Document Number Only

F86573

C T CORPORATION SYSTEM

Requestor's Name

660 East Jefferson Street

Address

Tallahassee, Florida 32301

City State Zip Phone

CORPORATION(S) NAME

Dadeland Bancshares, Inc Merger

merged into:

The Colonial Bancgroup, Inc.

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TALLAHASSEE, FLORIDA

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( ) NonProfit
( ) Limited Liability Company
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( ) Dissolution/Withdrawal
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DIVISION OF CORPORATION

F86573

ARTICLES OF MERGER
Merger Sheet

MERGING:

DADELAND BANCSHARES, INC., a Florida corporation F86573

INTO

THE COLONIAL BANCGROUP, INC., a Delaware corporation not qualified in Florida.

File date: September 15, 1997

Corporate Specialist: Annette Hogan

FILED
97 SEP 15 PM 3:46
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

OF

DADELAND BANCSHARES, INC.

AND

THE COLONIAL BANCGROUP, INC.

The undersigned corporations, DADELAND BANCSHARES, INC. and THE COLONIAL BANCGROUP, INC., file these Articles of Merger and certify that:

1. Dadeland Bancshares, Inc., a Florida corporation, is hereby merged with and into The Colonial BancGroup, Inc., a Delaware corporation, pursuant to an Agreement and Plan of Merger dated as of June 23, 1997 (the "Plan of Merger"), a copy of which is attached as Exhibit A, and in accordance with the provisions of the Florida Business Corporation Act and the General Corporation Law of Delaware.

2. The surviving corporation is The Colonial BancGroup, Inc., a Delaware corporation.

3. The merger shall be effective at 6:01 p.m., Eastern Standard Time, on September 15, 1997.

4. The Plan of Merger was approved by the Board of Directors of The Colonial BancGroup, Inc., on July 15, 1997. Pursuant to the General Corporation Law of Delaware, approval of the Plan of Merger by the shareholders of The Colonial BancGroup, Inc., was not required.

5. The Plan of Merger was approved by the Board of Directors of Dadeland Bancshares, Inc. on June 17, 1997, and was approved by the shareholders of Dadeland Bancshares, Inc. on August 26, 1997.

Dated: September 14, 1997.

DADELAND BANCSHARES, INC.

By: _____
Carlos F. Rodriguez
Chairman of the Board of Directors

THE COLONIAL BANCGROUP, INC.

By: _____
Robert E. Lowder
Chairman of the Board of Directors
and Chief Executive Officer

z:\cbg.dbi\fl-art.mer

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

by and between

THE COLONIAL BANCGROUP, INC.,

and

DADELAND BANCSHARES, INC.

dated as of

June 23, 1997

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of this the 23rd day of June 1997, by and between **DADELAND BANCSHARES, INC.** ("Acquired Corporation"), a Florida corporation, and **THE COLONIAL BANCGROUP, INC.** ("BancGroup"), a Delaware corporation.

WITNESSETH

WHEREAS, Acquired Corporation operates as a bank holding company for its wholly owned subsidiary, Dadeland Bank (the "Bank"), with its principal office in Miami, Florida; and

WHEREAS, BancGroup is a bank holding company with Subsidiary banks in Alabama, Florida, Georgia and Tennessee; and

WHEREAS, Acquired Corporation wishes to merge with BancGroup;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

ARTICLE 1
NAME

1.1 Name. The name of the corporation resulting from the Merger shall be "The Colonial BancGroup, Inc."

ARTICLE 2
MERGER — TERMS AND CONDITIONS

2.1 Applicable Law. On the Effective Date, Acquired Corporation shall be merged with and into BancGroup (herein referred to as the "Resulting Corporation" whenever reference is made to it as of the time of Merger or thereafter). The Merger shall be undertaken pursuant to the provisions of and with the effect provided in the DGCL and, to the extent applicable, the FBCA. The offices and facilities of Acquired Corporation and of BancGroup shall become the offices and facilities of the Resulting Corporation.

2.2 Corporate Existence. On the Effective Date, the corporate existence of Acquired Corporation and of BancGroup shall, as provided in the DGCL and the FBCA, be merged into and continued in the Resulting Corporation, and the Resulting Corporation shall be deemed to be the same corporation as Acquired Corporation and BancGroup. All rights, franchises and interests of Acquired Corporation and BancGroup, respectively, in and to every type of property (real, personal and mixed) and choses in action shall be

transferred to and vested in the Resulting Corporation by virtue of the Merger without any deed or other transfer. The Resulting Corporation on the Effective Date, and without any order or other action on the part of any court or otherwise, shall hold and enjoy all rights of property, franchises and interests, including appointments, designations and nominations and all other rights and interests as trustee, executor, administrator, transfer agent and registrar of stocks and bonds, guardian of estates, assignee, and receiver and in every other fiduciary capacity and in every agency, and capacity, in the same manner and to the same extent as such rights, franchises and interests were held or enjoyed by Acquired Corporation and BancGroup, respectively, on the Effective Date.

2.3 Articles of Incorporation and Bylaws. On the Effective Date, the certificate of incorporation and bylaws of the Resulting Corporation shall be the restated certificate of incorporation and bylaws of BancGroup as they exist immediately before the Effective Date.

2.4 Resulting Corporation's Officers and Board. The board of directors and the officers of the Resulting Corporation on the Effective Date shall consist of those persons serving in such capacities of BancGroup as of the Effective Date.

2.5 Stockholder Approval. This Agreement shall be submitted to the shareholders of Acquired Corporation at the Stockholders Meeting to be held as promptly as practicable consistent with the satisfaction of the conditions set forth in this Agreement. Upon approval by the requisite vote of the shareholders of Acquired Corporation as required by applicable Law, the Merger shall become effective as soon as practicable thereafter in the manner provided in section 2.7 hereof.

2.6 Further Acts. If, at any time after the Effective Date, the Resulting Corporation shall consider or be advised that any further assignments or assurances in law or any other acts are necessary or desirable (i) to vest, perfect, confirm or record, in the Resulting Corporation, title to and possession of any property or right of Acquired Corporation or BancGroup, acquired as a result of the Merger, or (ii) otherwise to carry out the purposes of this Agreement, BancGroup and its officers and directors shall execute and deliver all such proper deeds, assignments and assurances in law and do all acts necessary or proper to vest, perfect or confirm title to, and possession of, such property or rights in the Resulting Corporation and otherwise to carry out the purposes of this Agreement; and the proper officers and directors of the Resulting Corporation are fully authorized in the name of Acquired Corporation or BancGroup, or otherwise, to take any and all such action.

2.7 Effective Date and Closing. Subject to the terms of all requirements of Law and the conditions specified in this Agreement, the Merger shall become effective on the date specified in the Certificate of Merger to be issued by the Secretary of State of the State of Delaware (such time being herein called the "Effective Date"). Assuming all other conditions to the Closing have been or will be satisfied as of the Closing, the Closing shall

take place at the offices of Acquired Corporation, in Miami, Florida, at 5:00 p.m. on a date specified by BancGroup that shall be as soon as reasonably practicable after the later to occur of the Stockholders Meeting or all required regulatory approvals under Section 8.2, or at such other place and time that the Parties may mutually agree, provided that the Parties acknowledge that the Closing may also take place by mail and facsimile transmission.

2.8 Subsidiary Bank Merger. BancGroup and Acquired Corporation anticipate that immediately after the Effective Date the Bank will merge with and into Colonial Bank, BancGroup's Alabama Subsidiary bank. The exact timing and structure of such merger are not known at this time, and BancGroup in its discretion will finalize such timing and structure at a later date. Acquired Corporation will cooperate with BancGroup, including the call of any special meetings of the board of directors of the Bank and the filing of any regulatory applications, in the execution of appropriate documentation relating to such merger.

ARTICLE 3
CONVERSION OF ACQUIRED CORPORATION STOCK

3.1 Conversion of Acquired Corporation Stock. On the Effective Date, each share of common stock of Acquired Corporation outstanding and held by Acquired Corporation's shareholders (the "Acquired Corporation Stock"), shall be converted by operation of law and without any action by any holder thereof into the right to receive $325.56 in cash (the "Merger Consideration"). The aggregate Merger Consideration shall be $38,000,000 based upon 116,721 shares of Acquired Corporation Stock currently outstanding. In the event that BancGroup exercises its rights pursuant to the Stock Option Agreement prior to the Effective Date, the aggregate Merger Consideration shall be increased accordingly.

3.2 Payment for Acquired Corporation Stock.

(a) Not less than five (5) days prior to the Closing, the Acquired Corporation shall provide BancGroup with a list (the "List") of shareholders (each a "Tendering Shareholder") who intend to exchange their shares of Acquired Corporation Stock at the Closing for the portion of the Merger Consideration to which they are entitled in respect of such shares, indicating the number of shares owned by each such Tendering Shareholder. At the Closing, BancGroup shall deliver to each Tendering Shareholder, by certified check, the portion of the Merger Consideration to which the Tendering Shareholder is entitled in respect of the number of shares of Acquired Corporation Stock owned by the Tendering Shareholder and indicated on the List, provided the Tendering Shareholder surrenders to BancGroup at the Closing the certificate or certificates representing all of such shares, duly executed in blank for transfer to BancGroup and with such other documentation that BancGroup may reasonably require.

(b) Within seven (7) days after the Effective Date, BancGroup shall provide notice, by certified mail, to each holder of record of the Acquired Corporation

Stock as of the Effective Date who is not a Tendering Shareholder (each, a "Non-Tendering Shareholder") of the consummation of the Merger and the steps to be taken by such Non-Tendering Shareholder to receive the Merger Consideration, provided that an accurate and complete hard copy record date list of Non-Tendering Shareholders, including two sets of address labels, has been provided to BancGroup no later than one day after the Effective Date. In such notice, BancGroup shall instruct each Non-Tendering Shareholder to surrender to BancGroup the certificate or certificates representing the shares of Acquired Corporation Stock held by such Non-Tendering Shareholder (or an affidavit or affirmation by such Non-Tendering Shareholder of loss, theft or destruction of such certificates in such form as BancGroup may reasonably require and, if BancGroup reasonably requires, a bond of indemnity in form and amount, and issued by such sureties, as BancGroup may reasonably require). Within five days of the receipt of the documents described in such notice from each holder of shares of Acquired Corporation Stock who did not tender such shares at the Closing, BancGroup shall promptly mail to the holder a certified check payable to the holder for the amount of the Merger Consideration to which such holder is entitled.

(c) No interest shall be payable on the Merger Consideration to the extent that BancGroup complies with the foregoing requirements.

3.3 BancGroup Stock. The shares of Common Stock of BancGroup issued and outstanding immediately before the Effective Date shall continue to be issued and outstanding shares of the Resulting Corporation.

3.4 Dissenting Rights. Any shareholder of Acquired Corporation who shall not have voted in favor of this Agreement and who has complied with the applicable procedures set forth in the FBCA, relating to rights of dissenting shareholders, shall be entitled to receive payment for the fair value of his Acquired Corporation Stock. If after the Effective Date a dissenting shareholder of Acquired Corporation fails to perfect, or effectively withdraws or loses, his right to appraisal and payment for his shares of Acquired Corporation Stock, BancGroup shall issue and deliver the Merger Consideration to which such holder of shares of Acquired Corporation Stock is entitled under Section 3.1 (without interest) upon surrender by such holder of the certificate or certificates representing shares of Acquired Corporation Stock held by him or her.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF BANCGROUP

BancGroup represents, warrants and covenants to and with Acquired Corporation as follows:

4.1 Organization. BancGroup is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. BancGroup has the necessary corporate powers to carry on its business as presently conducted and is qualified to do

business in every jurisdiction in which the character and location of the Assets owned by it or the nature of the business transacted by it requires qualification or in which the failure to qualify could, individually or in the aggregate, have a Material Adverse Effect.

4.2 Financial Statements; Taxes. (a) BancGroup has delivered to Acquired Corporation copies of the following financial statements of BancGroup.

(i) Consolidated balance sheets as of December 31, 1995, December 31, 1996, and March 31, 1997;

(ii) Consolidated statements of operations for each of the three years ended December 31, 1994, 1995 and 1996, and for the three months ended March 31, 1997;

(iii) Consolidated statements of cash flows for each of the three years ended December 31, 1994, 1995 and 1996, and for the three months ended March 31, 1997; and

(iv) Consolidated statements of changes in shareholders' equity for the three years ended December 31, 1994, 1995 and 1996, and for the three months ended March 31, 1997.

All such financial statements are in all material respects in accordance with the books and records of BancGroup and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, all as more particularly set forth in the notes to such statements. Each of the consolidated balance sheets presents fairly as of its date the consolidated financial condition of BancGroup and its Subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the notes thereto), BancGroup did not have, as of the dates of such balance sheets, any material Liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto. The statements of consolidated income, shareholders' equity and changes in consolidated financial position present fairly the results of operations and changes in financial position of BancGroup and its Subsidiaries for the periods indicated. The foregoing representations, insofar as they relate to the unaudited interim financial statements of BancGroup for the three months ended March 31, 1997, are subject in all cases to normal recurring year-end adjustments and the omission of footnote disclosure.

4.3 No Conflict with Other Instrument. The consummation of the transactions contemplated by this Agreement will not result in a breach of or constitute a Default (without regard to the giving of notice or the passage of time) under any material Contract, indenture, mortgage, deed of trust or other material agreement or instrument to which BancGroup or any of its Subsidiaries is a party or by which they or their Assets may be bound; will not conflict with any provision of the restated certificate of incorporation or bylaws of BancGroup or the articles of incorporation or bylaws of any of its Subsidiaries;

and will not violate any provision of any Law, regulation, judgment or decree binding on them or any of their Assets.

4.4 Approval of Agreement. The executive committee of the board of directors of BancGroup has approved this Agreement and the transactions contemplated by it and shall recommend to the board of directors of BancGroup at its July, 1997 meeting that such board ratify and approve the execution and delivery by BancGroup of this Agreement. Subject to the first sentence of this section 4.4, this Agreement constitutes the legal, valid and binding obligation of BancGroup, enforceable against it in accordance with its terms. Approval of this Agreement by the stockholders of BancGroup is not required by applicable Law. Subject to the matters referred to in section 8.2 and the first sentence of this section 4.4, BancGroup has full power, authority and legal right to enter into this Agreement and to consummate the transactions contemplated by this Agreement. BancGroup has no Knowledge of any fact or circumstance under which the appropriate regulatory approvals required by section 8.2 will not be granted without the imposition of material conditions or material delays.

4.5 Subsidiaries. Each Subsidiary of BancGroup has been duly incorporated and is validly existing as a corporation in good standing under the Laws of the jurisdiction of its incorporation and each Subsidiary has been duly qualified as a foreign corporation to transact business and is in good standing under the Laws of each other jurisdiction in which it owns or leases properties, or conducts any business so as to require such qualification and in which the failure to be duly qualified could have a Material Adverse Effect upon BancGroup and its Subsidiaries considered as one enterprise; each of the banking Subsidiaries of BancGroup has its deposits fully insured by the Federal Deposit Insurance Corporation to the extent provided by the Federal Deposit Insurance Act; and the businesses of the non-bank Subsidiaries of BancGroup are permitted to subsidiaries of registered bank holding companies.

4.6 Proxy Statement. At the time it is mailed and at the time of the Stockholders' Meeting, the Proxy Statement will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall only apply to statements in the Proxy Statement furnished in writing to Acquired Corporation by BancGroup expressly for use in the Proxy Statement.

4.7 SEC Filings. BancGroup has heretofore delivered to Acquired Corporation copies of BancGroup's: (i) Annual Report on Form 10-K for the fiscal year ended December 31, 1996; (ii) 1996 Annual Report to Shareholders; (iii) Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1997; and (iv) any reports on Form 8-K, filed by BancGroup with the SEC since December 31, 1996. Since December 31, 1996, BancGroup has timely filed all reports and registration statements and the documents required to be filed with the SEC under the rules and regulations of the SEC and all such

reports and registration statements or other documents have complied in all material respects, as of their respective filing dates and effective dates, as the case may be, with all the applicable requirements of the 1933 Act and the 1934 Act. As of the respective filing and effective dates, none of such reports or registration statements or other documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.8 Brokers. All negotiations relative to this Agreement and the transactions contemplated by this Agreement have been carried on by BancGroup directly with Acquired Corporation and without the intervention of any other person, either as a result of any act of BancGroup or otherwise in such manner as to give rights to any valid claim for finders fees, brokerage commissions or other like payments.

4.9 Disclosure. No representation or warranty, or any statement or certificate furnished or to be furnished to Acquired Corporation by BancGroup, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained in this Agreement or in any such statement or certificate not misleading.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS OF ACQUIRED CORPORATION

Acquired Corporation represents, warrants and covenants to and with BancGroup, as follows:

5.1 Organization. Acquired Corporation is a Florida corporation, the Bank is a Florida state bank, and Dadeland Software Services is a Florida corporation. Each Acquired Corporation Company is duly organized, validly existing and in good standing under the respective Laws of its jurisdiction of incorporation and has all requisite power and authority to carry on its business as it is now being conducted and is qualified to do business in every jurisdiction in which the character and location of the Assets owned by it or the nature of the business transacted by it requires qualification or in which the failure to qualify could, individually, or in the aggregate, have a Material Adverse Effect.

5.2 Capital Stock. (i) As of March 31, 1997, the authorized capital stock of Acquired Corporation consisted of 200,000 shares of common stock, $.01 par value per share, 116,721 shares of which are issued and outstanding. All of such shares which are outstanding are validly issued, fully paid and nonassessable and not subject to preemptive rights. Acquired Corporation has no arrangements or commitments obligating it to issue shares of its capital stock or any securities convertible into or having the right to purchase shares of its capital stock, except for the Stock Option Agreement.

5.3 Subsidiaries. Acquired Corporation has no direct Subsidiaries other than the Bank and Dadeland Software Services, and there are no Subsidiaries of the Bank. Acquired Corporation owns all of the issued and outstanding capital stock of the Bank and Dadeland Software Services free and clear of any liens, claims or encumbrances of any kind. All of the issued and outstanding shares of capital stock of the Subsidiaries have been validly issued and are fully paid and non-assessable. As of March 31, 1997, there were 175,000 shares of the common stock, par value $10.00 per share, authorized of the Bank, 137,383 of which are issued and outstanding and wholly owned by Acquired Corporation and 1,000,000 shares of the common stock of Dadeland Software Services authorized, par value $.01 per share, 1,000 of which were issued and outstanding and 1000 of which were owned by Acquired Corporation. Acquired Corporation has no class of equity securities registered with the SEC under the 1934 Act and Acquired Corporation is not subject to the periodic reporting requirements under sections 12, 13 or 15(d) of the 1934 Act. Neither the Bank nor Dadeland Software Services has any arrangements or commitments obligating it to issue shares of its capital stock or any securities convertible into or having the right to purchase shares of its capital stock.

5.4 Financial Statements; Taxes (a) Acquired Corporation has delivered to BancGroup copies of the following financial statements of Acquired Corporation:

(i) Consolidated statements of financial condition as of December 31, 1995 and 1996, and March 31, 1997;

(ii) Consolidated statements of income for each of the three years ended December 31, 1994, 1995 and 1996, and for the three months ended March 31, 1997;

(iii) Consolidated statements of stockholders' equity for each of the three years ended December 31, 1994, 1995, and 1996, and for the three months ended March 31, 1997; and

(iv) Consolidated statements of cash flows for the three years ended December 31, 1994, 1995 and 1996, and for the three months ended March 31, 1997.

All of the foregoing financial statements are in all material respects in accordance with the books and records of Acquired Corporation and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except for changes required by GAAP, all as more particularly set forth in the notes to such statements. Each of such balance sheets presents fairly as of its date the financial condition of Acquired Corporation. Except as and to the extent reflected or reserved against in such balance sheets (including the notes thereto), Acquired Corporation did not have, as of the date of such balance sheets, any material Liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto. The statements of income, stockholders' equity and cash flows present fairly the results of operation, changes in shareholders equity and cash flows of Acquired Corporation for the periods

indicated. The foregoing representations, insofar as they relate to the unaudited interim financial statements of Acquired Corporation for the three months ended March 31, 1997, are subject in all cases to normal recurring year-end adjustments and the omission of footnote disclosure.

(b) Except as set forth on Schedule 5.4(b), all Tax returns required to be filed by or on behalf of Acquired Corporation have been timely filed (or requests for extensions therefor have been timely filed and granted and have not expired), and all returns filed are complete and accurate in all material respects. Except as set forth on Schedule 5.4(b), all Taxes shown on these returns to be due and all additional assessments received have been paid. The amounts recorded for Taxes on the balance sheets provided under section 5.4(a) are, to the Knowledge of Acquired Corporation, sufficient in all material respects for the payment of all unpaid federal, state, county, local, foreign and other Taxes (including any interest or penalties) of Acquired Corporation accrued for or applicable to the period ended on the dates thereof, and all years and periods prior thereto and for which Acquired Corporation may at such dates have been liable in its own right or as a transferee of the Assets of, or as successor to, any other corporation or other party. No audit, examination or investigation is presently being conducted or, to the Knowledge of Acquired Corporation, threatened by any taxing authority which is likely to result in a material Tax Liability, no material unpaid Tax deficiencies have been proposed by any governmental representative and no agreements for extension of time for the assessment of any material amount of Tax have been entered into by or on behalf of Acquired Corporation. Acquired Corporation has not executed an extension or waiver of any statute of limitations on the assessment or collection of any Tax due that is currently in effect.

(c) Each Acquired Corporation Company has withheld from its employees (and timely paid to the appropriate governmental entity) proper and accurate amounts for all periods in material compliance with all Tax withholding provisions of applicable federal, state, foreign and local Laws (including without limitation, income, social security and employment Tax withholding for all types of compensation). Each Acquired Corporation Company is in material compliance with, and its records contain all information and documents (including properly completed IRS Forms W-9) necessary to materially comply with, all applicable information reporting and Tax withholding requirements under federal, state and local Tax Laws, and such records identify with specificity all accounts subject to backup withholding under section 3406 of the Code.

5.5 Absence of Certain Changes or Events. Except as set forth on Schedule 5.5, since the date of the most recent balance sheet provided under section 5.4(a)(i) above, no Acquired Corporation Company has

(a) issued, delivered or agreed to issue or deliver any stock, bonds or other corporate securities (whether authorized and unissued or held in the treasury);

(b) borrowed or agreed to borrow any funds or incurred, or become subject to, any Liability (absolute or contingent) except borrowings, obligations (including purchase of federal funds) and Liabilities incurred in the ordinary course of business and consistent with past practice;

(c) paid any material obligation or Liability (absolute or contingent) other than current Liabilities reflected in or shown on the most recent balance sheet referred to in section 5.4(a)(i) and current Liabilities incurred since that date in the ordinary course of business and consistent with past practice;

(d) declared or made, or agreed to declare or make, any payment of dividends or distributions of any Assets of any kind whatsoever to shareholders, or purchased or redeemed, or agreed to purchase or redeem, directly or indirectly, or otherwise acquire, any of its outstanding securities except for cash dividends declared and paid for any full calendar quarter at the rate of $2.00 per share per full calendar quarter;

(e) except in the ordinary course of business, sold or transferred, or agreed to sell or transfer, any of its Assets, or canceled, or agreed to cancel, any debts or claims;

(f) except in the ordinary course of business, entered or agreed to enter into any agreement or arrangement granting any preferential rights to purchase any of its Assets, or requiring the consent of any party to the transfer and assignment of any of its Assets;

(g) suffered any Losses or waived any rights of value which in either event in the aggregate are material considering its business as a whole;

(h) except in the ordinary course of business, made or permitted any amendment or termination of any Contract, agreement or license to which it is a party if such amendment or termination is material considering its business as a whole;

(i) except in accordance with its normal and usual practice of accruing ten percent (10%) of its pre-tax profits for officer bonuses on a monthly basis (which bonuses will be paid prior to the Closing), made any accrual or arrangement for or payment of bonuses or special compensation of any kind or any severance or termination pay to any present or former officer or employee;

(j) except in accordance with normal and usual practice, increased the rate of compensation payable to or to become payable to any of its officers or employees or made any material increase in any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement or other employee benefit plan, payment or arrangement made to, for or with any of its officers or employees;

(k) received notice or had Knowledge or reason to believe that any of its substantial customers has terminated or intends to terminate its relationship, which termination would have a Material Adverse Effect;

(l) failed to operate its business in the ordinary course so as to preserve its business intact and to preserve the goodwill of its customers and others with whom it has business relations;

(m) entered into any other material transaction other than in the ordinary course of business; or

(n) agreed in writing, or otherwise, to take any action described in clauses (a) through (m) above.

Between the date hereof and the Effective Date, no Acquired Corporation Company, without the express written approval of BancGroup, will do any of the things listed in clauses (a) through (n) of this section 5.5 except as permitted therein or as contemplated in this Agreement, and no Acquired Corporation Company will enter into or amend any material Contract, other than Loans or renewals thereof entered into in the ordinary course of business, without the express written consent of BancGroup.

5.6 Title and Related Matters.

(a) Title. Except as provided in Schedule 5.6(a), Acquired Corporation has good and marketable title to all the properties, interest in properties and Assets, real and personal, reflected in the most recent balance sheet referred to in section 5.4(a)(i), or acquired after the date of such balance sheet (except properties, interests and Assets sold or otherwise disposed of since such date, in the ordinary course of business), free and clear of all mortgages, Liens, pledges, charges or encumbrances except (i) mortgages and other encumbrances referred to in the notes to such balance sheet, (ii) Liens for current Taxes not yet due and payable and (iii) such imperfections of title and easements as do not materially detract from or interfere with the present use of the properties subject thereto or affected thereby, or otherwise materially impair present business operations at such properties. To the Knowledge of Acquired Corporation, the material structures and equipment of each Acquired Corporation Company comply in all material respects with the requirements of all applicable Laws.

(b) Leases. Schedule 5.6(b) sets forth a list and description of all real and personal property leased by any Acquired Corporation Company, either as lessor or lessee.

(c) Personal Property. Schedule 5.6(c) sets forth a depreciation schedule of each Acquired Corporation Company's fixed Assets as of May 31, 1997.

(d) Computer Hardware and Software. Schedule 5.6(d) contains a description of all agreements relating to data processing computer software and hardware now being used in the business operations of any Acquired Corporation Company. Acquired Corporation is not aware of any defects, irregularities or problems with any of its computer hardware or software which renders such hardware or software unable to satisfactorily perform the tasks and functions to be performed by them in the business of any Acquired Corporation Company.

5.7 Commitments. Except as set forth in Schedule 5.7, no Acquired Corporation Company is a party to any oral or written (i) Contracts for the employment of any officer or employee which is not terminable on 30 days' (or less) notice, (ii) profit sharing, bonus, deferred compensation, savings, stock option, severance pay, pension or retirement plan, agreement or arrangement, (iii) loan agreement, indenture or similar agreement relating to the borrowing of money by such party, (iv) guaranty of any obligation for the borrowing of money or otherwise, excluding endorsements made for collection, and guaranties made and letters of credit issued in the ordinary course of business, (v) consulting or other similar material Contract, (vi) collective bargaining agreement, (vii) agreement with any present or former officer, director or shareholder of such party, or (viii) other Contract which is material to the business, operations, property, prospects or Assets or to the condition, financial or otherwise, of any Acquired Corporation Company (excluding loan agreements in the amount of $100,000 or less). Complete and accurate copies of all Contracts, plans and other items so listed have been made or will be made available to BancGroup for inspection.

5.8 Charter and Bylaws. Schedule 5.8 contains true and correct copies of the articles of incorporation and bylaws of each Acquired Corporation Company, including all amendments thereto, as currently in effect. There will be no changes in such articles of incorporation or bylaws prior to the Effective Date, without the prior written consent of BancGroup.

5.9 Litigation. There is no Litigation (whether or not purportedly on behalf of Acquired Corporation) pending or, to the Knowledge of Acquired Corporation, threatened against any Acquired Corporation Company (nor does Acquired Corporation have knowledge of any facts which are likely to give rise to any such Litigation) at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind, which involves the possibility of any judgment or Liability not fully covered by insurance in excess of a reasonable deductible amount or which may have a Material Adverse Effect on Acquired Corporation, and no Acquired Corporation Company is in Default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any court, arbitrator or governmental department, commission, board, bureau, agency or instrumentality, which Default would have a Material Adverse Effect on Acquired Corporation. To the Knowledge of Acquired Corporation, each Acquired Corporation Company has complied in all material respects with all material applicable Laws and Regulations including those

imposing Taxes, of any applicable jurisdiction and of all states, municipalities, other political subdivisions and Agencies, in respect of the ownership of its properties and the conduct of its business, which, if not complied with, would have a Material Adverse Effect on Acquired Corporation.

5.10 Material Contract Defaults. Except as disclosed on Schedule 5.10, no Acquired Corporation Company is in Default in any material respect under the terms of any material Contract which is or may be material to the business, operations, properties or Assets, or the condition, financial or otherwise, of such company and, to the Knowledge of Acquired Corporation, there is no event which, with notice or lapse of time, or both, may be or become an event of Default under any such material Contract in respect of which adequate steps have not been taken to prevent such a Default from occurring.

5.11 No Conflict with Other Instrument. Except as disclosed on Schedule 5.11, the consummation of the transactions contemplated by this Agreement will not result in the breach of any term or provision of or constitute a Default under any material Contract to which any Acquired Corporation Company is a party and will not conflict with any provision of the charter or bylaws of any Acquired Corporation Company.

5.12 Governmental Authorization. Each Acquired Corporation Company has all Permits that, to the Knowledge of Acquired Corporation, are legally required to enable any Acquired Corporation Company to conduct its business in all material respects as now conducted by each Acquired Corporation Company.

5.13 Absence of Regulatory Communications. Except as provided in Schedule 5.13, no Acquired Corporation Company is subject to, nor has any Acquired Corporation Company received during the past three years, any written communication directed specifically to it from any Agency pursuant to which it is subject or pursuant to which such Agency 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 Agency has raised any material question concerning the condition, financial or otherwise, of such company.

5.14 Absence of Material Adverse Change. To the Knowledge of Acquired Corporation, since the date of the most recent balance sheet provided under section 5.4(a)(i), there have been no events, changes or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on any Acquired Corporation Company.

5.15 Insurance. Each Acquired Corporation Company has in effect insurance coverage and bonds with reputable insurers which, in respect to amounts, types and risks insured, management of Acquired Corporation reasonably believes to be adequate for the type of business conducted by such company. No Acquired Corporation Company is liable for any material retroactive premium adjustment. All insurance policies and bonds are valid, enforceable and in full force and effect, and no Acquired Corporation Company has

received any notice of any material premium increase or cancellation with respect to any of its insurance policies or bonds. Within the last three years, no Acquired Corporation Company has been refused any insurance coverage which it has sought or applied for, and it has no reason to believe that existing insurance coverage cannot be renewed as and when the same shall expire, upon terms and conditions as favorable as those presently in effect, other than possible increases in premiums that do not result from any extraordinary loss experience. All policies of insurance presently held or policies containing substantially equivalent coverage will be outstanding and in full force with respect to each Acquired Corporation Company at all times from the date hereof to the Effective Date.

5.16 Pension and Employee Benefit Plans.

(a) To the Knowledge of Acquired Corporation, all employee benefit plans of each Acquired Corporation Company have been established in compliance with, and such plans have been operated in material compliance with, all applicable Laws. Except as set forth in Schedule 5.16, no Acquired Corporation Company sponsors or otherwise maintains a "pension plan" within the meaning of section 3(2) of ERISA or any other retirement plan that is intended to qualify under section 401 of the Code, nor do any unfunded Liabilities exist with respect to any employee benefit plan, past or present. To the Knowledge of Acquired Corporation, no employee benefit plan, any trust created thereunder or any trustee or administrator thereof has engaged in a "prohibited transaction," as defined in section 4975 of the Code, which may have a Material Adverse Effect on any Acquired Corporation Company.

(b) To the Knowledge of Acquired Corporation, no amounts payable to any employee of any Acquired Corporation Company will fail to be deductible for federal income tax purposes by virtue of Section 280G of the Code and regulations thereunder.

5.17 Buy-Sell Agreement. To the Knowledge of Acquired Corporation, there are no agreements among any of its shareholders granting to any person or persons a right of first refusal in respect of the sale, transfer, or other disposition of shares of outstanding securities of Acquired Corporation by any shareholder, any similar agreement or any voting agreement or voting trust in respect of any such shares.

5.18 Brokers. All negotiations relative to this Agreement and the transactions contemplated by this Agreement have been carried on by Acquired Corporation directly with BancGroup and without the intervention of any other person, either as a result of any act of Acquired Corporation, or otherwise, in such manner as to give rise to any valid claim against Acquired Corporation for a finder's fee, brokerage commission or other like payment; provided, however, that Acquired Corporation has retained The Carson Medlin Company to provide a fairness opinion in connection with such transactions.

5.19 Approval of Agreements. The board of directors of Acquired Corporation has approved this Agreement and the transactions contemplated by this Agreement and has

authorized the execution and delivery by Acquired Corporation of this Agreement. Subject to the matters referred to in section 8.2, Acquired Corporation has full power, authority and legal right to enter into this Agreement, and, upon appropriate vote of the shareholders of Acquired Corporation in accordance with this Agreement, Acquired Corporation shall have full power, authority and legal right to consummate the transactions contemplated by this Agreement.

5.20 Disclosure. No representation or warranty, nor any statement or certificate furnished or to be furnished in writing to BancGroup by Acquired Corporation, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained in this Agreement or in any such statement or certificate not misleading.

5.21 Proxy Statement. At the time it is mailed and at the time of the Stockholders Meeting, the Proxy Statement will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this section shall only apply to statements in or omissions from the Proxy Statement relating to descriptions of the business of Acquired Corporation, its Assets, properties, operations, and capital stock or to information furnished in writing by Acquired Corporation or its representatives expressly for inclusion in the Proxy Statement.

5.22 Loans; Adequacy of Allowance for Loan Losses. All reserves for loan losses shown on the most recent financial statements furnished by Acquired Corporation have been calculated in accordance with prudent and customary banking practices and are adequate in all material respects to reflect the risk inherent in the loans of Acquired Corporation. Acquired Corporation has no Knowledge of any fact which is likely to require a future material increase in the provision for loan losses or a material decrease in the loan loss reserve reflected in such financial statements. Each loan reflected as an Asset on the financial statements of Acquired Corporation is the legal, valid and binding obligation of the obligor of each loan, enforceable in accordance with its terms subject to the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to creditors' rights generally and to general equitable principles. Acquired Corporation does not have in its portfolio any loan exceeding its legal lending limit, and except as disclosed on Schedule 5.22, Acquired Corporation has no known significant delinquent, substandard, doubtful, loss, nonperforming or problem loans.

5.23 Environmental Matters. Except as provided in Schedule 5.23, to the Knowledge of Acquired Corporation, each Acquired Corporation Company is in material compliance with all Laws and other governmental requirements relating to the generation, management, handling, transportation, treatment, disposal, storage, delivery, discharge, release or emission of any waste, pollution, or toxic, hazardous or other substance (the "Environmental Laws"), and Acquired Corporation has no Knowledge that any Acquired

Corporation Company has not complied with all regulations and requirements promulgated by the Occupational Safety and Health Administration that are applicable to any Acquired Corporation Company. To the Knowledge of Acquired Corporation, there is no Litigation pending or threatened with respect to any violation or alleged violation of the Environmental Laws by an Acquired Corporation Company. To the Knowledge of Acquired Corporation, with respect to Assets of or owned by any Acquired Corporation Company, including any Loan Property, (i) there has been no spillage, leakage, contamination or release of any substances for which the appropriate remedial action has not been completed; (ii) no owned or leased property is contaminated with or contains any hazardous substance or waste; and (iii) there are no underground storage tanks on any premises owned or leased by any Acquired Corporation Company. Acquired Corporation has no Knowledge of any facts which might suggest that any Acquired Corporation Company has engaged in any management practice with respect to any of its past or existing borrowers which could reasonably be expected to subject any Acquired Corporation Company to any Liability, either directly or indirectly, under the principles of law as set forth in United States v. Fleet Factors Corp., 901 F.2d 1550 (11th Cir. 1990) or any similar principles. Moreover, to the Knowledge of Acquired Corporation, no Acquired Corporation Company has extended credit, either on a secured or unsecured basis, to any person or other entity engaged in any activities which would require or requires such person or entity to obtain any Permits which are required under any Environmental Law which has not been obtained.

5.24 Collective Bargaining. There are no labor contracts, collective bargaining agreements, letters of undertakings or other arrangements, formal or informal, between any Acquired Corporation Company and any union or labor organization covering any Acquired Corporation Company's employees and none of said employees are represented by any union or labor organization.

5.25 Labor Disputes. To the Knowledge of Acquired Corporation, each Acquired Corporation Company is in material compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment, wages and hours. No Acquired Corporation Company is or has been engaged in any unfair labor practice, and, to the Knowledge of Acquired Corporation, no unfair labor practice complaint against any Acquired Corporation Company is pending before the National Labor Relations Board. Relations between management of each Acquired Corporation Company and the employees are amicable and there have not been, nor to the Knowledge of Acquired Corporation, are there presently, any attempts to organize employees, nor to the Knowledge of Acquired Corporation, are there plans for any such attempts.

5.26 Derivative Contracts. No Acquired Corporation Company is a party to or has agreed to enter into a swap, forward, future, option, cap, floor or collar financial contract, or any other interest rate or foreign currency protection contract or derivative security not included in Acquired Corporation's financial statements delivered under section 5.4 hereof which is a financial derivative contract (including various combinations thereof).

ARTICLE 6
ADDITIONAL COVENANTS

6.1 Additional Covenants of BancGroup. BancGroup covenants to and with Acquired Corporation as follows:

(a) Filings. As soon as reasonably practicable with the use of its best efforts, BancGroup shall prepare and submit all necessary filings to any Agencies which may be necessary for approval to consummate the transactions contemplated by this Agreement, and shall use its best efforts to obtain approval of such transactions. Copies of all such filings shall be furnished to Acquired Corporation and its counsel for their review and comment not less than three days prior to filing. BancGroup shall take, as expeditiously as possible, all actions necessary for such filings to be approved in the minimum amount of time practicable and permissible under applicable law and will provide Acquired Corporation with copies of all correspondence and notices to or from the Agencies concerning such filings. Nothing in this paragraph shall, however, be deemed to give Acquired Corporation any right to approve the form or the content of such filings, or be deemed to require BancGroup to incorporate any comments of Acquired Corporation into such filings.

(b) Financial Statements. BancGroup shall furnish to Acquired Corporation:

(i) As soon as practicable and in any event within forty-five (45) days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of operations of BancGroup for such period and for the period beginning at the commencement of the fiscal year and ending at the end of such quarterly period, and a consolidated statement of financial condition of BancGroup as of the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding periods ending in the preceding fiscal year, subject to changes resulting from year-end adjustments;

(ii) Promptly upon receipt thereof, copies of all audit reports submitted to BancGroup by independent auditors in connection with each annual, interim or special audit of the books of BancGroup made by such accountants;

(iii) As soon as practicable, copies of all such financial statements and reports as it shall send to its stockholders and of such regular and periodic reports as BancGroup may file with the SEC or any other Agency; and

(iv) With reasonable promptness, such additional financial data as Acquired Corporation may reasonably request.

(c) No Control of Acquired Corporation by BancGroup. Notwithstanding any other provision hereof, until the Effective Date, the authority to establish and implement the business policies of Acquired Corporation shall continue to reside solely in Acquired Corporation's officers and board of directors.

(d) Employee Benefit Matters. On the Effective Date, all employees of any Acquired Corporation Company shall, at BancGroup's option, either become employees of the Resulting Corporation or its Subsidiaries or be entitled to severance benefits in accordance with Colonial Bank's severance policy as of the date of this Agreement. All employees of any Acquired Corporation Company who become employees of the Resulting Corporation or its Subsidiaries on the Effective Date shall be entitled, to the extent permitted by applicable Law, to participate in all benefit plans of Colonial Bank to the same extent as Colonial Bank employees, except as stated otherwise in this section. Employees of any Acquired Corporation Company who become employees of the Resulting Corporation or its Subsidiaries on the Effective Date shall be allowed to participate as of the Effective Date in the medical and dental benefits plan of Colonial Bank as new employees of Colonial Bank, and the time of employment of such employees who are employed at least 30 hours per week with any Acquired Corporation Company as of the Effective Date shall be counted as employment under such dental and medical plans of Colonial Bank for purposes of calculating any 30 day waiting period and pre-existing condition limitations. To the extent permitted by applicable Law, the period of service with the appropriate Acquired Corporation Company of all employees who become employees of the Resulting Corporation or its Subsidiaries on the Effective Date shall be recognized only for vesting and eligibility purposes under Colonial Bank's benefit plans. In addition, if the Effective Date falls within an annual period of coverage under any group health plan of the Resulting Corporation and its Subsidiaries, each such Acquired Corporation Company employee shall be given credit for covered expenses paid by that employee under comparable employee benefit plans of the Acquired Corporation Company during the applicable coverage period through the Effective Date towards satisfaction of any annual deductible limitation and out-of-pocket maximum that may apply under that group health plan of the Resulting Corporation and its Subsidiaries.

(e) Indemnification; Directors and Officers Insurance. (i) From and after the Effective Date, BancGroup shall cause its Subsidiaries to indemnify and advance costs and expenses (including reasonable attorneys fees, disbursements and expenses) and hold harmless each present and former director and/or officer of Acquired Corporation or its Subsidiaries determined as of the Effective Date (the "Indemnified Parties"), against any costs or expenses (including reasonable attorney's fees), judgments, fines, losses, claims, damages, settlements or liabilities (collectively, "Costs") incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (each a "Claim"), arising out of or pertaining to matters existing or occurring at or prior to the Effective Date, whether asserted or claimed prior to, at or after the Effective Date to the fullest extent that Acquired Corporation or any of its Subsidiaries would have been permitted under Florida Law and its Articles of Incorporation or Bylaws

in effect on the date hereof, to indemnify such person (and also advance expenses as incurred to the fullest extent permitted under applicable Law).

(ii) Any Indemnified Party wishing to claim indemnification under this Section 6.1(e) shall notify BancGroup within forty-five (45) days of the Indemnified Party's receipt of a notice of any Claim, but the failure to so notify shall not relieve BancGroup of any liability it may have to such Indemnified Party if such failure does not materially prejudice BancGroup. In the event of any claim (whether arising before or after the Effective Date), (i) BancGroup shall have the right to assume the defense thereof, and BancGroup shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, except that if BancGroup elects not to assume such defense, or counsel for the Indemnified Parties advises that there are issues which raise conflicts of interest between BancGroup and the Indemnified Parties, the Indemnified Parties may retain counsel satisfactory to them, and BancGroup shall pay the reasonable fees and expenses of such counsel for the Indemnified Parties promptly after statements therefore are received; provided, however, that BancGroup shall be obligated pursuant to this paragraph (ii) to pay for only one firm of counsel for all Indemnified Parties in any jurisdiction unless the use of one counsel for such Indemnified Parties will present such counsel with a conflict of interest, (ii) the Indemnified Parties will cooperate in the defense of any such matter, and (iii) BancGroup shall not be liable for any settlement effected without its prior written consent which shall not be unreasonably withheld. If such indemnity with respect to any Indemnified Party is unenforceable against BancGroup, then BancGroup and the Indemnified Party shall contribute to the amount payable in such proportion as is appropriate to reflect relative faults and benefits.

(iii) For a period of six (6) years after the Effective Date, BancGroup shall cause to be maintained in effect the current policies with directors and officer liability insurance maintained by Acquired Corporation (provided that BancGroup may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are no less advantageous to such directors and officers) with respect to claims arising from facts or events which occurred before the Effective Date.

(iv) If BancGroup or any of its successors and assigns, (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) shall transfer all or substantially all of its property and assets to any individual, corporation or other entity, then, in each such case, proper provision shall be made so that the successors and assigns of BancGroup and its Subsidiaries shall assume the obligations set forth in this section.

(v) The provisions of this Section 6.1(e) are intended to be for the benefit of, and shall be enforceable by each Indemnified Party, and each Indemnified Party's heirs and representatives.

(vi) In consideration of and as a condition precedent to the effectiveness of the indemnification obligations provided by BancGroup in this section to a director or officer of the Acquired Corporation, such director or officer of the Acquired Corporation shall have delivered to BancGroup on or prior to the Effective Date a letter in form reasonably satisfactory to BancGroup concerning claims such directors or officers may have against Acquired Corporation. In the letter, the directors or officers shall: (i) acknowledge the assumption by BancGroup as of the Effective Date of all Liability (to the extent Acquired Corporation or any of its Subsidiaries is so liable) for claims for indemnification arising under section 6.1(e) hereof; (ii) affirm that they do not have nor are they aware of any claims they might have (other than those referred to in the following clause (iii)) against Acquired Corporation or any of its Subsidiaries; (iii) identify any claims or any facts or circumstances of which they are aware that could give rise to a claim for indemnification under section 6.1(e) hereof; and (iv) release as of the Effective Date any and all claims that they may have against any Acquired Corporation Company other than (A) those referred to in the foregoing clause (iii) and disclosed in the letter of the director or officer, (B) claims by third parties which have not yet been asserted against such director or officer (other than claims arising from facts and circumstances of which such director or officer is aware and which such director or officer reasonably believes might result in claims but which are not disclosed in such director or executive officer's letter), (C) claims by third parties arising from any transaction contemplated by this Agreement or disclosed in any schedule to this Agreement, and (D) claims by third parties arising in the ordinary course of business of any Acquired Corporation Company after the date of the letter.

(vii) Acquired Corporation hereby represents and warrants to BancGroup that it has no Knowledge of any claim, pending or threatened, or of any facts or circumstances that Acquired Corporation reasonably believes could give rise to any obligation by BancGroup to provide the indemnification required by this section 6.1(e) other than as disclosed in the letters of the directors and executive officers referred to in section 6.1(e) hereof or described in any schedule to this Agreement and claims arising from any transaction contemplated by this Agreement.

6.2 Additional Covenants of Acquired Corporation. Acquired Corporation covenants to and with BancGroup as follows:

(a) Operations. (i) Acquired Corporation will conduct its business and the business of each Acquired Corporation Company in a proper and prudent manner and will use its best efforts to maintain its relationships with its depositors, customers and employees. Without the prior consent of BancGroup, no Acquired Corporation Company will engage in any material transaction outside the ordinary course of business or make any material change in its accounting policies or methods of operation, nor will Acquired Corporation permit the occurrence of any change or event which would render any of the representations and warranties in Article 5 hereof untrue in any material respect at and as of the Effective Date with the same effect as though such representations and warranties had been made at and as of such Effective Date.

(b) Stockholders Meeting; Best Efforts. Acquired Corporation will cooperate with BancGroup in the preparation of any regulatory filings and will cause the Stockholders Meeting to be held for the purpose of approving the Merger as soon as practicable, and will use its best efforts to bring about the transactions contemplated by this Agreement, including stockholder approval of this Agreement, as soon as practicable unless this Agreement is terminated as provided herein. Acquired Corporation shall prepare the Proxy Statement as soon as practicable after the execution of this Agreement. Draft copies of the Proxy Statement shall be submitted to BancGroup and its counsel in advance of distribution to stockholders. Such Proxy Statement shall substantially comply with the proxy rules of the SEC under the 1934 Act that apply to transactions similar to the Merger.

(c) Prohibited Negotiations. Except with respect to this Agreement and the transactions contemplated hereby, no Acquired Corporation Company nor any officer or director thereof nor any investment banker, attorney, accountant, or other representative (collectively, "Representatives") retained by an Acquired Corporation Company shall directly or indirectly solicit any Acquisition Proposal by any Person. Except to the extent necessary to comply with the fiduciary duties of Acquired Corporation's Board of Directors as advised in writing by counsel to such Board of Directors, no Acquired Corporation Company or any Representative thereof shall furnish any non-public information that it is not legally obligated to furnish, negotiate with respect to, or enter into any Contract with respect to, any Acquisition Proposal, and each Acquired Corporation Company shall direct and use its reasonable efforts to cause all of its Representatives not to engage in any of the foregoing, but Acquired Corporation may communicate information about such an Acquisition Proposal to its shareholders if and to the extent that it is required to do so in order to comply with its legal obligations as advised in writing by counsel to such Board of Directors. Acquired Corporation shall promptly notify BancGroup orally and in writing in the event that any Acquired Corporation Company receives any inquiry or proposal relating to any such Acquisition Proposal. Acquired Corporation shall immediately cease and cause to be terminated any existing activities, discussions, or negotiations with any Persons other than BancGroup conducted heretofore with respect to any of the foregoing. Acquired Corporation shall enter into the Stock Option Agreement with BancGroup dated as of the date of this Agreement.

(d) Director Recommendation. The members of the Board of Directors of Acquired Corporation agree to support publicly the Merger; provided, however, that nothing contained herein shall be deemed to prohibit any officer or director of Acquired Corporation from fulfilling his or her fiduciary duty or from taking any action that is required by Law.

(e) Shareholder Voting. Acquired Corporation shall on the date of execution of this Agreement obtain and submit to BancGroup an agreement from certain of its shareholders substantially in the form set forth in Exhibit A.

(f) Financial Statements and Monthly Status Reports. Acquired Corporation shall furnish to BancGroup:

(i) As soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of operations of Acquired Corporation for such period and for the period beginning at the commencement of the fiscal year and ending at the end of such quarterly period, and a consolidated statement of financial condition of Acquired Corporation as of the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding periods ending in the preceding fiscal year, subject to changes resulting from year-end adjustments;

(ii) Promptly upon receipt thereof, copies of all audit reports submitted to Acquired Corporation by independent auditors in connection with each annual, interim or special audit of the books of Acquired Corporation made by such accountants;

(iii) As soon a practicable, copies of all such financial statements and reports as it shall send to its stockholders and of such regular and periodic reports as Acquired Corporation may file with any Agency;

(iv) With reasonable promptness, such additional financial data as BancGroup may reasonably request; and

(v) Within 20 calendar days after the end of each month (or, if the financial statements referred to in clause (d) are not then available, as soon as possible thereafter) commencing with the next calendar month following the date of this Agreement and ending at the Effective Date, a written description of (a) any non-compliance with the terms of this Agreement, together with its then current estimate of the out-of-pocket costs and expenses incurred or reasonably accruable in connection with the transactions contemplated by this Agreement; (b) the status, as of the date of the report, of all existing or threatened litigation against any Acquired Corporation Company; (c) copies of minutes of any meeting of the board of directors of any Acquired Corporation Company and any committee thereof occurring in the month for which such report is made, including all documents presented to the directors at such meetings, but excluding all portions relating to the transactions contemplated by this Agreement or relating to communication with any other potential acquiror of any Acquired Corporation Company; and (d) monthly financial statements, including a balance sheet and income statement.

(g) Fiduciary Duties. Acquired Corporation shall, on the date of execution of this Agreement, obtain and submit to BancGroup an agreement from those of its executive officers and directors listed in Schedule 6.2(g) substantially in the form set forth in Exhibit D. Acquired Corporation covenants that it shall enforce such agreement.

(h) Certain Practices. At the request of BancGroup, (i) Acquired Corporation shall advise BancGroup through its bank Subsidiary in Miami Beach of all of the Bank's loan requests over $500,000 that are not single-family residential loan requests or of any other loan request outside the normal course of business, and (ii) Acquired Corporation will consult with BancGroup to coordinate various business issues on a basis mutually satisfactory to Acquired Corporation and BancGroup. Acquired Corporation and the Bank shall not be required to undertake any of such activities, however, except as such activities may be in compliance with existing Law and Regulations.

ARTICLE 7
MUTUAL COVENANTS AND AGREEMENTS

7.1 Best Efforts; Cooperation. Subject to the terms and conditions herein provided, BancGroup and Acquired Corporation each agrees to use its best efforts promptly to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable under applicable Laws or otherwise, including, without limitation, promptly making required deliveries of stockholder lists and stock transfer reports and attempting to obtain all necessary Consents and waivers and regulatory approvals, including the holding of any regular or special board meetings, to consummate and make effective, as soon as practicable, the transactions contemplated by this Agreement. The officers of each Party to this Agreement shall fully cooperate with officers and employees, accountants, counsel and other representatives of the other Parties not only in fulfilling the duties hereunder of the Party of which they are officers but also in assisting, directly or through direction of employees and other persons under their supervision or control, such as stock transfer agents for the Party, the other Parties requiring information which is reasonably available from such Party.

7.2 Press Release. Each Party hereto agrees that, unless approved by the other Parties in advance, such Party will not make any public announcement, issue any press release or other publicity or confirm any statements by any person not a party to this Agreement concerning the transactions contemplated hereby. Notwithstanding the foregoing, each Party hereto reserves the right to make any disclosure if such Party, in its reasonable discretion, deems such disclosure required by Law. In that event, such Party shall provide to the other Party the text of such disclosure sufficiently in advance to enable the other Party to have a reasonable opportunity to comment thereon.

7.3 Mutual Disclosure. Each Party hereto agrees to promptly furnish to each other Party hereto its public disclosures and filings not precluded from disclosure by Law including but not limited to call reports, Form 8-K, Form 10-Q and Form 10-K filings, Y-3 applications, reports on Form Y-6, quarterly or special reports to shareholders, Tax returns, Form S-8 registration statements and similar documents.

7.4 Access to Properties and Records. Subject to any restrictions under applicable Law, each Party hereto shall afford the officers and authorized representatives of the other Party full access to the Assets, books and records of such Party in order that such other Parties may have full opportunity to make such investigation as they shall desire of the affairs of such Party and shall furnish to such Parties such additional financial and operating data and other information as to its businesses and Assets as shall be from time to time reasonably requested. All such information that may be obtained by any such Party will be held in confidence by such party, will not be disclosed by such Party or any of its representatives except in accordance with this Agreement, and will not be used by such Party for any purpose other than the accomplishment of the Merger as provided herein.

7.5 Notice of Adverse Changes. Each Party agrees to give written notice promptly to the other Party upon becoming aware of the occurrence or impending occurrence of any event or circumstance relating to it or any of its Subsidiaries which (i) is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on it or (ii) would cause or constitute a material breach of any of its representations, warranties, or covenants contained herein, and to use its reasonable efforts to prevent or promptly to remedy the same.

ARTICLE 8
CONDITIONS TO OBLIGATIONS OF ALL PARTIES

The obligations of BancGroup and Acquired Corporation to cause the transactions contemplated by this Agreement to be consummated shall be subject to the satisfaction, in the sole discretion of the Party relying upon such conditions, on or before the Effective Date of all the following conditions, except as such Parties may waive such conditions in writing:

8.1 Approval by Shareholders. At the Stockholders Meeting, this Agreement and the matters contemplated by this Agreement shall have been duly approved by the vote of the holders of not less than the requisite number of the issued and outstanding voting securities of Acquired Corporation as is required by applicable Law and Acquired Corporation's articles of incorporation and bylaws.

8.2 Regulatory Authority Approval. Orders, Consents and approvals, in form and substance reasonably satisfactory to BancGroup and Acquired Corporation, shall have been entered by the Board of Governors of the Federal Reserve System and other appropriate bank regulatory Agencies (i) granting the authority necessary for the consummation of the transactions contemplated by this Agreement, including the merger of the Bank with Colonial Bank as structured pursuant to section 2.8 hereof and (ii) satisfying all other requirements prescribed by Law. No Order, Consent or approval so obtained which is necessary to consummate the transactions as contemplated hereby shall be conditioned or restricted in a manner which in the reasonable good faith judgment of the Board of Directors of BancGroup would so materially adversely impact the economic benefits of the

transaction as contemplated by this Agreement so as to render inadvisable the consummation of the Merger.

8.3 Litigation. There shall be no pending or threatened Litigation in any court or any pending or threatened proceeding by any governmental commission, board or Agency, with a view to seeking or in which it is sought to restrain or prohibit consummation of the transactions contemplated by this Agreement or in which it is sought to obtain divestiture, rescission or damages in connection with the transactions contemplated by this Agreement and no investigation by any Agency shall be pending or threatened which might result in any such suit, action or other proceeding.

ARTICLE 9
CONDITIONS TO OBLIGATIONS OF ACQUIRED CORPORATION

The obligations of Acquired Corporation to cause the transactions contemplated by this Agreement to be consummated shall be subject to the satisfaction on or before the Effective Date of all the following conditions except as Acquired Corporation may waive such conditions in writing:

9.1 Representations, Warranties and Covenants. Notwithstanding any investigation made by or on behalf of Acquired Corporation, all representations and warranties of BancGroup contained in this Agreement shall be true in all material respects on and as of the Effective Date as if such representations and warranties were made on and as of such Effective Date, and BancGroup shall have performed in all material respects all agreements and covenants required by this Agreement to be performed by it on or prior to the Effective Date.

9.2 Adverse Changes. There shall have been no changes after the date of the most recent balance sheet provided under section 4.2(a)(i) hereof in the results of operations (as compared with the corresponding period of the prior fiscal year), Assets, Liabilities, financial condition or affairs of BancGroup which in their total effect constitute a Material Adverse Effect, nor shall there have been any material changes in the Laws governing the business of BancGroup which would impair the rights of Acquired Corporation or its shareholders pursuant to this Agreement.

9.3 Closing Certificate. In addition to any other deliveries required to be delivered hereunder, Acquired Corporation shall have received a certificate from the President or a Vice President and from the Secretary or Assistant Secretary of BancGroup dated as of the Closing certifying that:

(a) the Board of Directors of BancGroup has duly adopted resolutions approving the substantive terms of this Agreement and authorizing the consummation of the transactions contemplated by this Agreement and such resolutions have not been amended or modified and remain in full force and effect;

(b) each person executing this Agreement on behalf of BancGroup is an officer of BancGroup holding the office or offices specified therein and the signature of each person set forth on such certificate is his or her genuine signature;

(c) such persons have no knowledge of a basis for any material claim, in any court or before any Agency or arbitration or otherwise against, by or affecting BancGroup or the business, prospects, condition (financial or otherwise), or Assets of BancGroup which would prevent the performance of this Agreement or the transactions contemplated by this Agreement or declare the same unlawful or cause the rescission thereof;

(d) to such persons' knowledge, the Proxy Statement delivered to Acquired Corporation's shareholders, or any amendments or revisions thereto so delivered, as of the date thereof, did not contain or incorporate by reference any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made (it being understood that such persons need not express a statement as to information concerning or provided by Acquired Corporation for inclusion in such Proxy Statement); and

(e) the conditions set forth in this Article 9 insofar as they relate to BancGroup have been satisfied.

9.4 Opinion of Counsel. Acquired Corporation shall have received an opinion of Miller, Hamilton, Snider & Odom, L.L.C., counsel to BancGroup, dated as of the Closing, substantially in the form set forth in Exhibit B hereto.

9.5 Other Matters. There shall have been furnished to such counsel for Acquired Corporation certified copies of such corporate records of BancGroup and copies of such other documents as such counsel may reasonably have requested for such purpose.

9.6 Material Events. There shall have been no determination by the board of directors of Acquired Corporation that the transactions contemplated by this Agreement have become impractical because of any state of war, declaration of a banking moratorium in the United States or a general suspension of trading on the NYSE or any other exchange on which BancGroup Common Stock may be traded.

9.7 Fairness Opinion. Acquired Corporation shall have received prior to the Stockholders Meeting a letter from The Carson Medlin Company setting forth its opinion that the consideration to be received by the shareholders of Acquired Corporation under the terms of this Agreement is fair to them from a financial point of view, and shall have received an updated version of such letter immediately prior to the mailing of the Proxy Statement.

ARTICLE 10
CONDITIONS TO OBLIGATIONS OF BANCGROUP

The obligations of BancGroup to cause the transactions contemplated by this Agreement to be consummated shall be subject to the satisfaction on or before the Effective Date of all of the following conditions except as BancGroup may waive such conditions in writing:

10.1 Representations, Warranties and Covenants. Notwithstanding any investigation made by or on behalf of BancGroup, all representations and warranties of Acquired Corporation contained in this Agreement shall be true in all material respects on and as of the Effective Date as if such representations and warranties were made on and as of the Effective Date, and Acquired Corporation shall have performed in all material respects all agreements and covenants required by this Agreement to be performed by it on or prior to the Effective Date.

10.2 Adverse Changes. There shall have been no changes after the date of the most recent balance sheet provided under section 5.4(a)(i) hereof in the results of operations (as compared with the corresponding period of the prior fiscal year), Assets, Liabilities, financial condition, or affairs of Acquired Corporation which constitute a Material Adverse Effect, nor shall there have been any material changes in the Laws governing the business of Acquired Corporation which would impair BancGroup's rights pursuant to this Agreement.

10.3 Closing Certificate. In addition to any other deliveries required to be delivered hereunder, BancGroup shall have received a certificate from Acquired Corporation executed by the President or Vice President and from the Secretary or Assistant Secretary of Acquired Corporation dated as of the Closing certifying that:

(a) the Board of Directors of Acquired Corporation has duly adopted resolutions approving the substantive terms of this Agreement and authorizing the consummation of the transactions contemplated by this Agreement and such resolutions have not been amended or modified and remain in full force and effect;

(b) the shareholders of Acquired Corporation have duly adopted resolutions approving the substantive terms of the Merger and the transactions contemplated thereby and such resolutions have not been amended or modified and remain in full force and effect;

(c) each person executing this Agreement on behalf of Acquired Corporation is an officer of Acquired Corporation holding the office or offices specified therein and the signature of each person set forth on such certificate is his or her genuine signature;

(d) the articles of incorporation and bylaws of Acquired Corporation and the Bank referenced in section 5.8 hereof remain in full force and effect and have not been amended or modified since the date hereof;

(e) to such persons' knowledge, the Proxy Statement delivered to Acquired Corporation's shareholders, or any amendments or revisions thereto so delivered, as of the date thereof, did not contain or incorporate by reference any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made (it being understood that such persons need only express a statement as to information concerning or provided by Acquired Corporation for inclusion in such Proxy Statement); and

(f) the conditions set forth in this Article 10 insofar as they relate to Acquired Corporation have been satisfied.

10.4 Opinion of Counsel. BancGroup shall have received an opinion of Shutts & Bowen, LLP, counsel to Acquired Corporation, dated as of the Closing, substantially as set forth in Exhibit C hereto.

10.5 Other Matters. There shall have been furnished to counsel for BancGroup certified copies of such corporate records of Acquired Corporation and copies of such other documents as such counsel may reasonably have requested for such purpose.

10.6 Dissenters. The number of shares as to which shareholders of Acquired Corporation have exercised dissenters rights of appraisal under section 3.6 does not exceed 30% of the outstanding shares of common stock of Acquired Corporation.

10.7 Material Events. There shall have been no determination by the board of directors of BancGroup that the transactions contemplated by this Agreement have become impractical because of any state of war, declaration of a banking moratorium in the United States or general suspension of trading on the NYSE or any exchange on which BancGroup Common Stock may be traded.

10.8 Employment Agreements. Employment agreements, in form and substance reasonably satisfactory to BancGroup, shall have been executed between BancGroup and Richard H. Dailey and Carlos F. Rodriguez.

10.9 Stockholders Equity. The consolidated stockholders equity of Acquired Corporation Stock shall be equal to or greater than $15,400,000 as of the end of the most recent month prior to the Closing. For purposes of this Section, the consolidated stockholders equity shall be calculated in accordance with GAAP, subject to the following exceptions: (i) no amounts will be deducted with respect to the expenses incurred by the Acquired Corporation in connection with the transactions contemplated by this Agreement;

(ii) no amounts will be deducted for the amounts payable to Richard H. Dailey pursuant to his employment agreement arising from the change in control of the Acquired Corporation; and (iii) no adjustments shall be made to reflect the implementation of Statement of Financial Accounting Standards No. 125.

10.10 Joint Venture Agreement. On or before the Effective Date, Dadeland Software Services, Inc. and ERAS shall have amended the Amended an Restated Joint Venture Agreement substantially in the form set forth in Exhibit E hereto.

ARTICLE 11
TERMINATION OF REPRESENTATIONS AND WARRANTIES

All representations and warranties provided in Articles 4 and 5 of this Agreement or in any closing certificate pursuant to Articles 9 and 10 shall terminate and be extinguished at and shall not survive the Effective Date. All covenants, agreements and undertakings required by this Agreement to be performed by any Party hereto following the Effective Date shall survive such Effective Date and be binding upon such Party. If the Merger is not consummated, all representations, warranties, obligations, covenants, or agreements hereunder or in any certificate delivered hereunder relating to the transaction which is not consummated shall be deemed to be terminated or extinguished, except that Sections 7.2, the confidentiality provisions of Section 7.4, Section 13.3, this Article 11, Article 15 and any applicable definitions of Article 14, shall survive. Nothing in this Agreement shall be read to diminish or nullify the Stock Option Agreement. Items disclosed in the Exhibits and Schedules attached hereto are incorporated into this Agreement and form a part of the representations, warranties, covenants or agreements to which they relate.

ARTICLE 12
NOTICES

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given at the time given or mailed, first class postage prepaid:

(a) If to Acquired Corporation to Richard H. Dailey, Brickell Banking Center, 1201 Brickell Avenue, Miami, Florida 33131, facsimile 305-662-6634, with copies to Bowman Brown, Esq., Shutts & Bowen, 1500 Miami Center, 201 South Biscayne Boulevard, Miami, Florida 33131, facsimile 305-381-9982, or as may otherwise be specified by Acquired Corporation in writing to BancGroup.

(b) If to BancGroup, to W. Flake Oakley, IV, One Commerce Street, Suite 803, Montgomery, Alabama, 36104, facsimile (334) 240-5069, with a copy to Michael D. Waters, Miller, Hamilton, Snider & Odom, L.L.C., One Commerce Street, Suite 802,

Montgomery, Alabama 36104, facsimile (334) 265-4533, or as may otherwise be specified in writing by BancGroup to Acquired Corporation.

ARTICLE 13
AMENDMENT OR TERMINATION

13.1 Amendment. This Agreement may be amended by the mutual consent of BancGroup and Acquired Corporation before or after approval of the transactions contemplated herein by the shareholders of Acquired Corporation.

13.2 Termination. This Agreement may be terminated at any time prior to or on the Effective Date whether before or after action thereon by the shareholders of Acquired Corporation, as follows:

(a) by the mutual consent of the respective boards of directors of Acquired Corporation and BancGroup;

(b) by the board of directors of either Party in the event of a material breach by the other Party of any representation, warranty, covenant or agreement contained in this Agreement which cannot be or has not been cured within thirty (30) days after the giving of written notice to the breaching Party of such breach and which breach would provide the non-breaching Party the ability to refuse to consummate the Merger under the standard set forth in section 10.1 of this Agreement in the case of BancGroup and section 9.1 of this Agreement in the case of Acquired Corporation;

(c) by the board of directors of either Party if any of the conditions to the obligations of such Party contained in this Agreement in Article 9 as to Acquired Corporation or Article 10 as to BancGroup shall not have been satisfied in full;

(d) by the board of directors of BancGroup if all transactions contemplated by this Agreement shall not have been consummated within six (6) months of the date of this Agreement, if the failure to consummate the transactions provided for in this Agreement within such period is not caused by any breach of this Agreement by BancGroup;

(e) by the board of directors of Acquired Corporation if all transactions contemplated by this Agreement shall not have been consummated within six (6) months of the date of this Agreement, if the failure to consummate the transactions provided for in this Agreement within such period is not caused by any breach of this Agreement by Acquired Corporation;

(f) by the board of directors of Acquired Corporation if the execution and delivery by BancGroup of this Agreement are not ratified and approved by the board of directors of BancGroup not later than July 16, 1997; or

(g) by the board of directors of BancGroup, if The Carson Medlin Company has not delivered to the Acquired Corporation the fairness opinion required by Section 9.6 on or before the Stockholders Meeting.

13.3 Damages. In the event of termination pursuant to section 13.2, Acquired Corporation and BancGroup shall not be liable for damages for any breach of warranty or representation contained in this Agreement made in good faith, and, in that case, the expenses incurred shall be borne as set forth in section 15.1 hereof.

ARTICLE 14
DEFINITIONS

(a) The following terms, which are capitalized in this Agreement, shall have the meanings set forth below for the purpose of this Agreement:

Acquired Corporation	Dadeland Bancshares, Inc., a Florida corporation.
Acquired Corporation Company	Acquired Corporation, the Bank, any Subsidiary of Acquired Corporation or the Bank, or any person or entity acquired as a Subsidiary of Acquired Corporation or the Bank in the future and owned by Acquired Corporation or the Bank at the Effective Date.
Acquired Corporation Stock	Shares of common stock, par value $.01 per share, of Acquired Corporation.
Acquisition Proposal	With respect to a Party, any tender offer or exchange offer or any proposal for a merger, acquisition of all of the stock or assets of, or other business combination involving such Party or any of its Subsidiaries or the acquisition of a substantial equity interest in, or a substantial portion of the assets of, such Party or any of its Subsidiaries.
Agencies	Collectively, the Federal Trade Commission, the United States Department of Justice, the Board of the Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, all state regulatory agencies having jurisdiction over the Parties and their respective Subsidiaries, HUD, the VA, the FHA, the GNMA, the FNMA, the FHLMC, the NYSE, and the SEC.

Agreement	This Agreement and Plan of Merger and the Exhibits and Schedules delivered pursuant hereto and incorporated herein by reference.
Assets	Of a Person shall mean all of the assets, properties, businesses and rights of such Person of every kind, nature, character and description, whether real, personal or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person's business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.
BancGroup	The Colonial BancGroup, Inc., a Delaware corporation with its principal offices in Montgomery, Alabama.
Bank	Dadeland Bank, a Florida bank.
Closing	The closing of the transactions contemplated hereby as described in section 2.7 of this Agreement.
Code	The Internal Revenue Code of 1986, as amended.
Common Stock	BancGroup's Common Stock authorized and defined in the restated certificate of incorporation of BancGroup, as amended.
Consent	Any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.
Contract	Any material written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, obligation, plan, practice, restriction, understanding or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets or business.
Default	Shall mean (i) any breach or violation of or default under any Contract, Order or Permit, (ii) any occurrence of any event that with the passage of time or the giving

	of notice or both would constitute a breach or violation of or default under any Contract, Order or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right to terminate or revoke, change the current terms of, or renegotiate, or to accelerate, increase, or impose any Liability under, any Contract, Order or Permit.
DGCL	The Delaware General Corporation Law.
Effective Date	Means the date and time at which the Merger becomes effective as defined in section 2.7 hereof.
Environmental Laws	Means the laws, regulations and governmental requirements referred to in section 5.23 hereof.
ERISA	The Employee Retirement Income Security Act of 1974, as amended.
Exhibits	A through C, inclusive, shall mean the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.
FBCA	The Florida Business Corporation Act
GAAP	Means generally accepted accounting principles applicable to banks and bank holding companies.
Knowledge	Means the actual knowledge of the Chairman, President, Chief Financial Officer, Chief Accounting Officer, Chief Credit Officer, General Counsel or any Senior or Executive Vice President of BancGroup, in the case of knowledge of BancGroup, or of Acquired Corporation and the Bank, in the case of knowledge of Acquired Corporation.
Law	Any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities or business, including those promulgated, interpreted or enforced by any Agency.

Liability	Any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.
Lien	Any conditional sale agreement, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, reservation, restriction, security interest, title retention or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any property or property interest, other than (i) Liens for current property Taxes not yet due and payable, (ii) for depository institution Subsidiaries of a Party, pledges to secure deposits and other Liens incurred in the ordinary course of the banking business, and (iii) Liens in the form of easements and restrictive covenants on real property which do not materially adversely affect the current use of such property by the current owner thereof.
Litigation	Any action, arbitration, complaint, criminal prosecution, governmental or other examination or investigation, hearing, inquiry, administrative or other proceeding relating to or affecting a Party, its business, its Assets (including Contracts related to it), or the transactions contemplated by this Agreement.
Loan Property	Any property owned by the Party in question or by any of its Subsidiaries or in which such Party or Subsidiary holds a security interest, and, where required by the context, includes the owner or operator of such property, but only with respect to such property.
Loss	Any and all direct or indirect payments, obligations, recoveries, deficiencies, fines, penalties, interest, assessments, losses, diminution in the value of Assets, damages, punitive, exemplary or consequential damages (including, but not limited to, lost income and profits

	and interruptions of business), liabilities, costs, expenses (including without limitation, reasonable attorneys' fees and expenses, and consultant's fees and other costs of defense or investigation), and interest on any amount payable to a third party as a result of the foregoing.
material	For purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.
Material Adverse Effect	On a Party shall mean an event, change or occurrence which has a material adverse impact on (i) the financial position, Assets, 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, provided that "material adverse impact" shall not be deemed to include the impact of (x) changes in banking and similar laws of general applicability or interpretations thereof by courts or governmental authorities, (y) changes in generally accepted accounting principles or regulatory accounting principles generally applicable to banks and their holding companies, and (z) the Merger and compliance with the provisions of this Agreement on the operating performance of the Parties.
Merger	The merger of Acquired Corporation with BancGroup as contemplated in this Agreement.
Merger Consideration	The distribution of cash for each share of Acquired Corporation Stock as provided in section 3.1 hereof.
NYSE	The New York Stock Exchange.
Order	Any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency or Agency.

Party	Shall mean Acquired Corporation or BancGroup, and "Parties" shall mean both Acquired Corporation and BancGroup.
Permit	Any federal, state, local, and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets or business.
Person	A natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.
Proxy Statement	The proxy statement used by Acquired Corporation to solicit the approval of its stockholders of the transactions contemplated by this Agreement.
Resulting Corporation	BancGroup, as the surviving corporation resulting from the Merger.
SEC	United States Securities and Exchange Commission.
Stock Option Agreement	The Agreement dated as of the date hereof between BancGroup and Acquired Corporation granting to BancGroup the right to acquire up to 19.9 percent of Acquired Corporation common stock.
Stockholders Meeting	The special meeting of stockholders of Acquired Corporation called to approve the transactions contemplated by this Agreement.
Subsidiaries	Shall mean all those corporations, banks, associations, or other entities of which the entity in question owns or controls 5% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 5% or more of the outstanding equity securities is owned directly or indirectly by its parent; provided, however, there shall not be included any such entity acquired through foreclosure or any such

	entity the equity securities of which are owned or controlled in a fiduciary capacity; and provided, further, that ERAS Joint Venture shall not be deemed to be a subsidiary of Acquired Corporation for purposes of this Agreement.
Tax or Taxes	Means any federal, state, county, local, foreign, and other taxes, assessments, charges, fares, and impositions, including interest and penalties thereon or with respect thereto.
1933 Act	The Securities Act of 1933, as amended.
1934 Act	The Securities Exchange Act of 1934, as amended.

ARTICLE 15
MISCELLANEOUS

15.1 Expenses. Each Party hereto shall bear its own legal, auditing, trustee, investment banking, regulatory and other expenses in connection with this Agreement and the transactions contemplated hereby.

15.2 Benefit. This Agreement shall inure to the benefit of and be binding upon Acquired Corporation and BancGroup, and their respective successors. This Agreement shall not be assignable by any Party without the prior written consent of the other Party.

15.3 Governing Law. This Agreement shall be governed by, and construed in accordance with the Laws of the State of Alabama without regard to any conflict of Laws.

15.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to constitute an original. Each such counterpart shall become effective when one counterpart has been signed by each Party thereto.

15.5 Headings. The headings of the various articles and sections of this Agreement are for convenience of reference only and shall not be deemed a part of this Agreement or considered in construing the provisions thereof.

15.6 Severability. Any term or provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining terms and provisions thereof or affecting the validity or enforceability of such provision in any other jurisdiction, and if any term or provision of this Agreement is held by any court of competent jurisdiction to be void, voidable, invalid or unenforceable in any given circumstance or situation, then all other terms and provisions, being severable, shall remain

in full force and effect in such circumstance or situation and the term or provision shall remain valid and in effect in any other circumstances or situation.

15.7 Construction. Use of the masculine pronoun herein shall be deemed to refer to the feminine and neuter genders and the use of singular references shall be deemed to include the plural and vice versa, as appropriate. No inference in favor of or against any Party shall be drawn from the fact that such Party or such Party's counsel has drafted any portion of this Agreement.

15.8 Return of Information. In the event of termination of this Agreement prior to the Effective Date, each Party shall return to the other, without retaining copies thereof, all confidential or non-public documents, work papers and other materials obtained from the other Party in connection with the transactions contemplated in this Agreement and shall keep such information confidential, not disclose such information to any other person or entity, and not use such information in connection with its business.

15.9 Equitable Remedies. The parties hereto agree that, in the event of a material breach of this Agreement by either Party, the other Party may be without an adequate remedy at law owing to the unique nature of the contemplated transactions. In recognition thereof, in addition to (and not in lieu of) any remedies at law that may be available to the non-breaching Party, the non-breaching Party shall be entitled to obtain equitable relief, including the remedies of specific performance and injunction, in the event of a material breach of this Agreement by the other Party, and no attempt on the part of the non-breaching Party to obtain such equitable relief shall be deemed to constitute an election of remedies by the non-breaching Party that would preclude the non-breaching Party from obtaining any remedies at law to which it would otherwise be entitled.

15.10 Attorneys' Fees. If any Party hereto shall bring an action at law or in equity to enforce its rights under this Agreement (including an action based upon a misrepresentation or the breach of any warranty, covenant, agreement or obligation contained herein), the prevailing Party in such action shall be entitled to recover from the other Party its reasonable costs and expenses incurred in connection with such action (including fees, disbursements and expenses of attorneys and costs of investigation).

15.11 No Waiver. No failure, delay or omission of or by any Party in exercising any right, power or remedy upon any breach or Default of any other Party shall impair any such rights, powers or remedies of the Party not in breach or Default, nor shall it be construed to be a wavier of any such right, power or remedy, or an acquiescence in any similar breach or Default; nor shall any waiver of any single breach or Default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any provisions of this Agreement must be in writing and be executed by the Parties to this Agreement and shall be effective only to the extent specifically set forth in such writing.

15.12 Remedies Cumulative. All remedies provided in this Agreement, by law or otherwise, shall be cumulative and not alternative.

15.13 Entire Contract. This Agreement and the documents and instruments referred to herein constitute the entire contract between the parties to this Agreement and supersede all other understandings with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, Acquired Corporation and BancGroup have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

ATTEST:

BY: _____

ITS: Secretary

DADELAND BANCSHARES, INC.

BY: _____
Carlos F. Rodriguez

ITS: Chairman of the Board

(CORPORATE SEAL)

ATTEST:

BY: _____

ITS: Assistant Secretary

THE COLONIAL BANCGROUP, INC.

BY: _____

ITS: Chief Financial Officer

(CORPORATE SEAL)

EXHIBIT A

_____, 1997

Mr. Robert E. Lowder
Chairman of the Board and
Chief Executive Officer
The Colonial BancGroup, Inc.
Post Office Box 1108
Montgomery, Alabama 36101

RE: Merger

Dear Mr. Lowder:

I am writing to confirm the following commitment to The Colonial BancGroup, Inc. ("BancGroup") from the undersigned regarding the proposed merger between Dadeland Bancshares, Inc. ("Acquired Corporation") and BancGroup pursuant to the Agreement and Plan of Merger dated as of _____, 1997 (the "Agreement"). In consideration of the merger and until the merger is consummated in accordance with the Agreement or the Agreement is terminated in accordance with its terms, whichever is the first to occur, I agree to vote all of the shares of Acquired Corporation that I own directly or indirectly or otherwise have the power to vote in favor of the merger of Acquired Corporation and BancGroup and in favor of the other transactions contemplated between the two parties under the agreement. Furthermore, for the same period of time I will vote any shares I own in Acquired Corporation against any business combination or other reorganization of any kind involving Acquired Corporation or its subsidiaries with any entity other than BancGroup.

Sincerely yours,

EXHIBIT B

_____, 1997

(Opinion of Counsel for BancGroup)

Acquired Corporation
_____
_____
_____

Gentlemen:

We have acted as counsel to The Colonial BancGroup, Inc. ("BancGroup"), a Delaware corporation, in connection with the merger of [_____] Corporation ("Acquired Corporation"), with and into BancGroup, pursuant to the Agreement and Plan of Merger ("Agreement") dated as of _____, 1997 by and between BancGroup and Acquired Corporation. The terms used in this opinion that are defined in the Agreement shall have the same definitions when used herein, unless otherwise defined herein.

In connection with our representation of BancGroup and in order to render this opinion pursuant to section 9.4 of the Agreement, we have examined and relied upon the accuracy of original, certified, conformed or photographic copies of such records, agreements, instruments, documents, and certificates of officers and employees of BancGroup and of other persons, and such questions of law, as we deemed necessary or appropriate. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of documents submitted to us as certified or photostatic copies. We have relied on certificates issued to us by the secretaries of state and other appropriate government officials of the various states in which BancGroup is incorporated or qualified and, except as expressly set forth in any such documents or hereinafter, we have assumed the authority of the person or persons who have executed any such documents on behalf of any person or persons, state or any other entity. We have also relied as to various matters material to this opinion on the represetations and warranties contained in the Agreement and the certificates delivered pursuant thereto and we have made no independent investigation with regard thereto.

Upon the basis of the foregoing, we are of the opinion that:

(i) BancGroup is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware with full corporate power and authority

to carry on its business as now conducted. Each of BancGroup's subsidiary banks is a wholly-owned subsidiary of BancGroup and is a banking corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation with full corporate power and authority to carry on its business as now conducted;

(ii) The Agreement has been duly authorized, approved and adopted by all requisite corporate action of the board of directors of BancGroup, this being the only corporate authorization required under BancGroup's certificate of incorporation, bylaws and applicable law, has been duly executed and delivered by BancGroup, and constitutes a valid and legally binding agreement of BancGroup enforceable in accordance with its terms;

(iii) The execution, delivery and performance by BancGroup of the Agreement will not violate the restated certificate of incorporation or bylaws of BancGroup and, to our knowledge, will not violate, result in a breach of, or constitute a default under any material lease, loan agreement, indenture, mortgage, deed of trust or other material agreement or instrument known to us to which BancGroup is a party;

(iv) All consents, approvals, authorizations or orders required to be obtained by BancGroup for the consummation of the transactions contemplated by the Agreement have been obtained;

(v) To our knowledge, there is no action, suit, proceeding or investigation pending or currently threatened against BancGroup which questions the validity of the Agreement or the right of BancGroup to enter into the Agreement, or to consummate the transactions contemplated thereby, or which might result, either individually or in the aggregate, in any changes in the assets, condition, affairs or prospects of BancGroup which are materially adverse to BancGroup, financially or otherwise, or any change in the current equity ownership of BancGroup. To our knowledge, BancGroup is not a party to nor is BancGroup subject to the provisions of any currently effective order, writ, injunction or decree of any court or government agency or instrumentality.

(vi) To our knowledge, there are no investigations, audits or other proceedings by any Federal, state or municipal governmental agency pending or threatened against BancGroup.

(viii) To our knowledge, BancGroup is not in default under any term or condition of any instrument evidencing, creating or securing any material indebtedness of BancGroup and there has been no default in any material obligation to be performed by BancGroup

under any other material contract, lease, agreement, commitment or undertaking to which it is a party or by which it or its assets or properties are bound.

We give no opinion as to the laws of any jurisdiction other than the general corporation law of the State of Delaware and the laws of the United States and the State of Alabama. We are licensed to practice law only in the State of Alabama.

The opinions rendered herein are as of the date hereof. We assume no obligation, and specifically disclaim any responsibility, to update or supplement these opinions to reflect any facts which hereafter may come to our attention or any changes in facts or law subsequent to the date hereof.

These opinions have been furnished to you at your request, and we consider them to be a confidential communication which may not be furnished, reproduced, distributed, or disclosed to anyone without our prior written consent. These opinions are rendered solely for your information and assistance in connection with the transactions contemplated in the Agreement. They may not be relied upon by any other person or for any other purpose without our prior written consent.

Sincerely,

Miller, Hamilton, Snider & Odom, L.L.C.

cc: Mr. W. Flake Oakley, IV

EXHIBIT "C"

June ___, 1997

The Colonial BancGroup, Inc.
Colonial Financial Center
One Commerce Street
Montgomery, Alabama 36192

Re: Dadeland Bancshares, Inc.

Gentlemen:

Shutts & Bowen has acted as counsel to Dadeland Bancshares, Inc., a Florida corporation ("Dadeland") in connection with the proposed merger (the "Merger") of Dadeland with and into The Colonial BancGroup, Inc., a Delaware corporation ("Colonial"), pursuant to the terms of the Agreement and Plan of Merger, dated as of June ___, 1997 between Colonial and Dadeland (the "Agreement"). This letter is provided to you at the request of Dadeland pursuant to Section 10.4 of the Agreement. Except as otherwise indicated herein, capitalized terms used in this letter shall have the meanings set forth, respectively, in the Agreement or the Report described below.

This letter has been prepared, and is to be construed, in accordance with the Report on Standards for Opinions of Florida Counsel dated April 8, 1991, issued by the Special Committee on Opinion Standards of the Business Law Section of The Florida Bar (the "Report"). The Report is incorporated by reference into this Letter. As a consequence, this letter is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Report, and this Letter should be read in conjunction therewith. The law covered by the opinions expressed herein is limited to the Federal law of the United States and the law of the State of Florida.

For purposes of rendering the opinions expressed herein, we have examined and relied as to factual matters upon the following:

A. A certified copy of the Articles of Incorporation of Dadeland, dated as of a recent date, issued by the Florida Secretary of State.

B. Certificates of Good Standing for Dadeland and Dadeland Bank (the "Bank"), dated as of a recent date, issued by the Florida Secretary of State.

C. A Certificate of the Florida Department of Banking and Finance, dated as of a recent date, to the effect that the Bank is a Florida state-chartered bank and is authorized to transact the business of banking.

D. A Certificate of the Federal Deposit Insurance Corporation, dated as of a recent date, to the effect that the deposit accounts of the Bank are insured in accordance with the Federal Deposit Insurance Act and that no proceedings are pending which would terminate the status of the Bank as an insured institution.

E. Copies of the resolutions of the Board of Directors of Dadeland approving, among other things, the Agreement and the Merger.

E. A Certificate of _____, Secretary of Dadeland, as to the Articles of Incorporation and Bylaws of Dadeland, the resolutions of Dadeland's shareholders and Board of Directors, and the incumbency and authority of Dadeland's officers; and

F. Certificates of Richard H. Dailey, President of Dadeland, _____, Chief Financial Officer of Dadeland, and _____, Secretary of Dadeland, dated as of a recent date, as to certain factual matters.

Our examination has been limited to the foregoing, and we have made no other investigation or inquiry. Further, this letter expressly excludes any opinions as to choice of law matters and antitrust matters.

Based on the foregoing, and subject to the qualifications and limitations stated in this letter and in the Report, we are of the opinion that:

(1) Dadeland is incorporated under the Florida Business Corporation Act, and its status is active. The Bank is incorporated under the Florida Business Corporation Act pursuant to the Florida Banking Code, and its status is active.

(2) All corporate action required to be taken by the directors and shareholders of Dadeland to authorize the transactions contemplated by the Agreement have been taken, and Dadeland has the corporate power to effect the Merger in accordance with the terms of the Agreement.

(3) The execution and delivery of the Agreement did not, and the consummation of the Merger will not, conflict with any provision of the Articles of Incorporation or Bylaws of Dadeland, or violate any provision of Florida or federal law, or, to our knowledge, result in any breach of or default under any material agreement to which Dadeland is a party.

(4) The Agreement is enforceable against Dadeland.

(5) Dadeland has the corporate power and authority to conduct its business as presently conducted in all jurisdictions in which such business is conducted. To our knowledge, Dadeland is not required to be qualified to do business in any jurisdiction other than Florida.

(6) To our knowledge there is no pending or threatened litigation, proceeding or investigation which questions the validity of the Agreement or the Merger or which might result in any material adverse change in the business, properties, or financial condition of Dadeland.

(7) The authorized capital stock of Dadeland consists of 200,000 shares of common stock, par value $.01 per share (the "Shares"), of which 116,721 Shares are issued and outstanding. The Shares are fully paid and non-assessable.

We assume no obligation to advise you of any further changes in the foregoing. This letter has been prepared solely for your use in connection with the Closing under the Agreement and may not be used, circulated or quoted, in whole or in part, or otherwise referred to, or filed with or furnished to any governmental agency or other person or entity, without in each instance the prior written consent of this firm.

Very truly yours,
SHUTTS & BOWEN, L.L.P.

By: _____

EXHIBIT D

DADELAND BANCSHARES, INC.

June _____, 1997

[Name of Officer or Director]
[Address] _____

Re: Agreement and Plan of Merger by and between The Colonial Bank Group, Inc. and Dadeland BancShares, Inc.

Dear _____:

The purpose of this letter is to confirm the agreement of the undersigned (the "Executive") regarding the Executive's fiduciary duties to Dadeland BancShares, Inc. and its subsidiaries (the "Company") in light of the transactions contemplated by the above referenced agreement (the "Merger Agreement"). In particular, the Executive hereby agrees as follows:

1. During the term of his employment by or service as a Director of the Company, without the prior written consent of the Company's Board of Directors, the Executive agrees that he may not, directly or indirectly, own, manage, operate, join, control, be employed by or participate in the ownership, the proposed ownership, management, operation or control of, any business, corporation or partnership which is competitive with the business of the Company.

2. Without the prior written consent of the Company's Board of Directors, the Executive shall not (except as required to perform the Executive's duties to the Company) communicate, disclose or use for the benefit of the Executive or any other person, firm, association or corporation other than the Company, any confidential information which is possessed, owned or used by or licensed by or to the Company or confidential information of third parties which the Company shall be under obligation to keep secret or which may be communicated to, acquired by or learned by the

Executive in the course of or as result of the performance by the Executive of the Executive's duties to the Company.

3. In addition to the express agreements set forth in paragraphs 2 and 3, the Executive shall also satisfy the Executive's other fiduciary duties to the Company.

4. The Executive acknowledges that The Colonial BancGroup, Inc. ("BancGroup") is relying upon the execution and delivery of this letter as a condition to the execution and delivery of the Merger Agreement.

Please confirm your agreement to the foregoing by executing the enclosed copy of this letter in the space provided below and returning it to the undersigned.

Sincerely yours,

DADELAND BANCSHARES, INC.

By:_____

Its:_____

AGREED AND ACCEPTED:

Name:_____

Date:_____

DADELAND BANCSHARES, INC.

June _____, 1997

[Name of Officer or Director]
[Address]

Re: Agreement and Plan of Merger by and between The Colonial Bank Group, Inc. and Dadeland BancShares, Inc.

Dear_____:

The purpose of this letter is to confirm the agreement of the undersigned (the "Executive") regarding the Executive's fiduciary duties to Dadeland BancShares, Inc. and its subsidiaries (the "Company") in light of the transactions contemplated by the above referenced agreement (the "Merger Agreement"). In particular, the Executive hereby agrees as follows:

1. During the term of his employment by or service as a Director of the Company, without the prior written consent of the Company's Board of Directors, the Executive agrees that he may not, directly or indirectly, own, manage, operate, join, control, be employed by or participate in the ownership, the proposed ownership, management, operation or control of, any business, corporation or partnership which is competitive with the business of the Company.

2. Without the prior written consent of the Company's Board of Directors, the Executive shall not (except as required to perform the Executive's duties to the Company) communicate, disclose or use for the benefit of the Executive or any other person, firm, association or corporation other than the Company, any confidential information which is possessed, owned or used by or licensed by or to the Company or confidential information of third parties which the Company shall be under obligation to keep secret or which may be communicated to, acquired by or learned by the Executive in the course of or as result of the performance by the Executive of the Executive's duties to the Company.

3. In addition to the express agreements set forth in paragraphs 2 and 3, the Executive shall also satisfy the Executive's other fiduciary duties to the Company.

4. The Executive acknowledges that The Colonial BancGroup, Inc. ("BancGroup") is relying upon the execution and delivery of this letter as a condition to the execution and delivery of the Merger Agreement.

Please confirm your agreement to the foregoing by executing the enclosed copy of this letter in the space provided below and returning it to the undersigned.

Sincerely yours,

DADELAND BANCSHARES, INC.

By:_____

Its:_____

AGREED AND ACCEPTED:

Name:_____

Date:_____

EXHIBIT E

AMENDMENT

to

Amended and Restated Joint Venture Agreement
dated as of October 1, 1996

This Amendment to the Amended and Restated Joint Venture Agreement dated as of October 1, 1996 (the "Agreement") is dated as of _____, 1997. This Amendment amends Article 11 "Assignment and Call Option" of the Agreement by adding the following additional sentence at the end of Section 11.5:

> Notwithstanding the foregoing, the provisions of this Section 11.5 shall not apply to the proposed merger between Dadeland Bancshares, Inc. and The Colonial BancGroup, Inc.

This Amendment also amends Article 12 "Additional Covenants" of the Agreement by deleting paragraph 12.1(c) of the Agreement in its entirety and by substituting in lieu thereof the following new paragraph 12.1(c):

> "(c) Except as stated below, the provisions of this Section 12.1 shall remain in effect during the term of this Agreement and, with respect to any Venturer selling its interest in, or withdrawing from the Venture, for a period of three (3) years following the date of such sale or withdrawal. The limitations in the foregoing sentence and the restrictions set forth in clauses (i) and (ii) of this Section 12.1 shall not apply, however, to the activities of The Colonial BancGroup ("BancGroup") Inc., Colonial Bank, or any affiliates thereof if, 60 days prior to engaging in any activity which may be prohibited by Section 12.1(i) or (ii), BancGroup gives written notice to ERAS stating its intention to enter into such activity and describing such activity. Upon the giving of such notice, ERAS shall have the right to purchase the Interest of Dadeland in the Venture on the terms provided in Section 11.5 hereof, as if the giving of the notice by BancGroup constituted a transaction for which ERAS has the option to purchase such Interest under Section 11.5. It is specifically acknowledged that the only remedy ERAS shall have for a violation of Section 12.1(i) or 12.1(ii) under the foregoing circumstances shall be its right to purchase the Interest of Dadeland in the Venture. In the case of either the purchase of such Interest by ERAS or the failure of ERAS to purchase such Interest following receipt of the notice from BancGroup, then BancGroup, Colonial Bank or any affiliate thereof may undertake any activity described in the notice given to ERAS hereunder without violation of the Agreement."

This Amendment shall become effective as of the Effective Date as defined in the Agreement and Plan of Merger dated as of June __, 1997, by and between The Colonial BancGroup, Inc. and Dadeland Bancshares, Inc.

Name of Venturer	Venture Percentage
Dadeland Software Service, Inc.	20%

By:_____
Name:_____
Title:_____

ERAS, Inc.	80%

By:_____
Name:_____
Title:_____

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AMENDMENT

to

Amended and Restated Joint Venture Agreement
dated as of October 1; 1996

This Amendment to the Amended and Restated Joint Venture Agreement dated as of October 1, 1996 (the "Agreement") is dated as of June 23, 1997. This Amendment amends Article 11 "Assignment and Call Option" of the Agreement by adding the following additional sentence at the end of Section 11.5:

> Notwithstanding the foregoing, the provisions of this Section 11.5 shall not apply to the proposed merger between DBI and The Colonial BancGroup, Inc.

This Amendment also amends Article 12 "Additional Covenants" of the Agreement by deleting paragraph 12.1(c) of the Agreement in its entirety and by substituting in lieu thereof the following new paragraph 12.1(c):

> "(c) Except as stated below, the provisions of this Section 12.1 shall remain in effect during the term of this Agreement and, with respect to any Venturer selling its interest in, or withdrawing from the Venture, for a period of three (3) years following the date of such sale or withdrawal. The limitations in the foregoing sentence and the restrictions set forth in clauses (i) and (ii) of this Section 12.1 shall not apply, however, to the activities of The Colonial BancGroup, Inc. ("BancGroup"), Colonial Bank, or any affiliates thereof if, 60 days prior to engaging in any activity which may be prohibited by Section 12.1(i) or (ii), BancGroup gives written notice to ERAS stating its intention to enter into such activity and describing such activity. Upon the giving of such notice, ERAS shall have the right to purchase the Interest of Dadeland in the Venture on the terms provided in Section 11.5 hereof, as if the giving of the notice by BancGroup constituted a transaction for which ERAS has the option to purchase such Interest under Section 11.5. It is specifically acknowledged that the only remedy ERAS shall have for a violation of Section 12.1(i) or 12.1(ii) under the foregoing circumstances shall be its right to purchase the Interest of Dadeland in the Venture. In the case of either the purchase of such Interest by ERAS or the failure of ERAS to purchase such Interest following receipt of the notice from BancGroup, then BancGroup, Colonial Bank or any affiliate thereof may undertake any activity described in the notice given to ERAS hereunder without violation of the Agreement."

This Amendment shall become effective as of the Effective Date as defined in the Agreement and Plan of Merger dated as of June 23, 1997, by and between The Colonial BancGroup, Inc. and Dadeland Bancshares, Inc.

Name of Venturer	Venturer Percentage
Dadeland Software Services, Inc.	20%

By: _____
Carlos F. Rodriguez, President

ERAS, Inc.	80%

By: _____
David Wilson, President

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