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**MERGER OR SHARE EXCHANGE****Merchant and Farmers Bank**

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ARTICLES OF MERGER

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

OF

TRI-COUNTY BANK,  
TRENTON, FLORIDA

AND

MERCHANTS AND FARMERS BANK,  
KOSCIUSKO, MISSISSIPPI

The undersigned corporations, Tri-County Bank, Trenton, Florida ("Tri-County"), and Merchants and Farmers Bank, Kosciusko, Mississippi ("M&F Bank"), file these Articles of Merger and certify that:

1. Tri-County, a Florida banking corporation, is hereby merged with and into M&F Bank, a Mississippi banking corporation, pursuant to a Stock Purchase Agreement and Plan of Merger dated as of July 13, 2006 (the "Agreement"), a copy of which is attached hereto, and in accordance with the provisions of the Florida Business Corporation Act and the Mississippi Business Corporation Act.
2. The surviving corporation is M&F Bank, a Mississippi banking corporation.
3. The merger shall be effective at 12:15 a.m. Central Standard Time on November 20, 2006.
4. The Agreement was approved by the Board of Directors and sole shareholder of M&F Bank on June 14, 2006.
5. The Agreement was approved by the Board of Directors and sole shareholder of Tri-County on July 10, 2006.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, M&F Bank and Tri-County have caused these Articles of Merger to be executed in their respective corporate names and on their behalf by the undersigned officers.

DATED: 11-14-2006

**MERCHANTS AND FARMERS BANK,  
KOSCIUSKO, MISSISSIPPI**



By: Scott M. Wiggers  
Its: President/COO

DATED: \_\_\_\_\_

**TRI-COUNTY BANK,  
TRENTON, FLORIDA**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, M&F Bank and Tri-County have caused these Articles of Merger to be executed in their respective corporate names and on their behalf by the undersigned officers.

DATED: \_\_\_\_\_

**MERCHANTS AND FARMERS BANK,  
KOSCIUSKO, MISSISSIPPI**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

DATED: 11-14-06

**TRI-COUNTY BANK,  
TRENTON, FLORIDA**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**STOCK PURCHASE AGREEMENT**  
**and**  
**PLAN OF MERGER**  
**by and among**  
**FIRST M&F CORPORATION,**  
**MERCHANTS AND FARMERS BANK,**  
**AMERIS BANCORP,**  
**TRI-COUNTY BANK**  
**and**  
**AMERICAN BANKING COMPANY**  
**dated as of**  
**July 13, 2006**

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## STOCK PURCHASE AGREEMENT AND PLAN OF MERGER

This Stock Purchase Agreement and Plan of Merger (the "Agreement") is dated as of the 13th day of July, 2006, by and among First M&F Corporation, a Mississippi corporation and a registered bank holding company headquartered in Kosciusko, Mississippi ("M&F"), Merchants and Farmers Bank, a Mississippi-chartered banking corporation headquartered in Kosciusko, Mississippi ("BANK"), Ameris Bancorp, a Georgia corporation and a registered bank holding company headquartered in Moultrie, Georgia ("Ameris"), Tri-County Bank, a Florida-chartered banking corporation headquartered in Trenton, Florida ("Tri-County"), and American Banking Company, a Georgia-chartered banking corporation headquartered in Moultrie, Georgia ("American"). M&F, BANK, Ameris, Tri-County, and American are individually referred to in this Agreement as a "Party" and collectively as the "Parties."

### WITNESSETH THAT:

WHEREAS, the respective Boards of Directors of M&F, BANK, Tri-County, and American deem it in their best interest, and in the interest of their respective shareholders, that the transactions contemplated hereby be undertaken in accordance with the terms hereof; and

WHEREAS, the Boards of Directors of M&F, BANK, Tri-County, and American have authorized the Agreement and the transactions contemplated by the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations, warranties, and agreements herein contained, the Parties agree as follows:

### ARTICLE I THE STOCK PURCHASE AND MERGER

#### Section 1.1 Consummation of Stock Purchase and Merger; Closing Date.

(a) On the terms and subject to the provisions hereof, American agrees to sell to M&F, and M&F agrees to purchase from American, all of the outstanding shares of Tri-County common stock (the "Shares") (which such purchase shall hereinafter be referred to as the "Stock Purchase"). Immediately after the Stock Purchase, Tri-County shall be merged with and into BANK (which shall hereinafter be referred to as the "Merger") pursuant to the banking laws of the State of Mississippi and the State of Florida, and BANK shall be the surviving corporation (sometimes hereinafter referred to as "Surviving Bank" when reference is made to it after the Effective Time of the Merger (as defined below)).

(b) The closing of the Stock Purchase and the Merger (the "Closing") shall take place at 6:00 p.m. Eastern Time on the day that the Effective Time of the Merger occurs (the "Closing Date"), at the offices of Miller, Hamilton, Snider & Odom, L.L.C., One Commerce Street, Suite 305, Montgomery, Alabama, 36104, or such other time and place as the Parties may agree. Subject to the provisions of this Agreement, at the Closing there shall be delivered to each of the Parties hereto the opinions, certificates and other documents and instruments required to be so delivered pursuant to this Agreement. The Closing Date shall be mutually agreed upon by M&F and American with 10 days' notice to the other Parties and shall take place within 30

days of the satisfaction of all of the Parties' conditions to their respective obligations in this Agreement. At the Closing, the Merger shall take place immediately following the consummation of the Stock Purchase (the "Effective Time of the Stock Purchase") if all of the following have occurred: (i) all required Consents (as defined below) of any Regulatory Authority (as defined below) having authority over the transactions contemplated pursuant to this Agreement have been received and any applicable waiting period has expired; (ii) BANK's shareholder has approved the transactions contemplated by this Agreement, if necessary; (iii) Tri-County's shareholder has approved the transactions contemplated by this Agreement; and (iv) all other conditions precedent to the transactions contemplated by this Agreement have been satisfied or waived. As used in this Agreement, "Consent" shall mean a consent, approval, authorization, waiver, clearance, exemption or similar affirmation by any person pursuant to any contract, permit, law, regulation or order, and "Regulatory Authorities" shall mean, collectively, the Florida Office of Financial Regulation, the Mississippi Department of Banking and Consumer Finance, the Board of Governors of the Federal Reserve System (the "FRB"), the Federal Deposit Insurance Corporation (the "FDIC") and any other state and federal regulatory agencies having jurisdiction over the Parties (each a "Regulatory Authority").

(c) The effective time of the Merger shall be the time of the filing of the articles of merger with the Mississippi Secretary of State or at such later time as may be specified therein (the "Effective Time of the Merger").

(d) Immediately after the Effective Time of the Merger, the Florida branch office(s) of the Surviving Bank shall be (i) the Subject Office (as defined below) and (ii) such location as may be designated by BANK prior to the Closing (the "Branch Office"). In addition to any other Consents that Tri-County is required to obtain hereunder, Tri-County shall seek the Consents necessary to establish the Branch Office upon the request of and as designated by BANK.

## Section 1.2 Effect of Merger.

(a) At the Effective Time of the Merger, Tri-County shall be merged with and into BANK and the separate existence of Tri-County shall cease. The Articles of Incorporation and Bylaws of BANK, as in effect on the date hereof and as otherwise amended prior to the Effective Time of the Merger, shall be the Articles of Incorporation and Bylaws of the Surviving Bank until further amended as provided therein and in accordance with applicable law. The Surviving Bank shall continue to be a Mississippi-chartered banking corporation. Except as otherwise provided in this Agreement, the Surviving Bank shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a banking corporation organized under the laws of the State of Mississippi and shall thereupon and thereafter possess all other privileges, immunities and franchises of a private, as well as of a public nature, of each of the constituent corporations. All property (real, personal and mixed) and all debts on whatever account, including subscriptions to shares, and all choses in action, all and every other interest, of or belonging to or due to each of the constituent corporations so merged shall be taken and deemed to be transferred to and vested in the Surviving Bank without further act or deed. The title to any real estate, or any interest therein, vested in any of the constituent corporations shall not revert or be in any way impaired by reason of the Merger.



(b) Subject to the provisions hereof, as of the Effective Time of the Merger and by virtue of the Merger and without any further action on the part of any Party, the shares of the constituent corporations shall be converted as follows:

(i) Each share of capital stock of BANK outstanding immediately prior to the Effective Time of the Merger shall, after the Effective Time of the Merger, remain outstanding and unchanged and thereafter shall constitute all of the issued and outstanding shares of capital stock of the Surviving Bank; and

(ii) Each share of common stock of Tri-County shall be canceled and retired and no consideration shall be paid or delivered in exchange therefor.

#### Section 1.3 Directors and Officers.

From and after the Effective Time of the Merger, the directors of the Surviving Bank and the officers of the Surviving Bank shall consist of the individuals serving as directors and officers of BANK immediately prior to the Effective Time of the Merger.

#### Section 1.4 Name of Surviving Bank.

The name of the Surviving Bank shall be Merchants and Farmers Bank.

#### Section 1.5 American Transaction.

(a) BANK acknowledges that prior to the Effective Time of the Merger:

(i) Ameris will make a capital contribution to American of 100% of the Shares.

(ii) Tri-County will transfer to American, by dividend or otherwise, all of its assets, except those assets that will be set forth on the balance sheet of Tri-County in Schedule 1.5(a) hereto, as amended or adjusted by mutual agreement of the Parties, reduced to writing, prior to Closing (the "New Tri-County Balance Sheet"), and will assign to American, and American will assume, all liabilities of Tri-County other than those set forth on the New Tri-County Balance Sheet. The Parties acknowledge that the New Tri-County Balance Sheet as initially attached hereto as Schedule 1.5(a) is merely an approximation and will be amended and adjusted by the Parties prior to the Closing, but the Parties do not anticipate that it will change materially. The assets transferred to American shall include all of Tri-County's rights to the name "Tri-County Bank," Tri-County's ABA routing numbers, Tri-County's goodwill, Tri-County's federal wire numbers and all outstanding shares of the capital stock of Tri-County Holding Company, Inc. Tri-County and BANK will deliver to American limited powers of attorney, in form acceptable to BANK in its reasonable discretion, authorizing American to perform such acts and execute and deliver such documents as may be necessary or helpful in transferring such property, interests, assets, rights, privileges, immunities, powers, franchises and authority of Tri-County (excluding the assets set forth on the New Tri-County Balance Sheet) to

American or to pay such taxes or fees that American has agreed to pay on behalf of Tri-County pursuant to this Agreement after the Closing.

The transactions described in (i) – (ii) above will hereinafter collectively be referred to as the “American Transaction.” Tri-County, as its assets and liabilities are structured following the American Transaction (sometimes hereinafter referred to as “New Tri-County”), will be the entity the stock of which will be sold to M&F, which will then consummate the Merger with BANK. The Parties acknowledge that the terms “Tri-County” and “New Tri-County” refer to the same corporate entity. The Parties acknowledge that the New Tri-County Balance Sheet as initially attached hereto is intended as a reasonable approximation of the financial condition of New Tri-County as of the Effective Time of the Merger. All references in this Agreement to Tri-County in the context of the Effective Time of the Merger shall be deemed to be references to New Tri-County.

(b) BANK and Tri-County acknowledge and agree that the only assets and liabilities that shall remain in New Tri-County after the American Transaction are those that will be set forth in the New Tri-County Balance Sheet, such assets and liabilities contained therein being referred to as “Included Assets” and “Retained Liabilities” and, in the event that assets or liabilities other than the Included Assets or Retained Liabilities inadvertently remain in the possession or title of New Tri-County at the Effective Time of the Merger, BANK shall execute and deliver to American any and all such further instruments of conveyance, assignment and transfer and take such other actions as American may reasonably request to deliver title and possession to American of such assets, and for American to assume such liabilities, as were inadvertently retained by New Tri-County. At the Closing, BANK and Tri-County will execute and deliver to American a limited power of attorney, in form acceptable to BANK in its reasonable discretion, granting American the authority to make such conveyances, assignments and transfers as contemplated by this paragraph.

#### Section 1.6 Main Office.

Immediately prior to the Effective Time of the Merger, the principal office of New Tri-County shall be its main office located at 530 East Wade Street, Trenton, Florida 32693 (the “Subject Office”).

#### Section 1.7 Tender of Stock Certificate(s).

In connection with the Stock Purchase, American shall tender to M&F the Tri-County stock certificate(s) representing its ownership of the Shares previously held by Ameris and then contributed to American. Such certificates shall be endorsed in blank, or shall be tendered with an appropriate stock power.

#### Section 1.8 Purchase Price.

(a) Upon the purchase of the Shares as contemplated in Section 1.7 hereof, M&F shall make a cash payment to American equal to the sum of (1) the Book Value of New

Tri-County (as defined below), plus (2) One Million Twenty-Five Thousand Dollars (\$1,025,000) (the "Purchase Price").

(b) For purposes of this Agreement, Book Value shall be determined as follows: Book Value shall be equal to Stockholders' Equity as set forth on the New Tri-County Balance Sheet, as of the Closing Date.

(c) At the Closing, M&F shall deliver to American the Purchase Price in immediately available funds, net of the payments owed by American to M&F pursuant to the Branch Purchase and Deposit Assumption Agreement between BANK and American of even date herewith (the "P&A Agreement"). The Parties acknowledge that the actual funds to be transferred will be the net sum of One Million Twenty-Five Thousand Dollars (\$1,025,000).

## **ARTICLE II REPRESENTATIONS AND WARRANTIES OF BANK AND M&F**

### **Section 2.1 Representations and Warranties of BANK and M&F.**

BANK and M&F, respectively, represent and warrant to American and Tri-County that the statements contained in this Article II are correct and complete as of the date of this Agreement and shall be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article II), except representations and warranties which are confined to a specified date shall speak (i) only as of such date or (ii) as expressly provided for in this Agreement. "Material Adverse Effect" on a Party shall mean an event, change, or occurrence which, individually or together with any other event, change, or occurrence, has a material adverse impact on (i) the financial position, business, or results of operations of such Party and its subsidiaries, taken as a whole, or (ii) the ability of such Party to perform its obligations under this Agreement or to consummate the Merger or the other transactions contemplated by this Agreement ((i) and (ii) together, as to such Party, its "Condition"), provided that "Material Adverse Effect" shall not be deemed to include the impact of (a) changes in banking and similar laws of general applicability or interpretations thereof by courts or governmental authorities, (b) changes in GAAP or regulatory accounting principles generally applicable to banks, savings associations, and their holding companies, (c) actions and omissions of a Party (or any of its subsidiaries) taken with the prior informed written consent of the other Party in contemplation of the transactions contemplated hereby and (d) changes attributable to or resulting from changes in general economic conditions generally affecting financial institutions including changes in interest rates. For purposes of this Agreement, the term "Knowledge" when used with respect to any Party means the actual knowledge of the Chief Executive Officer, President, Chief Financial Officer, or Chief Accounting Officer of that Party.

#### **(a) Organization, Qualification, and Corporate Power.**

(i) BANK is a Mississippi-chartered banking corporation duly organized, validly existing, and in good standing under the laws of the State of Mississippi. BANK is duly authorized to engage in the business of banking as an insured bank under the Federal Deposit Insurance Act, as amended (the "FDIA"). BANK is duly authorized to conduct

business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification except where the lack of such qualification would not have a Material Adverse Effect on the Condition of BANK. BANK has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. BANK has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of BANK.

(ii) M&F is a corporation duly organized, validly existing, and in good standing under the laws of the State of Mississippi. M&F is duly authorized as a bank holding company under the Bank Holding Company Act, as amended. M&F is duly authorized to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification except where the lack of such qualification would not have a Material Adverse Effect on its Condition. M&F has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. M&F has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of M&F.

(b) Authorization of Transaction. BANK and M&F have full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform their obligations hereunder; provided, however, that BANK and M&F cannot consummate the Stock Purchase or the Merger unless and until all requisite approvals are received from the Regulatory Authorities and the approval of the shareholder of BANK has been obtained. Subject to the foregoing sentence, (i) this Agreement has been duly executed and delivered by BANK and M&F and subject to the due authorization, execution and delivery by the other Parties hereto, this Agreement constitutes a valid and binding agreement of BANK and M&F, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (ii) the performance by BANK and M&F of their obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of BANK and M&F, and (iii) the Boards of Directors of BANK and M&F have approved the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, neither BANK nor M&F needs to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of BANK.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the P&A Agreement) (i) subject to the receipt of the approvals contemplated in Section 2.1(b) above, will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any government, governmental agency, or court to which BANK or M&F is subject or any provision of the Articles of Incorporation or Bylaws of BANK or M&F respectively, or (ii) with the passing of time or the giving of notice or both, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest (as defined below), or other obligation to which BANK or M&F is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets) except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the Condition of BANK or M&F or, at the Effective Time of the Merger, would not create or otherwise result in a lien or other encumbrance in any amount on the Included Assets or Retained Liabilities. For purposes of this Agreement, the term "Security Interest" means any mortgage, pledge, security interest, encumbrance, charge, or other lien, other than (a) mechanics, materialmen, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) liens arising under workers compensation, unemployment insurance, social security, retirement, and similar legislation, (d) liens on goods in transit incurred pursuant to documentary letters of credit, (e) purchase money liens and liens securing rental payments under capital lease arrangements, and (f) other liens arising in the Ordinary Course of Business (as defined below) and not incurred in connection with the borrowing of money. For purposes of this Agreement, the term "Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

(d) Compliance with Laws.

(i) Each of BANK and M&F is in compliance in all respects with all laws, regulations, reporting and licensing requirements and orders applicable to its business or to its employees conducting its business, with any orders from, agreements with, memoranda of understanding or resolutions pertaining to any Regulatory Authority applicable to such party, except where the breach or violation of any of which, individually or in the aggregate, would not have a Material Adverse Effect on the Condition of BANK or M&F, as the case may be.

(ii) Neither BANK nor M&F is subject to any written communication directed specifically to it from any Regulatory Authority to which it is subject or pursuant to which such Regulatory Authority has imposed or has indicated it may impose any material restrictions on the operations of it or the business conducted by it or in which such Regulatory Authority has raised any material question concerning the condition, financial or otherwise, except where such restriction or question would not lead to a Material Adverse Effect on the Condition of BANK or M&F or their ability to consummate the transactions contemplated herein.

(e) Legal Proceedings. There are no actions, suits or proceedings instituted or pending or, to the Knowledge of BANK or M&F, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a reasonable probability of an unfavorable outcome) against BANK or M&F, or against any property, asset, interest or right of BANK or M&F, that have a reasonable probability either individually or in the aggregate of having a Material Adverse Effect on the Condition of BANK or M&F.

(f) Regulatory Filings. All documents that BANK or M&F is responsible for filing with any Regulatory Authority in connection with the transactions contemplated by the Agreement will comply as to form and substance in all material respects with the provisions of applicable law.

(g) Brokers' Fees. Neither BANK, nor any of its officers, directors or employees, nor M&F, nor any of its affiliates, officers, directors or employees, has or will have any liability or obligation to pay any fees or commissions to, or has or will have employed, any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(h) Reports. Since December 31, 2005, BANK has filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Regulatory Authority. Each such report and statement, including the financial statements, exhibits and schedules thereto, at the time of filing thereof complied in all material respects with the laws and rules and regulations applicable to it and did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) Statements True and Correct. No representation or warranty made by BANK or M&F in this Agreement, no written statement or certificate included in an Exhibit or Schedule by BANK or M&F in connection with this Agreement, and no written statement or certificate to be furnished by BANK or M&F to American or Tri-County pursuant to this Agreement contains any untrue or misleading statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. All documents that either BANK or M&F is responsible for filing with any Regulatory Authority in connection with the Merger will comply as to form and substance in all material respects with the provisions of applicable law.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF AMERICAN AND NEW TRI-COUNTY**

#### **Section 3.1 Representations and Warranties of American and New Tri-County.**

American, Tri-County and New Tri-County, respectively, represent and warrant to BANK and M&F that the statements contained in this Article III are, as to American and Tri-County, correct and complete in all material respects as of the date of this Agreement and, in respect of New Tri-County and American, shall be correct and complete (in all material respects with respect to American) as of the Closing Date (as though made then and as though the

Closing Date were substituted for the date of this Agreement throughout this Article III), except representations and warranties which are confined to a specified date shall speak (i) only as of such date or (ii) as otherwise expressly contemplated by this Agreement. All representations made as to facts concerning Tri-County are made by Tri-County and American. All representations made as to facts concerning American are made by American. All representations made as to facts concerning New Tri-County (including representations and warranties as to facts concerning Tri-County as of the Closing Date) are made by American and New Tri-County.

(a) Organization, Qualification, and Corporate Power.

(i) At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New Tri-County will be a Florida banking corporation, chartered as a commercial bank under the authority of Chapter 658, Florida Statutes, duly organized, validly existing, and in good standing under the laws of the State of Florida. At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New Tri-County will be duly authorized to engage in its business in Florida as an insured depository institution under the FDIA. New Tri-County will be duly authorized to conduct business and will be in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties will require such qualification, except where the lack of such qualification would not have a Material Adverse Effect on its Condition. At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New Tri-County will have full corporate power and authority to carry on the business in which it will be engaged and to own and use the properties owned and used by it. New Tri-County will have in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as conducted on the Closing Date (including the business of a commercial bank chartered by the State of Florida with the right to accept deposits, open branches, and otherwise engage in banking business), the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of New Tri-County.

(ii) American is a Georgia-chartered banking corporation, duly authorized to engage in its business in Georgia. American is duly authorized to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification, except where the lack of such qualification would not have a Material Adverse Effect on its Condition. American has full corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it. American has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of American.

(b) Capitalization. The authorized capital stock of New Tri-County at the Effective Time of the Stock Purchase and the Effective Time of the Merger will consist of 250,000 shares of voting common stock, \$16.00 par value per share, 75,000 shares of which are issued and outstanding. There will be no other classes of capital stock of New Tri-County

authorized at the Effective Time of the Stock Purchase and the Effective Time of the Merger. New Tri-County will hold no shares as treasury stock at the Effective Time of the Stock Purchase and the Effective Time of the Merger. All of the issued and outstanding shares will have been duly authorized and will be validly issued, fully paid and nonassessable at the Effective Time of the Stock Purchase and the Effective Time of the Merger. None of the outstanding shares at the Effective Time of the Stock Purchase and the Effective Time of the Merger will have been issued in violation of any preemptive rights of the current or past stockholders of New Tri-County. At the Effective Time of the Stock Purchase and the Effective Time of the Merger, there will be no outstanding or authorized options, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights, or other agreements or commitments to which New Tri-County will be a party or which will be binding upon New Tri-County or, to the Knowledge of American, any other party providing for the issuance, voting, transfer, disposition, or acquisition of any of the capital stock of New Tri-County. There will be no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to New Tri-County at the Effective Time of the Stock Purchase and the Effective Time of the Merger.

(c) **New Tri-County Subsidiaries.** New Tri-County will have no subsidiaries at the Effective Time of the Stock Purchase and the Effective Time of the Merger.

(d) **Authorization of Transaction.**

(i) Tri-County has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that New Tri-County cannot consummate the Merger unless and until all requisite Consents are received from the Regulatory Authorities and the approval of American, as New Tri-County's sole shareholder. Subject to the foregoing sentence, (A) this Agreement has been duly executed and delivered by American and Tri-County and, subject to the due authorization, execution and delivery by the other Parties hereto, this Agreement will constitute the valid and binding agreement of American and Tri-County, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (B) the performance by Tri-County of its obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of Tri-County, and (C) the Tri-County Board of Directors will have authorized and ratified the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, New Tri-County will not need to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of New Tri-County.

(ii) American has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that American cannot consummate the American Transaction or



the Stock Purchase unless and until all requisite approvals are received from the Regulatory Authorities. Subject to the foregoing sentence, (A) this Agreement has been duly executed and delivered by American and, subject to the due authorization, execution and delivery of the other Parties hereto, this Agreement constitutes a valid and binding agreement of American, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (B) the performance by American of its obligations under this Agreement and the performance by Tri-County of its obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of American, and (C) the Board of Directors of American has authorized the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, American does not need to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of American.

(e) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the P&A Agreement), (i) subject to the receipt of the approvals contemplated in Section 3.1(d) above, will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any government, governmental agency, or court to which New Tri-County will be subject or any provision of the Articles of Incorporation or Bylaws of New Tri-County or American or (ii) with the passing of time or the giving of notice or both, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest, or other obligation to which New Tri-County or American is or will be a party or by which either is or will be bound or to which any of its respective assets is or will be subject (or result in the imposition of any Security Interest upon any of its respective assets), except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the Conditions of New Tri-County or American.

(f) Undisclosed Liabilities. At the Effective Time of the Stock Purchase and continuing until the Effective Time of the Merger, New Tri-County will have no liability (whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes (as defined below), except for liabilities accrued or reserved against in the New Tri-County Balance Sheet.

(g) Brokers' Fees. Neither New Tri-County, nor any of its officers, directors or employees, nor American nor any of its affiliates, officers, directors or employees, has or will have any liability or obligation to pay any fees or commissions to, or has or will have employed, any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(h) Taxes.

(i) For purposes of this Agreement, "Tax" or "Taxes" shall mean any federal, state, local or foreign net or gross income, gross receipts, license, franchise, capital, capital stock, intangibles, services, payroll, employment, excise, severance, stamp, occupation, premium (including taxes under § 59A of the Code (as defined below)), customs duties, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, due or accrued as of the Effective Time of the Merger or assessed during the statutes of limitations period which relates to the time prior to the Effective Time of the Merger, or other Tax, governmental fee or like assessment or charge of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, imposed by any governmental entity or other Tax authority or arising under any Tax law or agreement, including any joint venture or partnership agreement.

(ii) For purposes of this Agreement, "Tax Return" shall mean any return, declaration, report, claim for refund, form, or information or return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

(iii) For purposes of this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(iv) (A) Tri-County and any affiliated group, within the meaning of Section 1504(a) of the Code or combined or unitary groups, of which Tri-County is or has been a member has filed, will file or will cause to be filed in a timely manner (within any applicable extension periods) all Tax Returns required to be filed by the Code or by applicable state, local or foreign Tax laws; (B) all Taxes required on such Tax Returns have been timely paid in full or will be timely paid in full by the due date thereof; (C) to Tri-County's Knowledge, all such Tax Returns (insofar as they relate to the activities or income of Tri-County) are true, correct and complete; (D) no adjustment relating to such Tax Returns (insofar as they relate to the activities or income of Tri-County) has been proposed formally or, to Tri-County's Knowledge, informally by any governmental entity or Tax authority, and, to Tri-County's Knowledge, no basis exists for any such adjustment; (E) there is no pending or, to Tri-County's Knowledge, threatened investigation, audit, examination, deficiency, action or proceeding for the assessment or collection of any Taxes against Tri-County, or any corporation that was included in the filing of a Tax Return with Tri-County on a consolidated, unitary or other combined basis (other than any state or local Tax Return filed by any member of the consolidated group of which Tri-County is a member for purposes of federal taxes, which is not filed on a consolidated, unitary or other combined basis with Tri-County); and (F) all Taxes which Tri-County in respect of Tri-County is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid to the proper governmental entity or taxing authority, or are being withheld by Tri-County.

(v) There are no outstanding agreements or waivers extending the statutory period of limitation for assessment or collection of Tax applicable to any Tax Return required to be filed with respect to Tri-County, and neither Tri-County, nor any affiliated group, within the meaning of Section 1504(a) of the Code, of which Tri-County is or has been a

member has requested any extension of time within which to file any Tax Return, which return has not yet been filed.

(vi) Tri-County has adequate reserves for any Taxes due or to become due for any taxable period, whether arising prior to, on or after the Merger.

(vii) Deferred Taxes of Tri-County have been provided for in accordance with GAAP, subject in the case of interim financial statements to normal recurring year-end adjustments.

(i) Assets. On the Closing Date, New Tri-County will have good title free and clear of all material liens, encumbrances, charges, defaults or equities of whatever character to all of the respective properties and assets, tangible or intangible which will remain as assets of New Tri-County, reflected in the New Tri-County Balance Sheet, except for liens disclosed in such New Tri-County Balance Sheet. Other than as reflected on the New Tri-County Balance Sheet, and except for rights under a sublease from American for the Subject Office, at the Effective Time of the Merger, Tri-County shall own no buildings, fixtures, equipment or other property and assets. At the effective time of the closing of the transactions under the P&A Agreement, any sublease from American for the Subject Office shall terminate.

(j) Material Contracts. New Tri-County as of the Effective Time of the Merger will not be a party to, or be bound or affected by, or receive benefits under, any of the following (whether written or oral and excluding agreements for the extension of credit or deposit accounts held by New Tri-County made in the Ordinary Course of Business): (i) any employment agreement or understanding (including any understandings or obligations with respect to severance or termination pay liabilities or fringe benefits) with any present or former officer, director, or employee, including in any such person's capacity as a consultant (other than those which are terminable at will without any further amount being payable thereunder), (ii) any other agreement with any officer, director, employee, or affiliate, (iii) any agreement with any labor union, (iv) any agreement which limits the ability of New Tri-County to compete in any line of business or which involves any restriction of the geographical area in which New Tri-County may carry on its business (other than as may be required by law or applicable Regulatory Authorities), or (v) any agreement, contract, arrangement or commitment.

(k) Material Contract Defaults. On the Closing Date, New Tri-County will not be in default, and neither New Tri-County nor American has received any written notice nor has any Knowledge that any other party is in default in any material respect, under any material contract, lease, sublease, license, franchise, permit, indenture, agreement, or mortgage for borrowed money, or instrument of indebtedness relating to New Tri-County (except, as to the foregoing, extensions of credit by New Tri-County in the Ordinary Course of Business), and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

(l) Compliance with Laws.

(i) As of the Closing Date, New Tri-County will be in compliance in all respects with all laws, regulations, reporting and licensing requirements and orders applicable

to its business or to its employees conducting its business, with any regulatory agreements applicable to Tri-County, and with its internal policies and procedures, except where, in the opinion of counsel after discussions with applicable Regulatory Authorities and disclosure to BANK, the breach or violation of any of which, individually or in the aggregate, would not have a Material Adverse Effect on the Condition of New Tri-County or its ability to consummate the transactions contemplated herein.

(ii) Neither American nor New Tri-County has received any written notification or communication from any Regulatory Authorities asserting that New Tri-County is subject to any written communication directed specifically to it from any Regulatory Authority to which it is subject or pursuant to which such Regulatory Authority has imposed or has indicated it may impose any material restrictions on the operations of it or the business conducted by it or in which such Regulatory Authority has raised any material question concerning the condition, financial or otherwise, except where such restriction or question would not lead to a Material Adverse Effect on the Condition of New Tri-County or its ability to consummate the transactions contemplated herein.

(m) Legal Proceedings. To the Knowledge of American, there are no actions, suits or proceedings instituted or pending or, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a reasonable probability of an unfavorable outcome) against New Tri-County, or against any property, asset, interest or right of New Tri-County that American will not be required to defend and indemnify BANK and M&F with respect to pursuant to Section 5.1(i) of this Agreement.

(n) Reports. Since December 31, 2005, Tri-County has filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Regulatory Authority. Each such report and statement, including the financial statements, exhibits and schedules thereto, at the time of filing thereof complied in all material respects with the laws and rules and regulations applicable to it and did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(o) Statements True and Correct. No representation or warranty made by American or New Tri-County in this Agreement, no written statement or certificate included in an Exhibit or Schedule by American or New Tri-County in connection with this Agreement, and no written statement or certificate to be furnished by New Tri-County or American to BANK pursuant to this Agreement contains any untrue or misleading statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. All documents that either American or Tri-County is responsible for filing with any Regulatory Authority in connection with the Merger will comply as to form and substance in all material respects with the provisions of applicable law.

(p) Labor Matters.

(i) At the Effective time of the Stock Purchase and the Effective Time of the Merger, New Tri-County will not be a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor will New Tri-County be the subject of any material proceeding asserting that Tri-County has committed an unfair labor practice or seeking to compel it to bargain with any labor organization as to wages or conditions of employment nor is there any strike or other labor dispute involving Tri-County pending or, to American's Knowledge, threatened, nor are there any grievances outstanding against Tri-County under any collective bargaining agreement or any Tri-County contract, any of which would have, individually or in the aggregate, a Material Adverse Effect on the Condition of New Tri-County.

(ii) At the Effective Time of the Stock Purchase and the Effective Time of the Merger, New Tri-County will be in compliance with all applicable laws relating to employment of labor, including those related to wages, hours, collective bargaining and the payment and withholding of taxes and other sums as required by the appropriate governmental authority, and will have withheld and paid to the appropriate governmental authority or is holding for payment not yet due to such governmental authority all amounts required to be withheld from employees of Tri-County and will not be liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing. New Tri-County will have paid in full to all employees or adequately accrued for in accordance with GAAP consistently applied all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees and there is no claim with respect to payment of wages, salary or overtime pay that has been asserted or is now pending or, to American's Knowledge, threatened before any governmental authority with respect to any person currently or formerly employed by Tri-County. There is no charge of discrimination in employment or employment practices, for any reason, including age, gender, race, religion or other legally protected category, which has been asserted or is now pending or, to American's Knowledge, threatened with respect to Tri-County before the United States Equal Employment Opportunity Commission, or any other governmental authority in any jurisdiction in which Tri-County has employed or currently employs any person.

(q) Ownership of Shares. American represents and warrants that, at the time of its sale of the Shares to M&F as contemplated by Section 1.7 hereof, it will be the sole owner of the Shares, that the Shares will constitute all of the issued and outstanding capital stock of Tri-County, and that the Shares will not have been pledged, encumbered, or otherwise transferred in any way.

(r) Regulatory Filings. All documents that American or Tri-County is responsible for filing with any Regulatory Authority in connection with the transactions contemplated by the Agreement will comply as to form and substance in all material respects with the provisions of applicable law.

## ARTICLE IV TAX MATTERS

### Section 4.1 Tax Indemnity.

(a) Except as provided herein, American (the "Indemnifying Party") shall indemnify and hold BANK, M&F, Tri-County and their affiliates and each of their respective officers, directors, employees, stockholders, agents, and representatives (the "Buyer Indemnitees") harmless from and against the following Taxes: (i) Taxes imposed on any member of any affiliated, consolidated, unitary or other combined group with which Tri-County or Ameris files or has filed a Tax Return in any taxable period ending on, prior to or after the Merger on a consolidated, unitary or other combined basis; and (ii) Taxes imposed on BANK or Tri-County attributable to (A) a breach of a warranty or representation set forth in Section 3.1(h); (B) a breach of obligations or covenants of American or Tri-County set forth in this Agreement; or (C) any sales and use taxes imposed in connection with this Agreement and the transactions contemplated hereunder, including the Merger and the American Transaction (including any penalties, interest and additions to such tax).

Without limiting the generality of the foregoing, except as provided herein, BANK shall not assume, or in any way be liable or responsible for, any liabilities, commitments or obligations of Tri-County or American with respect to Tri-County, whether on the basis of joint and/or several liability, of any kind or nature whatsoever in respect of Taxes, known or unknown, accrued, fixed, contingent or otherwise, liquidated or unliquidated, choate or inchoate, due or to become due, regardless of whether they arise prior to, on or after the Merger.

(b) For purposes of this Section 4.1, the Indemnifying Party shall indemnify the Buyer Indemnitees for any and all reasonable out-of-pocket costs and expenses (including reasonable fees for attorneys and other outside consultants) reasonably incurred in connection with any Tax liability including costs incurred in connection with contesting any such liability for which the Indemnifying Party is liable under this Article IV.

(c) A Party wishing to claim indemnification under this section shall promptly notify the Indemnifying Party of the event giving rise to an indemnification right hereunder, but the failure to notify shall not relieve the Indemnifying Party of any liability it may have to such Buyer Indemnitee, except to the extent that the same materially prejudices the Indemnifying Party. In the event of any legal action (whether arising before or after the Effective Time) in connection with which there is an indemnification right hereunder, (A) the Indemnifying Party shall have the right to assume the defense thereof through counsel reasonably satisfactory to the Buyer Indemnitee, and the Indemnifying Party shall not be liable to such Buyer Indemnitee for any legal expenses of other counsel or any other expenses subsequently incurred by such Buyer Indemnitee in connection with the defense thereof, except that if the Indemnifying Party elects not to assume such defense, or counsel for the Buyer Indemnitee advises that there are issues which raise conflicts of interest between the Indemnifying Party and the Buyer Indemnitee, the Buyer Indemnitee may retain counsel which is reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the Buyer Indemnitee (which may not exceed one firm in any jurisdiction unless the use of one counsel for such Buyer Indemnitee would

present such counsel with a conflict of interest), (B) the Buyer Indemnitee will cooperate in the defense of any such matter including the production of records and proper personnel to provide testimony, and (C) the Indemnifying Party shall not be liable for any settlement effected without its prior written consent (such consent not to be unreasonably withheld or delayed). Notwithstanding the above, in the event that the Indemnifying Party elects not to assume such defense, the Buyer Indemnitee may call upon the Indemnifying Party to pay or compromise said claim in accordance with its obligations as set forth in Section 4.1 of this Agreement.

**Section 4.2    Miscellaneous.**

(a)    The Parties agree to treat all payments made under this Article IV and under any other indemnity provision contained in this Agreement as adjustments to the Purchase Price for tax purposes and that such treatment shall govern for purposes hereof except to the extent that the laws of a particular jurisdiction provide otherwise, in which case such payments shall be made in an amount sufficient to indemnify the relevant Party on a net after-tax basis.

(b)    The covenants and obligations of American and Tri-County under this Article IV, and the representations and warranties of American and Tri-County set forth in Section 3.1(h) hereof, shall survive the Merger and shall remain in full force and effect until 90 days after the expiration of all statutes of limitations on assessment or collection of Tax.

(c)    For purposes of this Article IV, all references to American, Tri-County, BANK, M&F and their affiliates include successors thereto.

**ARTICLE V  
COVENANTS AND AGREEMENTS**

**Section 5.1    Covenants.**

The Parties agree as follows with respect to the period from and after the execution of this Agreement until the earlier of the consummation of the transactions contemplated by this Agreement or the termination of this Agreement:

(a)    Current Information. During the period from the date of this Agreement to the Effective Time of the Merger, American, Tri-County, BANK, and M&F shall, and shall cause their representatives to, confer on a regular and frequent basis with representatives of the other Parties.

(b)    Access to and Review of Information. American, Tri-County, BANK, and M&F shall furnish promptly to the other Parties (i) copies of all filings made with any Regulatory Authorities or other governmental authorities in connection with the transactions contemplated by this Agreement, as it relates to the Stock Purchase, the Merger, the American Transaction and the P&A Agreement, and copies of all written communications received from such Regulatory Authorities and governmental authorities related thereto (other than correspondence and filings that by applicable law cannot be disclosed), and (ii) all other information relevant to the transactions contemplated by this Agreement, as it relates to the Stock Purchase, the Merger, the American Transaction and the P&A Agreement, concerning such Party's business, properties and personnel as the other Party may reasonably request,

including reports of condition filed with Regulatory Authorities; provided, however, that notwithstanding anything else in this Section 5.1(b) to the contrary, BANK and M&F shall have no obligation to provide, and shall not provide, to American or Tri-County, any information relating to the shareholders of M&F, including any financial information pertaining to such shareholders, regardless of whether such shareholders are also directors and/or officers of BANK or M&F and regardless of whether such information is included in any filings made in connection with the transactions contemplated by this Agreement. Each Party shall use any information gained in connection with the transactions contemplated by this Agreement only for the purposes contemplated by this Agreement and shall treat as confidential all information obtained by such Party hereunder or in connection herewith and not otherwise known to such Party. If this Agreement is terminated prior to the Effective Time, all documents in the possession of either Party hereto concerning the other Party obtained from the Party shall be promptly returned to the other Party.

(c) Regulatory Matters and Approvals.

(i) Bank Regulatory Matters. BANK, M&F, American and Tri-County, as appropriate, shall cause to be promptly prepared and filed with the appropriate Regulatory Authorities applications for their approval of the American Transaction, the Stock Purchase and the Merger; and with any other Regulatory Authority having jurisdiction any other notices or applications for approvals or Consents which may be necessary for the consummation of the transactions contemplated by this Agreement. Each Party shall use commercially reasonable efforts to take or cause to be taken all actions necessary for such applications and notices to be approved and shall provide the others with copies of all correspondence and notices to or from such agencies concerning such applications and notices. Commercially reasonable efforts shall include cooperation with another Party in its efforts to file an application or notice. No Consent obtained which is necessary to consummate the transactions contemplated by this Agreement shall be conditioned or restricted in a manner which in the reasonable judgment of a Party would (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of American, Tri-County, BANK, or the Surviving Bank, or (B) render consummation of the Merger unduly burdensome; provided, that such Party has used its reasonable efforts (it being understood that such reasonable efforts shall not include the threatening or commencement of any litigation) to cause such conditions or restrictions to be removed or modified as appropriate.

(ii) Other Governmental Matters. Subject to the last sentence of Section 5.1(c)(i), each of the Parties shall take any additional commercially reasonable action that may be necessary, proper, or advisable in connection with any other notice to, filings with, and authorizations, consents, and approvals of governments and governmental agencies that it may be required to give, make or obtain in connection with the transactions contemplated by this Agreement.

(d) Government Filings. BANK, M&F, Tri-County and American shall file all reports, applications and other documents required to be filed with the appropriate bank regulators between the date hereof and the Effective Time of the Merger and shall make available to the other Party copies of all such reports promptly after the same are filed; provided, however, that notwithstanding anything else in this Section 5.1(d) to the contrary, BANK and



M&F shall have no obligation to provide, and shall not provide, to American or Tri-County, any information relating to the shareholders of M&F, including any financial information pertaining to such shareholders, regardless of whether such shareholders are also directors and/or officers of BANK or M&F and regardless of whether such information is included in any filings made in connection with the transactions contemplated by this Agreement.

(e) Notice of Material Adverse Developments. BANK, M&F, Tri-County and American shall give prompt written notice to the other Parties of any Material Adverse Effect on its Condition, or any material adverse development affecting the assets, liabilities, business, financial condition, operations, results of operations, or future prospects of such Party taken as a whole, including (i) any material change in its business or operations, (ii) any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) of any Regulatory Authority, (iii) the institution or the threat of material litigation involving such Party, or (iv) any event or condition that might be reasonably expected to cause any of such Party's representations and warranties set forth herein not to be true and correct in all material respects as of the Closing Date. Each Party shall also give prompt written notice to each other Party of any other material adverse development affecting the ability of such Party to consummate the transactions contemplated by this Agreement. Any such notices shall be accompanied by copies of any and all pertinent documents, correspondence and similar papers relevant to a complete understanding of such material adverse development, which shall be promptly updated as necessary. Each Party shall have 20 business days after any other Party gives any written notice pursuant to this Section 5.1(e) within which to exercise any right it may have to terminate this Agreement pursuant to Section 7.1(a)(ii) or (iii) below by reason of the material adverse development. Unless one of the Parties terminates this Agreement within the aforementioned period, the written notice of a material development shall be deemed to have amended the schedules to this Agreement, to have qualified the representations and warranties contained herein, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the material adverse development.

(f) Filings with the Offices. Upon the terms and subject to the conditions of this Agreement, the Parties shall execute and file any and all documents necessary in connection with the Stock Purchase and the Merger for filing with any Federal and state offices.

(g) Press Releases. No Party shall issue any press release or other public disclosure of matters related to this Agreement without the prior consent of every other Party, and each Party shall consult with the others as to the form and substance of any press release or other public disclosure materially related to this Agreement, the Stock Purchase, the Merger or any other transaction contemplated hereby; provided, however, that any Party may make any press release or other public disclosure it believes in good faith is required by law or regulation (e.g., public notices associated with regulatory filings) and the announcing Party shall give the other Parties advance notice of such required public disclosure and provide a copy of the proposed release, statement or announcement to the other Parties.

(h) Miscellaneous Agreements and Consents. Subject to the terms and conditions of this Agreement, each of the Parties hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make

effective the transactions contemplated by this Agreement as expeditiously as reasonably practicable, including using their respective commercially reasonable best efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby. Each Party shall use commercially reasonable efforts to obtain all approvals and Consents of all third parties and Regulatory Authorities necessary or, in the reasonable opinion of any Party, desirable for the consummation of the transactions contemplated by this Agreement. No Consent obtained which is necessary to consummate the transactions contemplated by this Agreement shall be conditioned or restricted in a manner which in the reasonable judgment of a Party would (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of the Surviving Bank, or (B) render consummation of the Stock Purchase, the Merger or the American Transaction unduly burdensome, provided that such Party has used its reasonable efforts (it being understood that such reasonable efforts shall not include the threatening or commencement of any litigation) to cause such conditions or restrictions to be removed or modified as appropriate.

(i) Indemnification.

(i) From the date of this Agreement until the Effective Time, each of American, Tri-County, BANK and M&F shall indemnify and hold harmless the other Parties and their respective affiliates against all costs arising out of or incurred in connection with: (A) a breach of any representation or warranty made by such Party in this Agreement or in any certificate or document furnished pursuant hereto by such Party; (B) a breach or nonfulfillment of any covenant or agreement made by such Party in or pursuant to this Agreement or any other agreement to which such Party is or is to become a party; or (C) any untrue or misleading statement of a material fact contained in any regulatory filing prepared in connection with the Stock Purchase or the Merger, or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not untrue or misleading; provided, however, that no Party shall be liable to the extent that any costs arise out of or are based solely on any untrue or misleading statement or omission or alleged untrue or misleading statement or omission made in reliance upon and in conformity with written information furnished to it, by or on behalf of another Party.

(ii) After the Effective Time of the Merger, American shall indemnify, defend and hold harmless BANK, M&F and their officers, directors, employees and agents (each, an "Indemnified Party") from and against any and all demands, claims, allegations, assertions, actions or causes of action, assessments, losses, damages, deficiencies, liabilities, costs and expenses including reasonable legal fees, interest, penalties, and all reasonable amounts paid in investigation, defense or settlement of any of the foregoing, asserted against, imposed upon, resulting to, required to be paid by, or incurred by any Indemnified Party, directly or indirectly, in connection with, arising out of, which could result in, or which would not have occurred but for, the transactions contemplated by this Agreement, including (A) a breach of any representation or warranty made by American or New Tri-County in this Agreement or in any certificate or document furnished pursuant hereto by American or New Tri-County, (B) a breach or nonfulfillment of any covenant or agreement made by American or New Tri-County in or pursuant to this Agreement or any other agreement to which New Tri-County is or is to become a party, and (C) any Covered Liability. For purposes of this Agreement, the term "Covered Liability" refers to any liability of New Tri-County, whether due or to become due, whether

known or unknown, whether accrued, absolute, contingent or otherwise, existing on the Effective Time of the Merger or arising out of any transactions entered into, or any state of facts existing prior to the Effective Time of the Merger, including any liability of Surviving Bank as successor by merger to Tri-County.

(iii) Any Party indemnified pursuant to this Agreement is referred to herein as an "Indemnified Party," and the party obligated to provide the Indemnified Party with indemnification is referred to as an "Indemnifying Party." Any Indemnified Party wishing to claim indemnification under this section shall promptly notify the Indemnifying Party of the event giving rise to an indemnification right hereunder, but the failure to notify shall not relieve the Indemnifying Party of any liability it may have to such Indemnified Party, except to the extent that the same materially prejudices the Indemnifying Party. In the event of any legal action (whether arising before or after the Effective Time) in connection with which there is an indemnification right hereunder, (A) the Indemnifying Party shall have the right to assume the defense thereof through counsel reasonably satisfactory to the Indemnified Party, and the Indemnifying Party shall not be liable to such Indemnified Party for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, except that if the Indemnifying Party elects not to assume such defense or counsel for the Indemnified Party advises that there are issues which raise conflicts of interests between the Indemnifying Party and the Indemnified Party, the Indemnified Party may retain counsel which is reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the Indemnified Party (which may not exceed one firm in any jurisdiction unless the use of one counsel for such Indemnified Party would present such counsel with a conflict of interest), (B) the Indemnified Party will cooperate in the defense of any such matter including the provision of records and proper personnel to provide testimony, and (C) the Indemnifying Party shall not be liable for any settlement effected without its prior written consent (such consent not to be unreasonably withheld or delayed). Notwithstanding the above, in the event that the Indemnifying Party elects not to assume such defense, the Indemnified Party may call upon the Indemnifying Party to pay or compromise said claim in accordance with its obligations as set forth in Sections 5.1(i)(i) and (ii) of this Agreement.

(j) Employee Non-Solicitation and Noncompetition.

(i) BANK and M&F agree and covenant not to solicit for employment, recruit or hire away American's Florida employees for one year following the Closing; provided, however, that, notwithstanding the foregoing, BANK or M&F may employ any person who makes an unsolicited approach to BANK or M&F regarding employment or any person who responds to BANK or M&F's general solicitations in the ordinary course of business and consistent with past practice.

(ii) Neither M&F nor BANK shall control, own or operate a bank branch or loan production office within any of Leon, Wakulla or Gilchrist Counties, Florida for a period beginning with the Effective Time of the Merger and ending two (2) years thereafter in the case of Leon and Wakulla Counties, Florida and one (1) year thereafter in the case of Gilchrist County, Florida.

(k) Tax Election. Upon the closing of the Stock Purchase, American and M&F agree to make the election available under Section 338(h)(10) of the Code, to treat the Stock Purchase under Section 1.7 hereof as an asset sale, and to execute and deliver to one another election forms specifying the allocation of the Purchase Price provided in Section 1.8 hereof.

**ARTICLE VI  
CONDITIONS TO THE OBLIGATIONS  
OF BANK, AMERICAN AND NEW TRI-COUNTY**

**Section 6.1 Conditions to Obligation to Close.**

(a) Conditions to Obligation of New Tri-County and American. The respective obligations of American and New Tri-County to consummate the transactions to be performed by it in connection with the Closing are subject to satisfaction of the following conditions:

(i) The Parties shall have procured all Consents specified in Section 5.1(c) above, including all necessary consents, authorizations and approvals of Regulatory Authorities, which shall not contain provisions which (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of BANK, American, New Tri-County or the Surviving Bank, or (B) render consummation of the American Transaction, the Stock Purchase or the Merger unduly burdensome, in each case as determined in the reasonable discretion of American or New Tri-County;

(ii) The representations and warranties set forth in Article II above shall be true and correct in all material respects at and as of the Closing Date;

(iii) Each of M&F and BANK shall have performed and complied in all material respects with all its covenants required to be complied with hereunder through the Closing;

(iv) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction, or charge could (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right after the Effective Time of the Merger of the Surviving Bank to own, operate, or control substantially all of the assets and operations of BANK and/or Tri-County (and no such judgment, order, decree, stipulation, injunction, or charge shall be in effect);

(v) BANK shall have delivered to New Tri-County a certificate to the effect that each of the conditions specified above in Section 6.1(a)(i) through (iv) is satisfied in all respects;

(vi) None of the events set forth in Section 7.1(a)(iii) shall have occurred;

(vii) American and Tri-County shall have obtained all third party consents or waivers necessary to effect the Stock Purchase, the Merger and the P&A Agreement; and

(viii) There shall not be any change in any applicable state or federal law or regulation which, in the judgment of American, would so materially and adversely impact the economic benefits of the American Transaction, the Stock Purchase or the Merger so as to render inadvisable the consummation of the transactions contemplated by this Agreement.

American and Tri-County may waive any condition specified in this Section 6.1(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of BANK and M&F. The obligations of BANK and M&F to consummate the transactions to be performed by them in connection with the Closing are subject to satisfaction of the following conditions:

(i) The Parties shall have procured all of the third party approvals, authorizations and consents specified in Section 5.1(c) above, including all necessary consents, authorizations and approvals of Regulatory Authorities, which shall not contain provisions which (A) impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of New Tri-County, M&F or the Surviving Bank, or (B) render consummation of the Merger unduly burdensome, in each case as determined in the reasonable discretion of BANK and M&F;

(ii) The representations and warranties set forth in Article III above shall be true and correct in all material respects at and as of the Closing Date;

(iii) American and New Tri-County shall have performed and complied in all material respects with all their covenants required to be complied with hereunder through the Closing;

(iv) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction, or charge could (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right after the Effective Time of the Merger of the Surviving Bank, to own, operate, or control substantially all of the assets and operations of BANK and/or New Tri-County (and no such judgment, order, decree, stipulation, injunction or charge shall be in effect);

(v) The American Transaction shall have been completed;

(vi) American and New Tri-County shall have delivered to BANK a certificate to the effect that each of the conditions specified above in Section 6.1(b)(i)-(v) is satisfied in all respects;

(vii) BANK and M&F shall have obtained all third party consents or waivers necessary to effect the Stock Purchase, the Merger and the P&A Agreement; and

(viii) There shall not be any change in any applicable state or federal law or regulation or circumstances have arisen which, in the sole discretion and good faith of BANK, would so materially and adversely impact the economic benefits of the Merger so as to render inadvisable the consummation of the transactions contemplated by this Agreement. A change in federal or state law that would permit BANK to establish a *de novo* branch in the State of Florida shall be deemed to satisfy this condition.

BANK and M&F may waive any condition specified in this Section 6.1(b) if it executes a writing so stating at or prior to the Closing.

## ARTICLE VII TERMINATION

### Section 7.1 Termination.

(a) Termination of Agreement. Any of the Parties may terminate this Agreement as provided below:

(i) The Parties may terminate this Agreement by mutual written consent at any time prior to the Effective Time of the Merger;

(ii) American or New Tri-County may terminate this Agreement by giving written notice to BANK and M&F at any time prior to the Effective Time of the Merger in the event BANK or M&F is in breach, and BANK or M&F may terminate this Agreement by giving written notice to American and New Tri-County at any time prior to the Effective Time of the Merger in the event American or New Tri-County is in breach, of any representation, warranty, or covenant contained in this Agreement in any material respect. Each Party shall have the right to cure any such breach, if such breach is capable of being cured, within 30 days after receipt of written notice of such breach or within any such longer period mutually agreed to in writing by the Parties hereto.

(iii) American shall be entitled to terminate this Agreement if: (A) Ameris's independent auditors or other recognized tax counsel refuse to provide to Ameris an opinion reasonably satisfactory in form and content to Ameris, that the American Transaction, the Stock Purchase and/or the Merger will constitute (exclusive of the amounts paid to Ameris pursuant to Sections 1.8 hereof) a reorganization under Section 368(a) of the Code or will qualify under Sections 351 and 332 of the Code; or (B) the American Transaction, the Stock Purchase, the Merger and/or the transactions contemplated by the P&A Agreement are not consummated on or before the later of December 31, 2006 or sixty (60) days from the date Ameris is legally authorized to effect the American Transaction.

(iv) BANK, M&F, American and New Tri-County each may terminate this Agreement by giving written notice to the other Parties at any time after the denial, and any final appeal or rehearing thereof (or if any denial by such authority is not appealed within the time limit for appeal), of any approval from a Regulatory Authority necessary to permit the Parties to consummate the Merger and the transactions contemplated by this Agreement or if any Consent shall be conditioned or restricted in the manner provided in Section 6.1(a)(i) or Section 6.1(b)(i), as appropriate.

(v) BANK may terminate this Agreement if the transactions contemplated by this Agreement are not consummated on or before December 31, 2006.

(b) Effect of Termination. If any Party terminates this Agreement pursuant to Section 7.1(a) above, all obligations of all Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach); provided, however, that the confidentiality provisions contained in Section 5.1(b) above and the expense provisions in 8.1(k) below shall survive any such termination.

#### ARTICLE VIII MISCELLANEOUS

##### Section 8.1 Miscellaneous.

(a) Survival. None of the representations, warranties, and covenants of the Parties shall survive the Effective Time of the Merger, other than the representations and warranties of American and New Tri-County set forth in Section 3.1(h), (i), (j), (k), (o), and (p) and the provisions in Sections 4.1 and 5.1(i)(ii) above concerning indemnification and the provision in Section 5.1(k) (regarding the Section 338(h)(10) election), each of which shall survive the Effective Time of the Merger; provided, however, that nothing in this Section 8.1(a) shall be deemed to require any such representations and warranties in Section 3.1(h), (i), (j), (k), (o), or (p) to be made or deemed to be made as of any date other than such date or dates as provided under such provisions without giving effect to this Section 8.1(a).

(b) No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that the provisions in Sections 4.1 and 5.1(i) above concerning indemnification are intended for the benefit of the individuals specified and their respective legal representatives.

(c) Entire Agreement. This Agreement (including the P&A Agreement and the other documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, that may have related in any way to the subject matter hereof.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Neither Party may assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Executed counterparts may be delivered by facsimile transmission.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, delivered by facsimile transmission (with confirmation by mail), or mailed (airmail if international) by first class, registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to New Tri-County,

Tri-County or American: Mr. Dennis J. Zember Jr.  
Executive Vice President & Chief Financial Officer  
Ameris Bancorp  
24 Second Avenue SE  
Moultrie, Georgia 31768  
Tel: 229.890.1111  
Fax: 229.890.2235

with a copy to:

Steven E. Fox, Esq.  
Rogers & Hardin LLP  
229 Peachtree Street NE  
2700 International Tower  
Atlanta, Georgia 30303  
Tel: 404.522.4700  
Fax: 404.525.2224

If to BANK  
or M&F:

Mr. Hugh S. Potts, Jr.  
Chairman & Chief Executive Officer  
First M&F Corporation  
134 W. Washington  
Kosciusko, Mississippi 39090  
Tel: 662.289.5121  
Fax: 662.289.8754

with a copy to:

Hugh C. Nickson, III, Esq.  
Miller, Hamilton, Snider & Odom, LLC  
1 Commerce Street, Suite 305  
Montgomery, Alabama 36104  
Tel: 334.834.5550  
Fax: 334.265.4533

or to such other address as any Party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (a) on the date delivered if by hand delivery; (b) on the date of transmission with confirmed answer back if by facsimile; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, or three business days after being mailed, as the case may be, if mailed.



(h) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to principles of conflict of laws.

(i) Amendments and Waivers. To the extent permitted by law, the Parties may amend any provision of this Agreement at any time prior to the Effective Time of the Merger by a subsequent writing signed by each of the Parties; provided, however, that after approval of this Agreement by a Party's shareholders, there shall be made no amendment that adversely affects the economic value of the Merger to, or any other material right of, such shareholders without their further approval. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. The provisions of this Agreement are not severable but instead comprise the terms of various interrelated transactions, and in the absence or unenforceability of any significant provision of which, the Parties would not enter into this Agreement. Accordingly, if any court of competent jurisdiction determines in a final judgment that any significant provision of this Agreement is invalid or unenforceable, the Party which was the beneficiary of such invalid provision may, at its option, declare by notice this entire Agreement void ab initio and the Parties shall return any consideration or property received by it to the other so as to restore, as closely as possible, each Party to the status it held prior to the execution of this Agreement insofar as the subject matter hereof, and each Party shall bear its own expenses incurred in connection herewith.

(k) Expenses. Each Party shall bear its own expenses in connection with the negotiation and execution of this Agreement and the implementation and effectiveness of the Stock Purchase and the Merger. Notwithstanding the foregoing, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that action or proceeding, in addition to any other relief to which such Party or Parties may be entitled. Attorneys' fees shall include paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing Party.

(l) Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Party. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. As used herein, (i) the conjunction "and/or" means one or the other or both, or any one or more or all, of the things and individuals or entities with respect to which the conjunction is used; and (ii) the words "include," "includes" and

"including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation."

(m) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

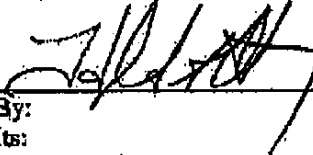
(n) Remedies Cumulative. Except as otherwise expressly provided herein, no remedy herein conferred upon any Party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or by statute or otherwise. No single or partial exercise by any Party of any right, power or remedy hereunder shall preclude any other or further exercise thereof.

(o) Corporate Capacity. This Agreement and all documents executed at closing or executed by the Parties are or will be executed solely in corporate capacity, and by acceptance thereof all claims for damages or other relief under this Agreement and any closing documents against any director, officer or shareholder of a Party are hereby waived, released and satisfied.


[Signature page follows.]

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

**FIRST M&F CORPORATION**

  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**MERCHANTS AND FARMERS BANK**

  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**AMERIS BANCORP**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**TRI-COUNTY BANK**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**AMERICAN BANKING COMPANY**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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0004/004

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

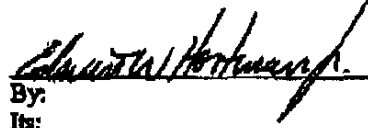
**FIRST M&F CORPORATION**

\_\_\_\_\_  
By:  
Its:

**MERCHANTS AND FARMERS BANK**

\_\_\_\_\_  
By:  
Its:

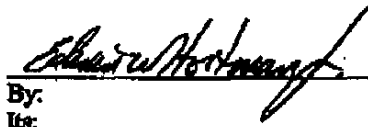
**AMERIS BANCORP**

  
\_\_\_\_\_  
By:  
Its:

**TRI-COUNTY BANK**

\_\_\_\_\_  
By:  
Its:

**AMERICAN BANKING COMPANY**

  
\_\_\_\_\_  
By:  
Its:

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07/13/2006 10:00 3524637173

TRICOUNTY BANK

PAGE 02/02

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

FIRST M&F CORPORATION

By:  
Its:

MERCHANTS AND FARMERS BANK

By:  
Its:

AMERIS BANCORP

By:  
Its:

TRICOUNTY BANK

By: *Michael E. McElroy*  
Its: President

AMERICAN BANKING COMPANY

By:  
Its:

**SCHEDULE 1.5(a)**

**FORM OF NEW TRI-COUNTY'S ANTICIPATED CONDENSED CONSOLIDATED  
STATEMENT OF CONDITION**

**AT MARCH 31, 2006  
(TO BE UPDATED AT CLOSING)**

<b>ASSETS:</b>	
Cash and Due From Banks	6,500,000
Loans, Net of Unearned Income	-
Less: Allowance for Possible Loan Losses	-
Loans, Net	-
Securities	-
Premises & Equipment, Net	-
Excess of Cost over Tangible and Identified Intangible Assets Acquired, Net	-
Mortgage Servicing Rights	-
Other Real Estate Owned	-
Accrued Interest and Other Assets	-
<b><u>TOTAL ASSETS</u></b>	<b>6,500,000</b>
<b>LIABILITIES:</b>	
Deposits	500,000
Other Short Term Borrowing	-
Long-Term Debt	-
Other Liabilities	-
<b><u>TOTAL LIABILITIES</u></b>	<b>500,000</b>
<b>SHAREHOLDERS EQUITY:</b>	
Total Capital	<u>6,000,000</u>
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b><u>6,000,000</u></b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b><u>6,500,000</u></b>