;

(iii) any Environmental Inspection, secondary investigation or other environmental survey identifies any past or present event, condition or circumstance that, based on the estimates of the environmental professionals referred to in this Section 5.8, may require expenditures by the Bank in connection with (1) remediation or monitoring of any Controlled Property, (2) preparing and obtaining approval by the appropriate Environmental Regulatory Authority of remediation plans with respect to Controlled Properties, or (3) obtaining Remediation Estimates in connection with Collateral Properties;

(iv) it finds the presence of any underground or above ground storage tank in, on or under any Property (1) which has not been registered or which has not fully qualified for and met all conditions necessary to be entitled to applicable governmental remediation funds in the event a release of Polluting Substances were to occur from any such tank, (2) from which a release of any Polluting Substances has occurred or (3) which otherwise is in violation of an Environmental Law;

(v) it finds the presence of any asbestos containing material in, on or under any Controlled Property, the removal or monitoring of which would constitute a Material Adverse Effect or which may require expenditures by Bank; or

(vii) if Purchaser is not permitted to conduct an Environmental Inspection or secondary investigation of any Property within the time frame and in the manner provided in Section 5.8.

(d) The Bank agrees to make available to Purchaser and its consultants, agents and representatives all documents and other material relating to environmental conditions of the Property including, without limitation, the results of other environmental inspections and surveys. The Bank also agrees that all engineers and consultants who prepared or furnished such reports may discuss such reports and information with Purchaser and shall be entitled to certify the same in favor of Purchaser and its consultants, agents and representatives and make all other data available to Purchaser and its consultants, agents and representatives.

5.9 Proxies. The Bank acknowledges that all members of the Bank's Board of Directors who own Shares have agreed that they will vote the Shares owned by them in favor of this Agreement and the transactions contemplated hereby, subject to required regulatory approvals and the Bank's receipt of the Fairness Opinion referenced in Section 6.3(f) below, and that they will retain the right to vote such Shares during the term of this Agreement and have given Purchaser a proxy to so vote such Shares if they should fail to do so pursuant to the Voting Agreement and Irrevocable Proxy.

ARTICLE 6

CONDITIONS PRECEDENT

6.1 Conditions to Each Party's Obligation to Close. The respective obligations of each party to effect the Closing are subject to the satisfaction or waiver of the following conditions prior to the Closing Date:

(a) the receipt of all regulatory approvals required for the Closing (the "Regulatory Approvals"), including, but not limited to (i) the approval by the FRB of the formation of the Holding Company and (ii) the FDIC's and the Department's approval of the change in control of the Bank, which approvals shall not have imposed any condition or requirement which in the judgment of Purchaser would adversely impact the economic or business benefits of the transactions contemplated by this Agreement or otherwise would in the judgment of Purchaser be so burdensome as to render inadvisable the consummation of the Closing, and the expiration of any applicable waiting period with respect thereto;

(b) the Closing will not violate any injunction, order or decree of any court or governmental body having competent jurisdiction;

(c) the approval of the transactions contemplated by this Agreement by the Bank's shareholders entitled to vote at the Bank's Shareholders' Meeting;

(d) the Holding Company Plan and Holding Company Restructure shall have been completed; and

(e) the Registration Statement shall become effective, or the Bank shall have received an opinion of counsel that the Merger qualifies for an exemption from registration.

6.2 Conditions to the Purchaser's Obligation to Close. The obligations of Purchaser to effect the Closing are subject to the satisfaction or waiver of the following conditions prior to the Closing Date:

(a) all representations and warranties of the Bank shall be true and correct in all material respects as of the date hereof and at and as of the Closing, with the same force and effect as though made on and as of the Closing;

(b) the Bank shall have performed in all material respects all obligations and agreements and in all material respects complied with all covenants and conditions, contained in this Agreement to be performed or complied with by it prior to the Closing Date;

(c) there shall not have occurred a Material Adverse Effect

with respect to the Bank;

(d) the directors of the Bank shall have delivered to Purchaser an instrument dated the Closing Date releasing the Bank from any and all claims of such directors (except as to their deposits and accounts, their rights with respect to loan agreements with the Bank, and as to rights of indemnification pursuant to the Articles of Incorporation and Bylaws of the Bank, any directors and officers liability insurance policy, any specific indemnification agreement between the director and the Bank and as provided by statute) and all officers and directors shall have delivered to Purchaser their resignations from such positions with the Bank;

(e) the officers of the Bank identified on Section 6.2(e) of the Bank Disclosure Schedule shall have delivered to Purchaser an instrument dated the Closing Date releasing the Bank from any and all claims of such officers (except as to deposits and accounts, their rights with respect to loan agreements with the Bank, accrued compensation permitted by their respective agreements and any Severance Agreement listed on Section 2.14(c) of the Bank Disclosure Schedule, and rights of indemnification pursuant to the Articles of Incorporation and Bylaws of the Bank, any directors and officers liability insurance policy any specific indemnification agreement between the officer and the Bank and as provided by statute);

(f) Purchaser shall have received the opinion of counsel to the Bank in a form reasonably acceptable to Purchaser;

(g) the holders of no more than 20% of the shares of Bank Common Stock shall have demanded or be entitled to demand payment of the fair value of their shares as Dissenting Shareholders;

(h) at and as of the Closing, the net worth of the Bank shall be no less than $1,400,000 (assuming loan loss reserves, inclusive of both general and specific reserve accounts, of no less than $862,831), excluding any reductions to the net worth resulting from accounting entries made in accordance with Section 6.2(m) below;

(i) [intentionally left blank];

(j) there shall be no Non-Deposit Bank Indebtedness;

(k) the Bank shall have delivered to Purchaser a schedule of all transactions in the capital stock (or instruments exercisable for or convertible into capital stock) of the Bank of which the Bank has knowledge from and including the date of this Agreement through the Closing Date;

(l) Purchaser shall have reasonably determined, in its sole judgment, that the liabilities and obligations set forth in Section 4.1(k) do not have a Material Adverse Effect;

(m) the Bank shall have taken such write-downs of assets on its books, and accrued for other obligations specifically identified in accordance with GAAP, as mutually agreed to by the parties, provided that such write-downs and accruals shall have no effect on the net worth calculation described in Section 6.2(h) above except as otherwise agreed to by the parties;

(n) Purchaser shall have received certificates dated the Closing executed by the President of the Bank, and the Secretary or Cashier of the Bank, certifying in such reasonable detail as Purchaser may reasonably request, to the effect described in Sections 6.2(a), (b), (c), (g) and (j);

(o) the Bank shall have terminated the Partners Bank of Florida Employee Stock Ownership Plan (the "ESOP") and all Shares shall have been distributed to the beneficiaries thereof or arrangements acceptable to Purchaser shall be made to protect the Purchaser from any potential claims of the ESOP beneficiaries; and

(p) Purchaser shall have completed its due diligence review of the business, assets and liabilities of the Bank and shall not have notified the Bank that as a result of such due diligence investigation, Purchaser has not discovered anything that would give Purchaser the right to terminate this Agreement pursuant to Section 7.1 hereof.

6.3 Conditions to the Obligations of the Bank to Effect the Closing. The obligations of the Bank to effect the transactions contemplated by this Agreement and the Closing are subject to the satisfaction or waiver of the following conditions prior to the Closing Date:

(a) all representations and warranties of Purchaser shall be true and correct in all material respects as of the date hereof and at and as of the Closing, with the same force and effect as though made on and as of the Closing;

(b) Purchaser shall have performed in all material respects all obligations and agreements and in all material respects complied with all covenants and conditions contained in this Agreement to be performed by either of them prior to the Closing Date;

(c) the Bank shall have received the opinion of counsel to Purchaser in a form reasonably acceptable to the Bank;

(d) the Bank shall have received certificates dated the Closing, executed by an appropriate officer of Purchaser, certifying, in such detail as the Bank may reasonably request, to the effect described in Sections 6.3(a) and (b);

(e) there shall not have occurred a Material Adverse Effect with respect to Purchaser.

(f) The Bank shall have received from an independent financial advisor of its choice, prior to the mailing of the Information Statement, a letter setting forth such advisor's opinion (the "Fairness Opinion") confirming that the Merger Consideration to be received by the Bank's shareholders under the terms of this Agreement is fair to them from a financial point of view, and such opinion shall not have been withdrawn as of the Effective date.

ARTICLE 7

TERMINATION; AMENDMENT; WAIVER

7.1 Termination. Prior to the Closing Date, this Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time notwithstanding approval thereof by the shareholders of the Bank:

(a) by mutual written consent duly authorized by the Boards of Directors of Purchaser and the Bank; or

(b) by Purchaser (i) if there is an inaccuracy of any representation or warranty of the Bank contained in Article 2 which constitutes a Material Adverse Effect, and which inaccuracy is not cured after thirty days written notice by Purchaser, or (ii) if there shall have been a breach of Section 5.6 (pertaining to Acquisition Proposals); or

(c) by the Bank (i) if there is an inaccuracy of any representation or warranty of Purchaser contained in Article 3 which constitutes a Material Adverse Effect, and which inaccuracy is not cured after thirty days written notice by the Bank or (ii) Bank does not receive a Fairness Opinion that supports the Merger Consideration; or

(d) by either Purchaser or the Bank if the Closing Date shall not have occurred on or before August 31, 1999, or such later date agreed to in writing by Purchaser and the Bank; provided, however, that the right to terminate this Agreement pursuant to this Section 7.1(d) shall not be available to any party whose failure to fulfill any obligations under this Agreement has been the cause of, or resulted in the failure of the Closing to be consummated on or before such date; or

(e) by Purchaser or the Bank if any court of competent jurisdiction in the United States or other United States (federal or state) governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining, denying approval for or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling, denial or other action shall have become final and nonappealable; or

(f) by Purchaser if the Board of Directors of the Bank shall have withdrawn or modified in any manner its approval or recommendation of this Agreement, or shall have resolved to do the same; or

(g) by Purchaser in the event dissenters' rights are claimed by persons owning in the aggregate more than 20% of the issued and outstanding Bank Common Stock; or

(h) by either Purchaser or the Bank, in the event of a breach by the other party of any covenant, agreement, or obligation contained herein (exclusive of any representation or warranty), which breach constitutes a Material Adverse Effect and cannot be or has not been cured within 30 days after the giving of written notice to the party committing such breach; or

(i) by either Purchaser or the Bank, if the shareholders of the Bank fail to vote their approval of this Agreement and the transactions contemplated as required by the FFIC at the Shareholders' Meeting (or any adjournment thereof); or

(j) by Purchaser pursuant to Section 5.8(c) (pertaining to Environmental Compliance).

7.2 Effect of Termination. In the event of the termination and abandonment of this Agreement pursuant to Section 7.1 hereof, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party or its directors, officers or shareholders, other than pursuant to the provisions of Sections 1.13, 5.1, 7.2, 9.1 and 9.8.

7.3 Amendment. To the extent permitted by applicable law, this Agreement may be amended by action taken by or on behalf of the Board of Directors of the Bank and Purchaser at any time before or after adoption of this Agreement by the shareholders of the Bank but, after any submission of this Agreement to such shareholders for approval, no amendment shall be made which materially and adversely affects the rights of the Bank's shareholders without any required approval of such shareholders. This Agreement may not be amended except by a written instrument signed on behalf of all the parties.

7.4 Extension; Waiver. At any time prior to the Closing Date, the parties may (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document, certificate or writing delivered pursuant hereto, or (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of any party to any such extension or waiver shall be valid only if set forth in a written instrument signed by such party.

ARTICLE 8

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties contained in this Agreement shall not survive after the Closing Date unless the breaching party had actual knowledge of the inaccuracy of the representation and warranty when it was made or the breached representation or warranty resulted from the fraudulent act of the breaching party.

ARTICLE 9
MISCELLANEOUS

9.1 Expenses. Each party shall pay their respective costs and expenses incurred in connection with the transactions contemplated by this Agreement, including without limitation, filing fees, attorneys' fees, accountants' fees, other professional fees and costs related to expenses of officers and directors.

9.2 Brokers and Finders. Except for the payment of $50,000 payable to Kendrick, Pierce & Company, Inc. upon the Closing of this transaction, no third party may claim against Purchaser or the Bank for financial advisory fees, brokerage or commission fees, finder's fees or other like payment in connection with the consummation of the transactions contemplated hereby.

9.3 Entire Agreement; Assignment. This Agreement (a) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties or any of them with respect to the subject matter hereof, and (b) shall not be assigned by operation of law or otherwise, provided that Purchaser may assign its rights and obligations to the Holding Company or any wholly-owned subsidiary of Holding Company, but no such assignment shall relieve Purchaser of its obligations hereunder if such assignee does not perform such obligations.

9.4 Further Assurances. From time to time as and when requested by Purchaser or its successors or assigns, the Bank and the officers and directors of the Bank, shall execute and deliver such further agreements, documents, deeds, certificates and other instruments and shall take or cause to be taken such other actions, including those as shall be necessary to vest or perfect in or to confirm of record or otherwise the Bank's title to and possession of, all of its property, interests, assets, rights, privileges, immunities, powers, franchises and authority, as shall be reasonably necessary or advisable to carry out the purposes of and effect the transactions contemplated by this Agreement.

9.5 Enforcement of the Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the

provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

9.6 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

9.7 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered if delivered in person, by cable, telegram or telex or by telecopy; five business days after mailing if delivered by registered or certified mail (postage prepaid, return receipt requested); and two business days after sending if delivered by overnight courier; as follows:

if to Purchaser:

Manufacturers Bank of Florida
702 N. Franklin Street
Tampa, Florida 33601
Attention: Alfred T. Rogers, CEO

With a required copy to:

Mark T. Tate, Esq.
[same address as bank]

if to the Bank:

Partners Bank of Florida, FSB
1701 S. Dale Mabry Highway
Tampa, FL 33629
Attention: Donald R. Page, President and CEO

With a required copy to:

Jeremy P. Ross, Esq.
Bush Ross Gardner Warren & Rudy, P.A.
220 S. Franklin Street
Tampa, FL 33601-1288

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above (provided that notice of any change of address shall be effective only upon receipt thereof).

9.8 Governing Law. This Agreement shall be governed by and

construed in accordance with the laws of the State of Florida, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9.9 Descriptive Headings. The descriptive headings are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

9.10 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement is intended to confer upon any other person any rights or remedies of any nature by reason of this Agreement.

9.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

9.12 Incorporation by References. Any and all schedules, exhibits, annexes, statements, reports, certificates or other documents or instruments referred to herein or attached hereto are incorporated herein by reference hereto as though fully set forth at the point referred to in the Agreement.

9.13 Certain Definitions.

(a) "Affiliate" shall mean, with respect to any person, any person that, directly or indirectly, controls, is controlled by, or is under common control with, such person in question. For the purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with") as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract.

(b) [intentionally left blank]

(c) "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules, regulations, guidance documents, directives, and decisions, interpretations and orders of courts or administrative agencies or authorities, relating to the release, threatened release, recycling, use, handling, transportation treatment, storage, disposal, remediation, removal, inspection or monitoring of Polluting Substances or protection of human health or safety or the environment (including, without limitation, wildlife, air, surface water, ground water, land surface, and subsurface strata), including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, as amended ("SARA"), the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), Hazardous and Solid Waste Amendments of 1984, as amended ("HSWA"), the Hazardous Materials

Transportation Act, as amended ("HMTA"), the Toxic Substances Control Act ("TSCA"), Occupational Safety and Health Act ("OSHA"), Federal Water Pollution Control Act, Clean Air Act, and any and all regulations promulgated pursuant to any of the foregoing.

(d) "Knowledge" or "known" -- An individual shall be deemed to have "knowledge" of or to have "known" a particular fact if (i) such individual is actually aware of such fact or other matter, or, where such term is not expressly so limited, (ii) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the truth or existence of such fact or other matter. A corporation or bank shall be deemed to have "knowledge" of or to have "known" a particular fact or matter if any individual who is serving as a director of the corporation or bank, has, or at any time had, knowledge or actual knowledge, as applicable, of such fact or other matter.

(e) "Material Adverse Effect" shall mean any material adverse change in the financial condition, assets, liabilities, reserves (giving effect to the provisions of Section 6.2(h)), business or results of operations of the Bank or Purchaser, as applicable, from the date hereof through the Closing Date.

(f) "Polluting Substances" shall mean those substances included within the statutory or regulatory definitions, listings or descriptions of "pollutant," "contaminant," "toxic waste," "hazardous substance," "hazardous waste," "solid waste," or "regulated substance" pursuant to CERCLA, SARA, RCRA, HSWA, HMTA, TSCA, OSHA, and/or any other Environmental Laws, as amended, and shall include, without limitation, any material, waste or substance which is or contains explosives, radioactive materials, oil or any fraction thereof, asbestos, or formaldehyde. To the extent that the laws or regulations of the State of Florida establish a meaning for "hazardous substance," "hazardous waste," "hazardous materials," "solid waste," or "toxic waste," which is broader than that specified in any of CERCLA, SARA, RCRA, HSWA, HMTA, TSCA, OSHA or other Environmental Laws such broader meaning shall apply.

(g) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, discarding or abandoning.

(h) "Subsidiary" shall mean, when used with reference to an entity, any corporation, a majority of the outstanding voting securities of which are owned directly or indirectly by such entity or any partnership, joint venture or other enterprise in which any entity has, directly or indirectly, any equity interest.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed individually or on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

Attest:

Secretary EVP & CFO

PARTNERS BANK OF FLORIDA, FSB

By: _____
Donald R. Page, Chief Executive Officer

"Bank"

Attest:

Secretary

MANUFACTURERS BANK OF FLORIDA

By: _____
Alfred T. Rogers, Chief Executive Officer

"Purchaser"

_____
Richard Stowers

_____
H. Grady Sweat, Sr.

_____
Lawrence R. Hancock

_____
Donald R. Page

_____
Evelyn J. Williams Director

"Bank's Board of Directors"

Purchaser's Disclosure Schedule

Section 3.3 Photocopies of the audited comparative Purchaser Financial Statements for years ending December 31, 1996 and 1997 are attached hereto. Also attached is a photocopy of the unaudited Purchaser Financial Statements for the year ending December 31, 1998. The audited Purchaser Financial Statements showing the year ending December 31, 1998, will be delivered to the Bank within sixty (60) days following the date of this Agreement.

Section 3.4 None.

Section 3.10 As to litigation matters involving Purchaser, reference is made to the following attorney representation letters, photocopies of which were delivered to the Bank on March 2, 1999: i.e., letters from Larry E. Solomon, Esq., dated February 26, 1999, Shirley C. Arcuri, Esq., dated February 26, 1999, and Stephen R. Knerly, Esq., dated March 1, 1999.

Section 3.11 None.

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ARTICLES OF INCORPORATION
OF
MANUFACTURERS BANK OF FLORIDA

The Board of Directors, for the purpose of forming a corporation under and by virtue of the Laws of the State of Florida, hereby adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation shall be: MANUFACTURERS BANK OF FLORIDA and its main office shall be at 701 North Franklin Street, Tampa, Florida 33602 in the City of Tampa, in the County of Hillsborough and State of Florida.

ARTICLE II

The general nature of business to be transacted by this corporation shall be: That of a general banking business with all the rights, powers and privileges granted and conferred by the banking laws of the State of Florida, regulating the organization, powers and management of banking corporations.

ARTICLE III

The total number of shares of common stock to be authorized by the corporation shall be Three Million Four Hundred Thousand (3,400,000), the par value of which shall be One and 00/100 Dollars ($1.00) each.

ARTICLE IV

Each shareholder of this corporation shall have the first right to purchase shares (and securities convertible into shares) of any class, kind or series of stock in this corporation that may from time to time be issued (whether or not presently authorized), including shares from the treasury of this corporation, in the ratio that the number of shares he holds at the time of issue bears to the total number of shares outstanding, exclusive of treasury shares. This right shall be deemed waived by any shareholder who does not exercise it and pay for the shares pre-empted within thirty (30) days of receipt of a notice in writing from the corporation, stating the prices, terms and conditions of the issue of shares, and inviting him to exercise his pre-emptive rights. This right may also be waived

by affirmative written waiver submitted by the shareholder to the corporation within thirty (30) days of receipt of notice from the corporation.

ARTICLE V

The term for which said corporation shall exist shall be perpetual.

The business and affairs of this corporation shall be managed and conducted by a Board of not less than five (5) Directors who shall be elected annually by the stockholders at their annual meeting to be held during the first four months of each year after the corporation shall be fully authorized to commence business; provided, however, that if so authorized by a majority of the stockholders by appropriate action of the stockholders at the next preceding annual meeting, a majority of the full board of directors may, at any time during the year following the annual meeting of stockholders in which such action has been authorized, increase the number of directors within the limits specified above, and appoint persons to fill the resulting vacancies, provided further, that in any one year not more than two (2) such additional directors shall be authorized pursuant to this provision; and by a President, and one (1) or more Vice Presidents and a Cashier and such other officers as may be designated in the by-laws of the corporation, who shall be elected by the Board of Directors, at the same place, on the same day and immediately after said Board of Directors shall be elected by the stockholders; provided, that the offices of Vice President and Cashier may be combined in one and the same person.

ARTICLE VI

The names and addresses of the persons who currently serve on the Board of Directors are:

Name	Address
M. G. "Manny" Alvarez, Jr.	4603 Wishart Boulevard Tampa, FL 33603
Frank Agliano	45 Spanish Main Tampa, FL 33609
Anthony F. Gonzalez	11104 Winthrop Way Tampa, FL 33612

Name	Address
Constantino Gonzalez	2702 Aileen Tampa, FL 33607
Frank Lleneza	5122 San Jose Tampa, FL 33629
Luciano Prida, Jr.	5903 N. Rome Avenue Tampa, FL 33602
Alfred T. Rogers	2916 West Villa Rosa Park Tampa, FL 33611
Joseph V. Chillura	2904 West Villa Rosa Park Tampa, FL 33611
Velma-Jean Kato	6317 112th Avenue Tampa FL 33617

FIRST AMENDMENT TO
AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER ("First Amendment") is made this 27th day of May, 1999, by and among **Manufacturers Bank of Florida**, a Florida state chartered banking corporation ("Purchaser"), **Partners Bank of Florida, FSB**, a Federal stock savings association (the "Bank"), and the members of the Board of Directors of the Bank whose signatures appear on the signature page hereto (collectively, the "Directors").

WHEREAS, the parties entered into an Agreement and Plan of Merger dated March 4, 1999 (the "Agreement");

WHEREAS, on March 9, 1999, the Bank was served with a Summons and Complaint in connection with a law suit styled "Swissco Properties vs. Partners Bank of Florida, F.S.B. (the "Swissco Suit"); and

WHEREAS, in the Agreement the parties provided for an escrow of funds to cover certain Bank loss contingencies, and the parties now wish to amend the Agreement to include the Swissco Suit in such escrow arrangement.

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

1. Amendment. Subsection 1.14(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

1.14 Escrow of Holding Company Common Stock and Cash. (a) At the Closing, a portion of the cash and Holding Company Common Stock (valued at $14.50 per share for the calculation set forth below) that would otherwise be distributed to the Bank's shareholders in satisfaction of the Merger Consideration (collectively, the "Escrow Deposits") shall instead be delivered to Escrow Agent and held in accordance with this Section 1.14. The number of shares of Holding Company Common Stock and the amount of cash to be delivered as the Escrowed Deposits shall be determined based on the same ratio which $499,525 bears to the total value of the Merger Consideration.

As an example of this determination, assume (a) at Closing there are 2,251,000 outstanding Shares of Bank Common Stock, of which 29,785 Shares are owned by non-Florida residents, 503,200 Shares are owned by the remaining Bank shareholders who are not Directors (and who therefore have the option to take all cash in lieu of Holding Company Common Stock), and 1,718,015 Shares are owned by the Bank's Directors (who are required to take Holding Company Common Stock); (b) there are no Dissenting Shareholders; (c) every Bank shareholder having the option to receive cash instead of Holding Company Common Stock elects to take entirely

cash, (d) the number of shares of Holding Company Common Stock outstanding prior to Closing is 2,701,987; (e) the resulting number of shares of Holding Company Common Stock to be issued to the Bank's shareholders will equal approximately 78,955 (.045957 x 1,718,015); therefore (f) the value of the Holding Company Common Stock to be delivered as Merger Consideration will be **$1,144,847** (78,955 shares x $14.50), and the cash portion thereof will be approximately **$1,370,050** (i.e., [$1.12 x 532,985, or $596,943] plus [$.45 x 1,718,015, or $773,107], for an aggregate Merger Consideration value of approximately **$2,514,897.** Therefore, based on the above assumptions, approximately 19.86% ($499,525/$2,514,897) of the cash and Holding Company Common Stock to be delivered as Merger Consideration will instead be delivered and held as the Escrowed Deposits, consisting of approximately 15,683 shares of Holding Company Common Stock and approximately $272,121 cash.

The Escrowed Deposits shall be held, subject to the provisions of numbered clauses (2), (3) and (4) below, until the later to occur of: (i) termination of that action now pending in the Circuit Court for Hillsborough County, Florida styled and numbered Partners Bank of Florida, et.al., v. Eugene C. Langford and Marvin DeBerry, No. 98-06642(E) (the "DeBerry Suit") by dismissal, final judgment (for which all appeals have adjudicated or extinguished), or other disposition pursuant to which the Bank has no continuing duty to Eugene C. Langford and/or Marvin DeBerry, (ii) termination of the Swissco Suit by dismissal, final judgment (for which all appeals have been adjudicated or extinguished), or other disposition pursuant to which the Bank shall have no continuing duty to Swissco, or (iii) termination of the counterclaims brought against the Bank by Mr. Haugseth in connection with that action now pending styled Partners Bank of Florida, et.al., v. Roy M. Haugseth (the "Haugseth Counterclaims") by dismissal, final judgment (for which all appeals have adjudicated or extinguished), or other disposition pursuant to which the Bank has no continuing obligation concerning the Haugseth Counterclaims.

Upon the termination of this escrow, any Escrowed Deposits remaining in escrow shall be distributed prorata to the Bank's shareholders who receive Merger Consideration, provided that such Escrowed Deposits shall be reduced by the following adjustments (the "Adjustments"):

(1) If the Net Worth of the Bank is less than the minimum amount required by Section 6.2(h) as of the Closing Date the deficiency shall be treated as an Adjustment (the "Net Worth Adjustment"). The Net Worth Adjustment shall be determined within 60 days following the closing;

(2) All costs incurred by Purchaser or the Bank from and after the date of this Agreement in connection with the DeBerry Suit, including all defense costs and any final judgment or settlement expenses, attorneys fees and other associated costs, shall be treated as an Adjustment (the "DeBerry Adjustment"). The DeBerry Adjustment shall be determined within 30 days following the termination of the DeBerry Suit. If the DeBerry Adjustment is less than $125,000, then Escrowed Deposits representing the balance of $125,000 less the amount of the DeBerry Adjustment shall be released to the Bank's shareholders at the time Escrowed Deposits representing the DeBerry Adjustment are delivered to Purchaser;

(3) All costs incurred by Purchaser or the Bank from and after the date of this Agreement in connection with the Swissco Suit, including all defense costs and any final judgment or settlement expenses, attorneys fees and other associated costs, shall be treated as an Adjustment (the " Swissco Adjustment"). The Swissco Adjustment shall be determined within 30 days following the termination of the Swissco Suit. If the Swissco Adjustment is less than $125,000, then Escrowed Deposits representing the balance of $125,000 less the amount of the Swissco Adjustment shall be released to the Bank's shareholders at the time Escrowed Deposits representing the Swissco Adjustment are delivered to Purchaser;

(4) All costs incurred by Purchaser or the Bank after the date hereof in connection with the Haugseth Suit, including any final judgment or settlement expenses pertaining to the Haugseth Counterclaim, attorneys fees and other associated costs, shall be treated as an Adjustment (the "Haugseth Adjustment"). The Haugseth Adjustment shall be determined within 30 days following the termination of the Haugseth Counterclaims. If the Haugseth Adjustment is less than $125,000, then the Escrowed Deposits representing the balance of $125,000 less the amount of the Haugseth Adjustment shall be released to the Bank's shareholders at the time Escrowed Deposits representing the Haugseth Adjustment are delivered to Purchaser; provided that

(5) In no event shall the DeBerry Adjustment, the Swissco Adjustment or the Haugseth Adjustment be deemed to be limited to the sum of $125,000 as a result of clauses (2), (3) or (4) above.

After each event for which the above Adjustments are to be

determined (the "Adjustment Events"), the Escrowed Deposits to be delivered to the Bank's shareholders shall be reduced by, and the Escrow Agent shall deliver to Purchaser, escrowed cash and shares of Holding Company Common Stock having a value equal to such Adjustment, with the portion of such delivery to be paid in cash and in shares of Holding Company Common Stock being the same proportions in which they were delivered into escrow.

2. Effect of First Amendment. This First Amendment shall have the same effect as if included in the Agreement. In the case of any conflict between the terms of this First Amendment and the Agreement, the terms of this First Amendment shall control.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the date above written.

Attest:

Secretary

PARTNERS BANK OF FLORIDA, FSB

By: _____
Donald R. Page, Chief Executive Officer

"Bank"

Attest:

Secretary

MANUFACTURERS BANK OF FLORIDA

By: _____
Alfred T. Rogers, Chief Executive Officer

"Purchaser"

Richard Stowers

H. Grady Sweat, Sr.

Lawrence R. Hancock

Donald R. Page

Evelyn J. Williams

"Bank's Board of Directors"

3798A

CERTIFICATE AND REPORT
OF INSPECTOR OF ELECTION
FOR

PARTNERS BANK OF FLORIDA

SPECIAL MEETING OF SHAREHOLDERS

June 23, 1999

The undersigned duly appointed Inspector of Election of the Special Meeting of Shareholders of Partners Bank of Florida ("Partners Bank") does hereby certify that:

A Special Meeting of Shareholders ("Special Meeting") of Partners Bank was held at their main office, 1701 S. Dale Mabry Highway, Tampa, Florida, on June 23, 1999 at 4:00 p.m., Eastern Time.

There were 2,251,000 votes entitled to be cast at the Special Meeting, of which 1,500,253 represents at lease two thirds of the outstanding shares entitled to vote.

The undersigned inspected the signed proxies and ballots used at the Special Meeting and found the same to be in proper form. The following is a record of the votes cast as to the propositions, presented:

PROPOSAL. The approval of an Agreement and Plan of Merger whereby (i) whereby Partners will be merged into Manufacturers and Manufacturers will be the surviving corporation; and (ii) whereby each share of common stock of Partners outstanding at the time of the Merger will be converted into the right to receive the following, subject to certain escrowed consideration:

(i) $1.12 per share, if the holder of said share is neither a director of Partners nor a Florida resident, or if the holder is a Florida resident, but is not a director of Partners and elects to receive $1.12 per share; or

(ii) $.45 per share and 0.045957 shares of Bancshares Common Stock of Bancshares if the holder of said share is a director of Partners or a Florida resident who has not elected to receive $1.12 per share.

FOR	WITHHELD	AGAINST
1,883,996	0	0

Accordingly, the Proposal has received a favorable vote of at least two thirds of the outstanding votes eligible to be cast at the Special Meeting and is hereby duly adopted by the shareholders of Partners. There were zero dissenting shares.

I CERTIFY THIS TO BE A TRUE AND CORRECT COPY
BY _____ EVP
PARTNERS BANK OF FLORIDA

IN WITNESS WHEREOF, the undersigned executed and acknowledged this Certificate on this 23rd day of June, 1999.

Inspector of Election

Signed Executive Vice President Secretary

Evelyn J. Williams

Print or type name

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

On the 23rd day of June, 1999, before me personally appeared **Evelyn J. Williams** who is personally known to me and who executed the above Certificate and acknowledged to me that the same was duly executed.

NOTARY PUBLIC STATE OF FLORIDA
LISA E MASCARO
My Commission CC554994
Expires May. 15, 2000

(SEAL}

Lisa E Mascaro

Notary Public

LISA E. MASCARO

Name Typed or Printed

I CERTIFY THIS TO BE A TRUE AND CORRECT COPY
BY
PARTNERS BANK OF FLORIDA

PARTNERS BANK OF FLORIDA, FSB

TAMPA, FLORIDA

OATH OF INSPECTOR OF ELECTION

The undersigned Inspector of Election, having been appointed to act at the Special Meeting of Shareholders ("Special Meeting") of Partners Bank, held this 23rd day of June, 1999, do solemnly swear that I will fairly and to the best of my abilities perform my duties in connection with the matters to come before the Special meeting and all other matters required of me. Furthermore, I will faithfully and with strict impartiality examine and pass upon the validity fo the proxies submitted to the Board of Directors as the Bank's Proxy Committee, canvas the votes cast at such Special Meeting in person or by proxy, and truthfully and accurately report the results thereof.

Inspector of Election

Signed

Evelyn J. Williams

Print or type name Exec. Vice President Secretary

Sworn to and subscribed before me this 23 day of June, 1999, by Evelyn J. Williams, personally known to me.

NOTARY PUBLIC STATE OF FLORIDA
LISA E MASCARO
My Commission CC554994
Expires May. 15, 2000

Lisa E Mascaro

Notary Public

Lisa E. Mascaro

Name Typed or Printed

Expires: 5/15/2000

(SEAL)

I CERTIFY THIS TO BE A TRUE AND CORRECT COPY
BY
PARTNERS BANK OF FLORIDA

MANUFACTURERS BANCSHARES, INC.
SOLE SHAREHOLDER'S WRITTEN CONSENT TO ACTION

Manufacturers Bancshares, Inc. is the sole shareholder of Manufacturers Bank of Florida. Pursuant to Section 607.0704, *Florida Statutes*, the undersigned, Manufacturers Bancshares, Inc. hereby consents to and approves the following action:

The merger of Partners Bank of Florida, FSB ("Partners") with and into Manufacturers Bank of Florida ("Manufacturers Bank"), in accordance with an Agreement and Plan of Merger, dated March 4, 1999, by and among Partners Bank of Florida, FSB with and into Manufacturers Bank. Manufacturers Bank will be the surviving corporation in the merger. Each share of common stock of Partners outstanding at the time of the merger will be converted into the right to receive the following:

(1) $1.12 per share, if the holder of said share is neither a director of Partners nor a Florida Resident, or if the holder is a Florida Resident, but is not director of Partners and elects to receive $1.12 per share; and

(2) $.45 per share and 0.045957 shares of common stock of Manufacturers Bancshares, Inc. if the holder of said share is a Florida Resident and has not elected to receive $1.12 per share.

MANUFACTURERS BANCSHARES, INC.

M.G. Alvarez, Jr.
Chairman of the Board

Tampa, Florida
June 23, 1999