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CORPORATION NAME(S) & DOCUMENT NUMBER(S) (if known):

1. _____
(Corporation Name) (Document #)
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AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input checked="" type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
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<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

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TALLAHASSEE, FLORIDA

Merger
Examiner's Initials **LF**
12-18-2000

ARTICLES OF MERGER
Merger Sheet

MERGING:

FIRST BANK HOLDING COMPANY, a Florida corporation (Document
#P96000013173)

INTO

SOUTHTRUST OF ALABAMA, INC., an Alabama entity, F97000003673

File date: December 15, 2000

Corporate Specialist: Louise Flemming-Jackson

ARTICLES OF MERGER
OF
FIRST BANK HOLDING COMPANY
WITH AND INTO
SOUTHTRUST OF ALABAMA, INC.

00 DEC 15 PM 2:07

In accordance with the provisions of Sections 607.1105 and 607.1107 of the Florida General Corporation Act, SouthTrust of Alabama, Inc., an Alabama corporation ("SouthTrust-Alabama"), does hereby adopt and deliver for filing the following Articles of Merger for the purpose of merging First Bank Holding Company, a Florida corporation ("First Bank"), with and into SouthTrust-Alabama:

1. The laws of the states of Alabama and Florida permit such merger.
2. The name of the surviving corporation is SouthTrust of Alabama, Inc., and it will be governed by the laws of the State of Alabama.
3. The Agreement and Plan of Merger attached hereto as Exhibit A and made a part hereof (the "Plan of Merger") was duly approved by the boards of directors and shareholders of each of SouthTrust-Alabama and First Bank. The date of the approval of the Plan of Merger by the Board of Directors and sole shareholder of SouthTrust-Alabama was October 2, 2000. The date of the approval of the Plan of Merger by the Board of Directors of First Bank was September 28, 2000, and the date of the approval of the Plan of Merger by the shareholders of First Bank was December 14, 2000.
4. On the record date for the special meeting of the shareholders of First Bank to approve the Plan of Merger, First Bank had outstanding 401,000 shares of common stock, par value \$0.01 per share (the "First Bank Common Stock"), which constituted the only outstanding class of capital stock of First Bank entitled to notice of and to vote at the special meeting of the shareholders of First Bank. There was present at the special meeting, in person or by proxy, holders of a majority of the outstanding shares of First Bank Common Stock entitled to vote, which majority constituted a quorum at such special meeting. The affirmative vote of the holders of two-thirds of the outstanding shares of First Bank Common Stock entitled to vote thereon (each share of First Bank Common Stock being entitled to one vote) were required to approve the Plan of Merger. A total of 336,844 shares of First Bank Common Stock were voted in favor of the Plan of Merger, 0 shares of First Bank Common Stock were voted against the Plan of Merger, and 0 shares First Bank Common Stock abstained.

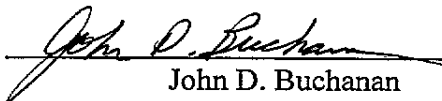
5. SouthTrust-Alabama has issued and outstanding 1,000 shares of common stock, par value \$0.01 per share, each of which was entitled to one vote with respect to the Plan of Merger. All 1,000 shares of common stock of SouthTrust-Alabama were voted in favor of the Plan of Merger, no shares of common stock of SouthTrust-Alabama were voted against the Plan of Merger, and no shares of common stock of SouthTrust-Alabama abstained.

6. The effective time and date of these Articles of Merger is 4:00 p.m. Birmingham, Alabama time, December 15, 2000.

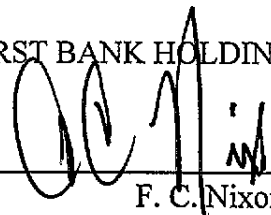
[Signatures follow on next page.]

IN WITNESS WHEREOF, each of the undersigned corporations has duly caused these Articles of Merger to be executed by its duly authorized officer as of this 15th day of December, 2000.

SOUTHTRUST OF ALABAMA, INC.

By: 
John D. Buchanan
Its Vice President

FIRST BANK HOLDING COMPANY

By: 
F. C. Nixon
Its President

AGREEMENT AND PLAN OF MERGER
OF
SOUTHTRUST OF ALABAMA, INC.
AND
FIRST BANK HOLDING COMPANY
JOINED IN BY
SOUTHTRUST CORPORATION
AND
THE DIRECTORS OF FIRST BANK HOLDING COMPANY

ARTICLE I

THE MERGER

Section 1.1	<u>Constituent Corporations; Consummation of Merger; Closing</u>	2
	<u>Date</u>	2
Section 1.2	<u>Effect of Merger</u>	3
Section 1.3	<u>Further Assurances</u>	3
Section 1.4	<u>Directors and Officers</u>	3

ARTICLE II

CONVERSION OF CONSTITUENTS' CAPITAL SHARES

Section 2.1	<u>Manner of Conversion of Company Shares</u>	3
Section 2.2	<u>Company Stock Options and Related Matters</u>	4
Section 2.3	<u>Fractional Shares</u>	5
Section 2.4	<u>Effectuating Conversion</u>	6
Section 2.5	<u>Laws of Escheat</u>	8

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 3.1	<u>Corporate Organization</u>	8
Section 3.2	<u>Capitalization</u>	9
Section 3.3	<u>Financial Statements; Filings</u>	9
Section 3.4	<u>Loan Portfolio; Reserves</u>	11
Section 3.5	<u>Certain Loans and Related Matters</u>	11
Section 3.6	<u>Authority; No Violation</u>	12
Section 3.7	<u>Consents and Approvals</u>	13
Section 3.8	<u>Broker's Fees</u>	13
Section 3.9	<u>Absence of Certain Changes or Events</u>	13
Section 3.10	<u>Legal Proceedings; Etc</u>	13
Section 3.11	<u>Taxes and Tax Returns</u>	14
Section 3.12	<u>Employee Benefit Plans</u>	15
Section 3.13	<u>Title and Related Matters</u>	17
Section 3.14	<u>Real Estate</u>	18
Section 3.15	<u>Environmental Matters</u>	18
Section 3.16	<u>Commitments and Contracts</u>	19
Section 3.17	<u>Regulatory, Accounting and Tax Matters</u>	20
Section 3.18	<u>Registration Obligations</u>	20
Section 3.19	<u>[Intentionally Omitted]</u>	20
Section 3.20	<u>Insurance</u>	20
Section 3.21	<u>Labor</u>	20
Section 3.22	<u>Compliance with Laws</u>	21

Section 3.23	<u>Transactions with Management</u>	22
Section 3.24	<u>Derivative Contracts</u>	22
Section 3.25	<u>Deposits</u>	22
Section 3.26	<u>Accounting Controls</u>	22
Section 3.27	<u>Proxy Materials</u>	23
Section 3.28	<u>Deposit Insurance</u>	23
Section 3.29	<u>Untrue Statements and Omissions</u>	23

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SOUTHTRUST AND ST-SUB

Section 4.1	<u>Organization and Related Matters of SouthTrust</u>	23
Section 4.2	<u>Organization and Related Matters of ST-Sub</u>	24
Section 4.3	<u>Capitalization</u>	24
Section 4.4	<u>Authorization</u>	24
Section 4.5	<u>Financial Statements</u>	25
Section 4.6	<u>Absence of Certain Changes or Events</u>	25
Section 4.7	<u>Legal Proceedings, Etc.</u>	26
Section 4.8	<u>Insurance</u>	26
Section 4.9	<u>Consents and Approvals</u>	26
Section 4.10	<u>Accounting, Tax, Regulatory Matters</u>	26
Section 4.11	<u>Proxy Materials</u>	26
Section 4.12	<u>No Broker's or Finder's Fees</u>	26
Section 4.13	<u>Untrue Statements and Omissions</u>	26
Section 4.14	<u>SEC Filings</u>	26
Section 4.15	<u>Compliance with Laws</u>	27

ARTICLE V

COVENANTS AND AGREEMENTS

Section 5.1	<u>Conduct of the Business of Company</u>	27
Section 5.2	<u>Current Information</u>	30
Section 5.3	<u>Access to Properties; Personnel and Records</u>	30
Section 5.4	<u>Approval of Shareholders</u>	31
Section 5.5	<u>No Other Bids</u>	31
Section 5.6	<u>Notice of Deadlines</u>	32
Section 5.7	<u>Affiliates</u>	32
Section 5.8	<u>Maintenance of Properties</u>	32
Section 5.9	<u>Environmental Audits</u>	32
Section 5.10	<u>Title Insurance</u>	33
Section 5.11	<u>Surveys</u>	33
Section 5.12	<u>Consents to Assign and Use Leased Premises</u>	33
Section 5.13	<u>Exemption Under Anti-Takeover Statutes</u>	33
Section 5.14	<u>Conforming Accounting and Reserve Policies</u>	33

Section 5.15	<u>Publicity</u>	33
Section 5.16	<u>Compliance Matters</u>	34
Section 5.17	<u>Subsidiary Merger Agreement</u>	34

ARTICLE VI

ADDITIONAL COVENANTS AND AGREEMENTS

Section 6.1	<u>Best Efforts: Cooperation</u>	34
Section 6.2	<u>Regulatory Matters</u>	34
Section 6.3	<u>Other Matters</u>	35
Section 6.4	<u>Indemnification</u>	37
Section 6.5	<u>Current Information</u>	37
Section 6.6	<u>Registration Statement</u>	37
Section 6.7	<u>Reservation of Shares</u>	38
Section 6.8	<u>Consideration</u>	38

ARTICLE VII

MUTUAL CONDITIONS TO CLOSING

Section 7.1	<u>Shareholder Approval</u>	38
Section 7.2	<u>Regulatory Approvals</u>	38
Section 7.3	<u>Legal Proceedings</u>	38
Section 7.4	<u>Registration Statement and Listing</u>	38
Section 7.5	<u>Matters Relating to Employment Agreements</u>	39
Section 7.6	<u>Certain Stock Purchases</u>	39

ARTICLE VIII

CONDITIONS TO THE OBLIGATIONS OF SOUTHTRUST AND ST-SUB

Section 8.1	<u>Representations and Warranties</u>	39
Section 8.2	<u>Performance of Obligations</u>	39
Section 8.3	<u>Certificate Representing Satisfaction of Conditions</u>	39
Section 8.4	<u>Absence of Adverse Facts</u>	40
Section 8.5	<u>Opinion of Counsel</u>	40
Section 8.6	<u>Consents Under Agreements</u>	40
Section 8.7	<u>Consents Relating to Leased Real Property</u>	40
Section 8.8	<u>Material Condition</u>	40
Section 8.9	<u>Acknowledgment of Option Conversion</u>	41
Section 8.10	<u>Outstanding Shares of the Company</u>	41
Section 8.11	<u>Dissenters</u>	41
Section 8.12	<u>Pooling</u>	41
Section 8.13	<u>Certification of Claims</u>	41
Section 8.14	<u>Litigation</u>	41
Section 8.15	<u>Increase in Borrowing</u>	41

ARTICLE IX

CONDITIONS TO OBLIGATIONS OF THE COMPANY

Section 9.1	<u>Representations and Warranties</u>	42
Section 9.2	<u>Performance of Obligations</u>	42
Section 9.3	<u>Certificate Representing Satisfaction of Conditions</u>	42
Section 9.4	<u>Absence of Adverse Facts</u>	42
Section 9.5	<u>Consents Under Agreements</u>	42
Section 9.6	<u>Opinion of Counsel</u>	42
Section 9.7	<u>SouthTrust Shares</u>	42
Section 9.8	<u>Tax Opinion</u>	43
Section 9.9	<u>Fairness Opinion</u>	43

ARTICLE X

TERMINATION, WAIVER AND AMENDMENT

Section 10.1	<u>Termination</u>	43
Section 10.2	<u>Effect of Termination; Break-Up and Termination Fees</u>	44
Section 10.3	<u>Effect of Wrongful Termination</u>	45
Section 10.4	<u>Amendments</u>	45
Section 10.5	<u>Waivers</u>	45
Section 10.6	<u>Non-Survival of Representations and Warranties</u>	46

ARTICLE XI

MISCELLANEOUS

Section 11.1	<u>Entire Agreement</u>	46
Section 11.2	<u>Definitions</u>	46
Section 11.3	<u>Notices</u>	47
Section 11.4	<u>Severability</u>	48
Section 11.5	<u>Costs and Expenses</u>	48
Section 11.6	<u>Captions</u>	48
Section 11.7	<u>Counterparts</u>	48
Section 11.8	<u>Governing Law</u>	49
Section 11.9	<u>Persons Bound; No Assignment</u>	49
Section 11.10	<u>Exhibits and Schedules</u>	49
Section 11.11	<u>Waiver</u>	49
Section 11.12	<u>Construction of Terms</u>	49

AGREEMENT AND PLAN OF MERGER OF
SOUTHTRUST OF ALABAMA, INC.
WITH
FIRST BANK HOLDING COMPANY

LIST OF SCHEDULES

Disclosure Schedule 3.1(d)
Disclosure Schedule 3.2(a)
Disclosure Schedule 3.3(f)
Disclosure Schedule 3.4
Disclosure Schedule 3.5
Disclosure Schedule 3.7
Disclosure Schedule 3.8
Disclosure Schedule 3.9
Disclosure Schedule 3.10
Disclosure Schedule 3.11
Disclosure Schedule 3.12(a)
Disclosure Schedule 3.12(g)
Disclosure Schedule 3.12(m)
Disclosure Schedule 3.13(a)
Disclosure Schedule 3.13(b)
Disclosure Schedule 3.14(a)
Disclosure Schedule 3.14(b)
Disclosure Schedule 3.16(a)
Disclosure Schedule 3.16(b)
Disclosure Schedule 3.20
Disclosure Schedule 3.22
Disclosure Schedule 3.23
Disclosure Schedule 3.24
Disclosure Schedule 3.25
Disclosure Schedule 4.4
Disclosure Schedule 4.7
Disclosure Schedule 4.9
Disclosure Schedule 4.15
Disclosure Schedule 5.1(b)(iv)
Disclosure Schedule 5.1(b)(vi)
Disclosure Schedule 5.6
Disclosure Schedule 7.6

**AGREEMENT AND PLAN OF MERGER OF
SOUTHTRUST OF ALABAMA, INC.
WITH
FIRST BANK HOLDING COMPANY**

LIST OF EXHIBITS

Exhibit 5.7:	Form of Affiliate Letter
Exhibit 5.17:	Subsidiary Merger Agreement
Exhibit 7.5(a):	Employment Agreement with Frederic C. Nixon
Exhibit 7.5(b):	Employment Agreement with Susie Andrews
Exhibit 7.5(c):	Employment Agreement with Tami Chandler
Exhibit 8.5:	Matters as to which Pennington, Moore, Wilkinson, Bell & Dunbar, P.A., Counsel to the Company, will opine
Exhibit 9.6:	Matters as to which Bradley Arant Rose & White LLP, Counsel to SouthTrust and ST-Sub, will opine

**AGREEMENT AND PLAN OF MERGER
OF
SOUTHTRUST OF ALABAMA, INC.
AND
FIRST BANK HOLDING COMPANY
JOINED IN BY
SOUTHTRUST CORPORATION**

This AGREEMENT AND PLAN OF MERGER, dated as of the 28th day of September, 2000 (this "Agreement"), by and between SouthTrust of Alabama, Inc., an Alabama corporation ("ST-Sub") and First Bank Holding Company, a Florida corporation (the "Company"), and joined in by SouthTrust Corporation, a Delaware corporation ("SouthTrust") and the Board of Directors of the Company (the "Directors").

WITNESSETH THAT:

WHEREAS, the respective Boards of Directors of ST-Sub and the Company deem it in the best interests of ST-Sub and of the Company, respectively, and of their respective shareholders, that ST-Sub and the Company merge pursuant to this Agreement in a transaction that qualifies as a reorganization pursuant to Section 368(a)(1) of the Internal Revenue Code of 1986 (the "Code") (the "Merger");

WHEREAS, the Boards of Directors of ST-Sub and the Company have approved this Agreement and have directed that this Agreement be submitted to their respective shareholders for approval and adoption in accordance with applicable law;

WHEREAS, SouthTrust, the sole shareholder of ST-Sub, will deliver, or cause to be delivered, to the shareholders of the Company the consideration to be paid pursuant to the Merger in accordance with the terms of this Agreement; and

WHEREAS, the Company owns all of the issued and outstanding capital stock of the First Bank, a Florida banking corporation (the "Bank"), and ST-Sub owns all of the issued and outstanding capital stock of SouthTrust Bank, an Alabama banking corporation ("ST-Bank"), and it is contemplated that, in connection with the consummation of this Agreement and pursuant to the terms of that certain Subsidiary Merger Agreement (the "Subsidiary Merger Agreement"), the Bank will be merged with and into ST-Bank;

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations, warranties and agreements herein contained, the parties agree that the Company will be merged with and into ST-Sub and that the terms and conditions of the Merger, the mode of carrying the Merger into effect, including the manner of converting the shares of common stock of the Company, par value \$.01 per share, into shares of common stock of SouthTrust, par value of \$2.50 per share, shall be as hereinafter set forth.

ARTICLE I THE MERGER

Section 1.1 Constituent Corporations; Consummation of Merger; Closing Date.

(a) Subject to the provisions hereof, the Company shall be merged with and into ST-Sub (which has heretofore and shall hereinafter be referred to as the "Merger") pursuant to the laws of the States of Alabama and Florida and ST-Sub shall be the surviving corporation (sometimes hereinafter referred to as "Surviving Corporation" when reference is made to it after the Effective Time of the Merger (as defined below)). The Merger shall become effective on the date and at the time on which a Certificate or Articles of Merger have been duly filed with the Secretaries of State of Alabama and Florida, unless a later date is specified in such Certificate or Articles of Merger (such time is hereinafter referred to as the "Effective Time of the Merger"). Subject to the terms and conditions hereof, unless otherwise agreed upon by SouthTrust and the Company, the Effective Time of the Merger shall occur on the first business day following the later to occur of (i) the effective date (including expiration of any applicable waiting period) of the last required Consent (as defined below) of any Regulatory Authority (as defined below) having authority over the transactions contemplated under this Agreement and (ii) the date on which the shareholders of the Company, to the extent that their approval is required by applicable law, approve the transactions contemplated by this Agreement, or such other time as the parties may agree.

(b) The closing of the Merger (the "Closing") shall take place at the principal offices of the Company at 10:00 a.m. local time on the day that the Effective Time of the Merger occurs, or such other date and time and place as the parties hereto may agree (the "Closing Date"). Subject to the provisions of this Agreement, at the Closing there shall be delivered to each of the parties hereto the opinions, certificates and other documents and instruments required to be so delivered pursuant to this Agreement.

Section 1.2 Effect of Merger. (a) At the Effective Time of the Merger, the Company shall be merged with and into ST-Sub and the separate existence of the Company shall cease. The Articles of Incorporation and Bylaws of ST-Sub, as in effect on the date hereof and as otherwise amended prior to the Effective Time of the Merger, shall be the Articles of Incorporation and the Bylaws of the Surviving Corporation until further amended as provided therein and in accordance with applicable law. The Surviving Corporation shall have all the rights, privileges, immunities and powers and shall be subject to all of the duties and liabilities of a corporation organized under the laws of the State of Alabama and shall thereupon and thereafter possess all other privileges, immunities and franchises of a private, as well as of a public nature, of each of the constituent corporations. All property (real, personal and mixed) and all debts on whatever account, including subscriptions to shares, and all choses in action, all and every other interest, of or belonging to or due to each of the constituent corporations so merged shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed. The title to any real estate, or any interest therein, vested in any of the constituent corporations shall not revert or be in any way impaired by reason of the Merger. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the constituent corporations so merged and any claim existing or action or proceeding pending by or against either of the constituent corporations may be prosecuted as if the Merger had not taken place or the Surviving Corporation may be substituted in its place. Neither the rights of

creditors nor any liens upon the property of any constituent corporation shall be impaired by the Merger.

Section 1.3 Further Assurances. From and after the Effective Time of the Merger, as and when requested by the Surviving Corporation, the officers and directors of the Company last in office shall execute and deliver or cause to be executed and delivered in the name of the Company such deeds and other instruments and take or cause to be taken such further or other actions as shall be necessary in order to vest or perfect in or confirm of record or otherwise to the Surviving Corporation title to and possession of all of the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of the Company.

Section 1.4 Directors and Officers. From and after the Effective Time of the Merger, the directors of the Surviving Corporation and the officers of the Surviving Corporation shall be those persons serving as directors and officers of ST-Sub immediately prior to the Effective Time of the Merger, and such additional persons, in each case, as SouthTrust, at or prior to the Effective Time of the Merger, shall designate in writing.

ARTICLE II

CONVERSION OF CONSTITUENTS' CAPITAL SHARES

Section 2.1 Manner of Conversion of Company Shares. Subject to the provisions hereof, as of the Effective Time of the Merger and by virtue of the Merger and without any further action on the part of SouthTrust, ST-Sub, the Company or the holder of any shares thereof, the shares of the constituent corporations shall be converted as follows:

(a) Each share of capital stock of ST-Sub outstanding immediately prior to the Effective Time of the Merger shall, after the Effective Time of the Merger, remain outstanding and unchanged and thereafter shall constitute all of the issued and outstanding shares of capital stock of the Surviving Corporation.

(b) Each share of common stock of the Company (the "Company Shares") held by the Company or by SouthTrust (or any of their subsidiaries), other than in a fiduciary capacity or as a result of debts previously contracted, shall be canceled and retired and no consideration shall be paid or delivered in exchange therefor.

(c) Except with regard to Dissenting Company Shares (as hereinafter defined) and the Company Shares excluded in (b) above, each Company Share outstanding immediately prior to the Effective Time of the Merger shall be converted into the right to receive 1.7456 shares (such number being hereinafter referred to as the "Conversion Ratio") of common stock of SouthTrust (and the rights associated therewith pursuant to that certain Amended and Restated Rights Agreement dated as of August 1, 2000 between SouthTrust and American Stock Transfer & Trust Company (together, the "SouthTrust Shares"), The Conversion Ratio, including the aggregate number of SouthTrust Shares issuable in the Merger, shall be subject to an appropriate adjustment in the event of any stock split, reverse stock split, dividend payable in SouthTrust Shares, reclassification or similar distribution whereby SouthTrust issues SouthTrust Shares or any securities convertible into or exchangeable for SouthTrust Shares without receiving any consideration in exchange therefor, provided that the record date of such transaction is a date

after the date of the Agreement and prior to the Effective Time of the Merger, such that the aggregate value of the consideration to be delivered by SouthTrust pursuant to this Agreement remains unchanged. There has been no stock split, reverse stock split, dividend payable in SouthTrust Shares, reclassification or similar distribution whereby SouthTrust issues SouthTrust Shares or any securities convertible into or exchangeable for SouthTrust Shares without receiving any consideration in exchange therefor, since June 30, 2000.

(d) Each outstanding Company Share, the holder of which has demanded and perfected such holder's demand for payment of the fair value of such share in accordance with Sections 607.1301 and 607.1302 of the Florida Business Corporation Act and Section 658.44 of the Florida Code, to the extent applicable (the "Dissent Provisions"), and has not effectively withdrawn or lost the right to such appraisal (the "Dissenting Company Shares"), shall not be converted into or represent a right to receive the SouthTrust Shares issuable in the Merger but the holder thereof shall be entitled only to such rights as are granted by the Dissent Provisions. The Company shall give SouthTrust prompt notice upon receipt by the Company of any written objection to the Merger and any written demand for payment of the fair or appraised value of the Company Shares, and of withdrawals of such demands, and any other instruments provided to the Company pursuant to the Dissent Provisions (any shareholder duly making such demand being hereinafter called a "Dissenting Shareholder"). Each Dissenting Shareholder who becomes entitled, pursuant to the Dissent Provisions, to payment of fair value for any Company Shares held by such Dissenting Shareholder shall receive payment therefor from the Surviving Corporation in accordance with the Dissent Provisions and all of such Dissenting Shareholder's Company Shares shall be canceled. Neither the Company nor the Surviving Corporation shall, except with the prior written consent of SouthTrust, voluntarily make any payment with respect to, or settle or offer to settle, any demand for payment by any Dissenting Shareholder. If any Dissenting Shareholder shall have failed to perfect or shall have effectively withdrawn or lost such right to demand payment of fair or appraised value, the Company Shares held by such Dissenting Shareholder shall thereupon be deemed to have been converted into the right to receive the consideration to be issued in the Merger as provided by this Agreement.

Section 2.2 Company Stock Options and Related Matters. (a) As of the Effective Time of the Merger, all rights with respect to Company Shares issuable pursuant to the exercise of stock options (the "Company Options") granted by the Company under stock option plans of the Company (the "Company Stock Option Plans"), which are outstanding at the Effective Time of the Merger, whether or not such Company Options are then exercisable, shall, subject to this section, be assumed by SouthTrust in accordance with the terms of the particular Company Stock Option Plan under which such Company Options were issued and the stock option agreement by which such Company Options are evidenced. From and after the Effective Time of the Merger, (i) each Company Option assumed by SouthTrust hereunder may be exercised solely for SouthTrust Shares, (ii) the number of SouthTrust Shares subject to such Company Option shall be equal to the number of Company Shares subject to such Company Option immediately prior to the Effective Time of the Merger multiplied by the Conversion Ratio and (iii) the per share exercise price under each such Company Option shall be adjusted by dividing the per share exercise price under each such Company Option by the Conversion Ratio and rounding down to the nearest cent. By way of example, a Company Option to acquire 100 Company Shares at a per share exercise price of \$20 would be converted into an option to acquire 174 SouthTrust Shares (100×1.7456) at a per share exercise price of \$11.45 per share ($20 \div 1.7456$).

(b) At all times after the Effective Time of the Merger, SouthTrust shall reserve for issuance such number of SouthTrust Shares as shall be necessary to permit the exercise of the Company Options assumed by SouthTrust in the manner contemplated by this Agreement. Within a reasonable time after the Effective Time of the Merger, SouthTrust shall file a Registration Statement on Form S-3 or Form S-8, as the case may be (or any successor or other appropriate form), with respect to the SouthTrust Shares subject to the Company Options assumed by SouthTrust and shall use its best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as any such Company Options assumed by SouthTrust remain outstanding. SouthTrust shall make any filings required under any applicable state securities laws to qualify the SouthTrust Shares subject to such Company Options assumed by SouthTrust for resale thereunder.

(c) The number of SouthTrust Shares subject to Company Options to be assumed by SouthTrust hereunder and the exercise price thereof shall, from and after the Effective Time of the Merger, be subject to appropriate adjustment in the event of the occurrence of any transaction described in Section 2.1(c) hereof if the record date with respect to such transaction is on or after the Effective Time of the Merger.

(d) It is intended that the foregoing assumption of Company Options shall be undertaken in a manner that will not constitute a "modification" as defined in Section 424 of the Code as to any Company Option which is an incentive stock option as defined in Section 422 of the Code. All restrictions or limitations on transfer with respect to Company Shares awarded under a Company Stock Option Plan ("Restricted Stock"), to the extent that such restrictions or limitations shall not have already lapsed, and except as otherwise provided by such Company Stock Option Plan, shall remain in full force and effect with respect to the SouthTrust Shares into which such Restricted Stock is converted pursuant to this Agreement, unless such restrictions arise under the Securities Act of 1933 and are eliminated by virtue of the Registration Statements described in this Agreement. Except as otherwise provided herein, (i) no additional options to purchase shares of capital stock of the Company will be granted pursuant to Company Stock Option Plans following the Effective Time of the Merger and (ii) the Company shall take all reasonable steps to ensure that following the Effective Time of the Merger no holder of Company Options shall have any right thereunder to acquire any equity securities of the Company.

(e) The Company acknowledges that the holders of Company Options who may become or be deemed to be executive officers or directors of SouthTrust after the Effective Time of the Merger may be subject to the short-swing sale restrictions of the Securities Exchange Act of 1934 and regulations promulgated thereunder.

(f) At the election of SouthTrust, the Company shall procure from each holder of Company Options, and shall deliver to SouthTrust at the Closing, an executed acknowledgment of the treatment and disposition of such holder's Company Options, as provided for under this Section 2.2 of this Agreement.

Section 2.3 Fractional Shares. Notwithstanding any other provision of this Agreement, each holder of Company Shares converted pursuant to the Merger, and each holder of Company Options assumed by SouthTrust pursuant to this Agreement, who would otherwise have been entitled to receive a fraction of a SouthTrust Share (after taking into account all certificates delivered by such holder), shall receive, in lieu thereof, cash (without interest) in an

amount equal to such fractional part of such SouthTrust Share, multiplied by the market value of one SouthTrust Share at the Effective Time of the Merger in the case of shares exchanged pursuant to the Merger or at the date of exercise in the case of the Company Options to be exercised for SouthTrust Shares. The market value of one SouthTrust Share at the Effective Time of the Merger or the date of exercise of Company Options, as the case may be, shall be the last sales price of such SouthTrust Shares, as reported by The Nasdaq Stock Market ("NASDAQ") on the last trading day preceding the Effective Time of the Merger or the date of exercise, as the case may be, or, if the SouthTrust Shares hereafter become listed for trading on any national securities exchange registered under the Securities Exchange Act of 1934, the last sales price of such SouthTrust Shares on the applicable date as reported on the principal securities exchange on which the SouthTrust Shares are then listed for trading. No such holder will be entitled to dividends, voting rights or any other rights as a shareholder in respect of any fractional share.

Section 2.4 Effectuating Conversion (a) SouthTrust shall designate such institution as it may select, including SouthTrust or one of its affiliates, to serve as the exchange agent (the "Exchange Agent") pursuant to this Agreement. The Exchange Agent may employ sub-agents in connection with performing its duties. As of the Effective Time of the Merger, SouthTrust will deliver or cause to be delivered to the Exchange Agent the consideration to be paid by SouthTrust for the Company Shares, along with an appropriate cash payment in lieu of fractional interests in SouthTrust Shares. As promptly as practicable after the Effective Time of the Merger, the Exchange Agent shall send or cause to be sent to each former holder of record of Company Shares transmittal materials (the "Letter of Transmittal") for use in exchanging their certificates formerly representing Company Shares for the consideration provided for in this Agreement. The Letter of Transmittal will contain instructions with respect to the surrender of certificates representing the Company Shares and the receipt of the consideration contemplated by this Agreement and will require each holder of the Company Shares to transfer good and marketable title to such Company Shares to SouthTrust, free and clear of all liens, claims and encumbrances. Amounts that would have been payable to Dissenting Shareholders for Company Shares but for the fact of their dissent in accordance with the provisions of Section 2.1(d) hereof shall be returned by the Exchange Agent to SouthTrust as promptly as practicable.

(b) At the Effective Time of the Merger, the stock transfer books of the Company shall be closed as to holders of Company Shares immediately prior to the Effective Time of the Merger and no transfer of Company Shares by any such holder shall thereafter be made or recognized and each outstanding certificate formerly representing Company Shares shall, without any action on the part of any holder thereof, no longer represent Company Shares. If, after the Effective Time of the Merger, certificates are properly presented to the Exchange Agent, such certificates shall be promptly exchanged for the consideration contemplated by this Agreement into which the Company Shares represented thereby were converted in the Merger.

(c) In the event that any holder of record as of the Effective Time of the Merger of Company Shares is unable to deliver the certificate which represents such holder's Company Shares, ST-Sub, in the absence of actual notice that any Company Shares theretofore represented by any such certificate have been acquired by a bona fide purchaser, may, in its discretion, deliver to such holder the consideration contemplated by this Agreement and the amount of cash representing fractional SouthTrust Shares to which such holder is entitled in accordance with the provisions of this Agreement upon the presentation of all of the following:

- (i) An affidavit or other evidence to the reasonable satisfaction of SouthTrust that any such certificate has been lost, wrongfully taken or destroyed;
- (ii) Such security and indemnity as may be reasonably requested by SouthTrust to indemnify and hold SouthTrust harmless in respect of such stock certificate(s); and
- (iii) Evidence to the satisfaction of SouthTrust that such holder is the owner of the Company Shares theretofore represented by each certificate claimed by such holder to be lost, wrongfully taken or destroyed and that such holder is the person who would be entitled to present each such certificate for exchange pursuant to this Agreement.

(d) In the event that the delivery of the consideration contemplated by this Agreement and the amount of cash representing fractional SouthTrust Shares are to be made to a person other than the person in whose name any certificate representing Company Shares surrendered is registered, such certificate so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer), with the signature(s) appropriately guaranteed, and otherwise in proper form for transfer, and the person requesting such delivery shall pay any transfer or other taxes required by reason of the delivery to a person other than the registered holder of such certificate surrendered or establish to the satisfaction of SouthTrust that such tax has been paid or is not applicable.

(e) No holder of Company Shares shall be entitled to receive any dividends or distributions declared or made with respect to the SouthTrust Shares with a record date before the Effective Time of the Merger. After the Effective Time of the Merger, and until properly surrendered and exchanged pursuant to this Agreement, each outstanding certificate representing Company Shares, subject to this Section 2.4(e), shall be deemed to represent and evidence for all corporate purposes only the right to receive the consideration into which such Company Shares were converted as of the Effective Time of the Merger. Accordingly, among other matters, neither the consideration contemplated by this Agreement, any amount of cash representing fractional SouthTrust Shares nor any dividend or other distribution with respect to SouthTrust Shares where the record date thereof is on or after the Effective Time of the Merger shall be paid, and SouthTrust shall not be obligated to pay, to the holder of any unsurrendered certificate or certificates representing Company Shares until such holder shall surrender the certificate or certificates representing the Company Shares as provided for by this Agreement, and until such holder becomes the record holder of the SouthTrust Shares issuable in the Merger, such holder shall not be entitled to vote such SouthTrust Shares in respect of any matter coming before the stockholders of SouthTrust. Subject to applicable laws, following surrender of any such certificate or certificates, there shall be paid to the holder of the certificate or certificates then representing SouthTrust Shares issued in the Merger, without interest at the time of such surrender, the consideration contemplated by this Agreement, the amount of any cash representing fractional SouthTrust Shares and the amount of any accrued dividends or other distributions with respect to

SouthTrust Shares to which such holder is entitled as a holder of SouthTrust Shares in accordance with the foregoing.

Section 2.5 Laws of Escheat. If any of the consideration due or other payments to be paid or delivered to the holders of Company Shares is not paid or delivered within the time period specified by any applicable laws concerning abandoned property, escheat or similar laws, and if such failure to pay or deliver such consideration occurs or arises out of the fact that such property is not claimed by the proper owner thereof, SouthTrust or the Exchange Agent shall be entitled to dispose of any such consideration or other payments in accordance with applicable laws concerning abandoned property, escheat or similar laws. Any other provision of this Agreement notwithstanding, none of the Company, SouthTrust, ST-Sub, the Exchange Agent nor any other person acting on their behalf shall be liable to a holder of Company Shares for any amount paid or property delivered in good faith to a public official pursuant to and in accordance with any applicable abandoned property, escheat or similar law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to ST-Sub and SouthTrust as follows as of the date hereof and as of all times up to and including the Effective Time of the Merger (except as otherwise provided):

Section 3.1 Corporate Organization. (a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Company has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as such business is now being conducted, and the Company is duly licensed or qualified to do business in each state or other jurisdiction where the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it make such qualification necessary, except where the failure to be so licensed or qualified would not have a Material Adverse Effect (as defined in Section 11.2 of this Agreement) on the Company. The Company is duly registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. True and correct copies of the Articles of Incorporation of the Company and the Bylaws of the Company, each as amended to the date hereof, have been delivered to SouthTrust.

(b) The Bank is a state banking corporation duly organized, validly existing and in good standing under the laws of the State of Florida, the Bank has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as such business is now being conducted, and the Bank is duly licensed or qualified to do business in Florida and in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have a Material Adverse Effect on the Bank. True and correct copies of the Articles of Incorporation of the Bank and the Bylaws of the Bank, each as amended to the date hereof, have been delivered to SouthTrust.

(c) Each of the Company, the Bank, and their respective subsidiaries has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary to own or lease its properties and assets and to carry on its business

as now conducted, except for authorizations, permits and licenses, the absence of which, either individually or in the aggregate, would not have a Material Adverse Effect on the Company.

(d) Neither the Company nor the Bank owns any capital stock of any subsidiary, or has any interest in any partnership or joint venture, except that the Bank is a subsidiary of the Company and except as set forth in Disclosure Schedule 3.1(d); for purposes of this Agreement, a "subsidiary" means any corporation or other entity of which the party referred to beneficially owns, controls, or has the power to vote, directly or indirectly, more than 5% of the outstanding equity securities.

(e) The minute books of the Company, the Bank and their respective subsidiaries contain complete and accurate records in all material respects of all meetings and other corporate actions held or taken by their shareholders and Boards of Directors (including all committees thereof).

Section 3.2 Capitalization. (a) The authorized capital stock of the Company consists of 1,000,000 shares of common stock, par value \$.01 (hereinbefore and hereinafter referred to as "Company Shares"), 401,000 shares of which as of the date hereof are issued and outstanding. All of the issued and outstanding Company Shares have been duly authorized and validly issued and all such shares are fully paid and nonassessable. Except as set forth on Disclosure Schedule 3.2(a), as of the date hereof, there are no outstanding options, warrants, commitments or other rights or instruments to purchase or acquire any shares of the capital stock of the Company, or any securities or rights convertible into or exchangeable for shares of capital stock of the Company.

(b) The authorized capital stock of the Bank consists of 500,000 shares of common stock, par value of \$5.00, 400,000 shares of which as of the date hereof are issued and outstanding (the "Bank Shares"). All of the issued and outstanding Bank Shares have been duly authorized and validly issued and all such shares are fully paid and nonassessable. As of the date hereof, there are no outstanding options, warrants, commitments or other rights or instruments to purchase or acquire any shares of capital stock of the Bank, or any securities or rights convertible into or exchangeable for shares of capital stock of the Bank.

(c) All of the issued and outstanding shares of capital stock of the Bank:

(i) are owned by the Company, except as may be limited or required by laws of general application relating to the Bank; and

(ii) are so owned free and clear of all liens and encumbrances and adverse claims thereto.

Section 3.3 Financial Statements; Filings. (a) The Company has previously delivered to SouthTrust copies of the consolidated financial statements of the Company as of and for each of the three (3) fiscal years ended immediately prior to this Agreement and the interim unaudited consolidated financial statements of the Company as of and for each of the fiscal periods of the Company ended after the close of the most recently completed fiscal year of the Company and prior to the date of this Agreement, and the Company shall deliver to SouthTrust, as soon as practicable following the preparation of additional consolidated financial statements for each subsequent fiscal quarter (or other reporting period) or year of the Company, the consolidated financial statements of the Company as of and for such subsequent fiscal quarter (or other

reporting period) or year (such financial statements, unless otherwise indicated, being hereinafter referred to collectively as the "Financial Statements of the Company").

(b) The Bank has previously delivered to SouthTrust copies of the financial statements of the Bank as of and for each of the three (3) fiscal years of the Bank ended immediately prior to the date of this Agreement and the interim financial statements of the Bank as of and for each of the fiscal periods of the Bank ended after the close of the most recently completed fiscal year of the Bank and prior to the date of this Agreement, and the Bank shall deliver to SouthTrust, as soon as practicable following the preparation of additional financial statements for each subsequent fiscal quarter (or other reporting period) or year of the Bank, the financial statements of the Bank as of and for such subsequent fiscal quarter (or other reporting period) or year (such financial statements, unless otherwise indicated, being hereinafter referred to collectively as the "Financial Statements of the Bank").

(c) The Bank have previously delivered to SouthTrust copies of the Call Reports of the Bank as of and for each of the three (3) fiscal years ended immediately prior to this Agreement and the Call Reports of the Bank as of and for the periods after the end of the most recent fiscal year and prior to the date of this Agreement, and the Bank shall deliver to SouthTrust, as soon as practicable following the preparation of additional Call Reports for each subsequent fiscal quarter (or other reporting period) or year of the Bank, the Call Reports of the Bank as of and for each such subsequent fiscal quarter (or other reporting period) or year (such Call Reports, unless otherwise indicated, being hereinafter referred to collectively as the "Call Reports of the Bank").

(d) Each of the Financial Statements of the Company, the Financial Statements of the Bank and each of the Call Reports of the Bank (including the related notes, where applicable) have been or will be prepared in all material respects in accordance with generally accepted accounting principles or regulatory accounting principles, whichever is applicable, which principles have been or will be consistently applied during the periods involved, except as otherwise noted therein, and the books and records of the Company and the Bank, and their subsidiaries have been, are being, and will be maintained in all material respects in accordance with applicable legal and accounting requirements and reflect only actual transactions. Each of the Financial Statements of the Company, the Financial Statements of the Bank and each of the Call Reports of the Bank (including the related notes, where applicable) fairly present or will fairly present the financial position of the Company and the financial condition of the Bank on a consolidated basis as of the respective dates thereof and fairly present or will fairly present the results of operation of the Company and the results of operation of the Bank on a consolidated basis for the respective periods therein set forth.

(e) To the extent not prohibited by law, the Company has heretofore delivered or made available, or caused to be delivered or made available, to SouthTrust all reports and filings made or required to be made by the Company, the Bank or any of their subsidiaries, with the Regulatory Authorities, and will from time to time hereafter furnish to SouthTrust, upon filing or furnishing the same to the Regulatory Authorities, all such reports and filings made after the date hereof with the Regulatory Authorities. Such reports and filings did not and shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(f) Except as reflected on Disclosure Schedule 3.3(f) hereto, since December 31, 1999, none of the Company, the Bank, nor any of their subsidiaries has incurred any obligation or liability (contingent or otherwise) that has or might reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company except obligations and liabilities (i) which are accrued or reserved against in the Financial Statements of the Company, the Financial Statements of the Bank or the Call Reports of the Bank, or reflected in the notes thereto, and (ii) which were incurred after December 31, 1999, in the ordinary course of business consistent with past practices. Since December 31, 1999, none of the Company, the Bank, nor any of their subsidiaries have incurred or paid any obligations or liability which would have a Material Adverse Effect on the Company, except as may have been incurred or paid in the ordinary course of business, consistent with past practices.

Section 3.4 Loan Portfolio: Reserves. Except as set forth in Disclosure Schedule 3.4, (i) all evidences of indebtedness in original principal amount in excess of \$10,000 reflected as assets in the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of and for the year ended December 31, 1999 were as of such dates in all respects the binding obligations of the respective obligors named therein in accordance with their respective terms, and, to the knowledge of the Company, the Bank or any of their respective subsidiaries, were not subject to any defenses, setoffs, or counterclaims, except as may be provided by bankruptcy, insolvency or similar laws or by general principles of equity; (ii) the allowances for possible loan losses shown on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of and for the year ended December 31, 1999 were, and the allowance for possible loan losses to be shown on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of any date subsequent to the execution of this Agreement will be, as of such dates, adequate to provide for possible losses, net of recoveries relating to loans previously charged off, in respect of loans outstanding (including accrued interest receivable) of the Company and the Bank and other extensions of credit (including letters of credit or commitments to make loans or extend credit); (iii) the reserve for losses with respect to other real estate owned ("OREO Reserve") shown on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of and for the year ended December 31, 1999 were, and the OREO Reserve to be shown on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of any date subsequent to the execution of this Agreement will be, as of such dates, adequate to provide for losses relating to the other real estate owned portfolio of the Company and the Bank as of the dates thereof; (iv) the Company has reserved on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank as of and for the year ended December 31, 1999, and on the Financial Statements of the Company, the Financial Statements of the Bank, and the Call Reports of the Bank as of any date subsequent to the execution of this Agreement, an amount adequate to provide for losses relating to or arising out of all pending or threatened litigation applicable to the Company, the Bank and their subsidiaries as of the dates thereof, and (v) each such allowance or reserve described above has been established in accordance with the accounting principles described in Section 3.3(d) and applicable regulatory requirements and guidelines.

Section 3.5 Certain Loans and Related Matters. Except as set forth in Disclosure Schedule 3.5, none of the Company, the Bank nor any of their subsidiaries is a party as of the date of this Agreement to any written or oral: (i) loan agreement, note or borrowing arrangement, other than credit card loans and other loans the unpaid balance of which does not exceed \$10,000 per

loan, under the terms of which the obligor is sixty (60) days delinquent in payment of principal or interest or is in default of any other provision as of the date hereof; (ii) loan agreement, note or borrowing arrangement which has been classified or, in the exercise of reasonable diligence by the Company, the Bank or any Regulatory Authority, should have been classified as "substandard", "doubtful", "loss," "other loans especially mentioned," "other assets especially mentioned" or any other comparable classification; or (iii) loan agreement, note or borrowing arrangement, including any loan guaranty, with any director or executive officer of the Company, the Bank or any of their subsidiaries or any ten percent (10%) shareholder of the Company, the Bank or any of their subsidiaries, or any person, corporation or enterprise controlling, controlled by or under common control with any of the foregoing; or (iv) loan agreement, note or borrowing arrangement in violation of any law, regulation or rule applicable to the Company, the Bank or any of their respective subsidiaries including, but not limited to, those promulgated, interpreted or enforced by any of the Regulatory Authorities and which violation could have a Material Adverse Effect on the Company. As of the date of any Financial Statement of the Company, any Financial Statement of the Bank and any Call Reports of the Bank subsequent to the execution of this Agreement, including the date of the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank that immediately preceded the Effective Time of the Merger, there shall not have been any material increase in the loan agreements, notes or borrowing arrangements described in (i) through (iv) above and Disclosure Schedule 3.5.

Section 3.6 Authority; No Violation. (a) The Company has full corporate power and authority to execute and deliver this Agreement and, subject to the approval of the shareholders of the Company and to the receipt of the Consents of the Regulatory Authorities and the other Consents referred to in Section 3.7 hereof, to consummate the transactions contemplated hereby. The Board of Directors of the Company has duly and validly approved this Agreement and the transactions contemplated hereby, has authorized the execution and delivery of this Agreement, has directed that this Agreement and the transactions contemplated hereby be submitted and recommended to the Company's shareholders for approval at a meeting of such shareholders and, except for the adoption of such Agreement by its shareholders, no other corporate proceedings on the part of the Company are necessary to consummate the Merger and the other transactions contemplated hereby. This Agreement, when duly and validly executed by the Company and delivered by the Company, will constitute a valid and binding obligation of the Company, and will be enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought.

(b) Neither the execution and delivery of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby, nor compliance by the Company with any of the terms or provisions hereof, will (i) violate any provision of the Articles of Incorporation or Bylaws of the Company, the Articles of Incorporation of the Bank or Bylaws of the Bank, (ii) to the knowledge of the Company, the Bank or any of their respective subsidiaries, assuming that any necessary Consents, including, but not limited to, those of the Regulatory Authorities, referred to herein are duly obtained, (A) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to the Company, the Bank or any of their subsidiaries or any of their respective properties or assets, or (B) violate, conflict with, result in a breach of any provisions of, constitute a default (or an event which, with

notice or lapse of time, or both, would constitute a default) under, result in the termination of, accelerate the performance required by or result in the creation of any lien, security interest, charge or other encumbrance upon any of the respective properties or assets of the Company, the Bank or any of their subsidiaries under, any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, deed of trust, license, permit, lease, agreement or other instrument or obligation to which the Company, the Bank or any of their subsidiaries is a party, or by which the Company, the Bank or any of their subsidiaries or any of its properties or assets may be bound or affected.

Section 3.7 Consents and Approvals. Except for (i) the approval of the shareholders of the Company pursuant to the proxy statement of the Company relating to the meeting of the shareholders of the Company at which the Merger is to be considered (the "Proxy Statement"); (ii) the Consents of the Regulatory Authorities; (iii) the approval of this Agreement by the shareholders of ST-Sub and the Company; (iv) the filing of a Certificate or Articles of Merger with the States of Alabama and Florida; and (v) as set forth in Disclosure Schedule 3.7, no Consents of any person are necessary in connection with the execution and delivery by the Company of this Agreement, and the consummation by the Company of the Merger and the other transactions contemplated hereby.

Section 3.8 Broker's Fees. Except for Allen C. Ewing & Co., a copy of whose engagement letter with the Company is attached as Disclosure Schedule 3.8, none of the Company, the Bank or any of their subsidiaries nor any of their respective officers or directors, has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with any of the transactions contemplated by this Agreement.

Section 3.9 Absence of Certain Changes or Events. Except as disclosed on Disclosure Schedule 3.9 and as otherwise provided in Section 5.1(b) of this Agreement, since December 31, 1999, there has not been (i) any declaration, payment or setting aside of any dividend or distribution (whether in cash, stock or property) in respect of the Company Shares or (ii) any Material Adverse Effect on the Company, the Bank or any of their respective subsidiaries including, without limitation, any change in the administration or supervisory standing or rating of the Company, the Bank or any of their respective subsidiaries with any Regulatory Authority, and no fact or condition exists as of the date hereof which might reasonably be expected to cause any such event or change in the future.

Section 3.10 Legal Proceedings; Etc. Except as set forth in Disclosure Schedule 3.10, none of the Company, the Bank nor any of their respective subsidiaries is a party to any, and there are no pending or, to the knowledge of the Company, the Bank or any of their respective subsidiaries, threatened, judicial, administrative, arbitral or other proceedings, claims, actions, causes of action or governmental investigations against the Company, the Bank or any of their respective subsidiaries challenging the validity of the transactions contemplated by this Agreement and, to the knowledge of the Company, the Bank and their respective subsidiaries as of the date hereof, there is no proceeding, claim, action or governmental investigation against the Company, the Bank or any of their respective subsidiaries, and no judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator is outstanding against the Company, the Bank or any of their respective subsidiaries which has or might reasonably be expected to have a Material Adverse Effect on the Company; there is no default by the Company, the Bank or any their respective subsidiaries under any material contract agreement to which the Company, the Bank or any of their respective subsidiaries is a party to any

agreement, order or memorandum in writing by or with any Regulatory Authority restricting the operations of the Company, the Bank or any of their respective subsidiaries and none of the Company, the Bank or any of their respective subsidiaries has been advised by any Regulatory Authority that any such Regulatory Authority is contemplating issuing or requesting the issuance of any such order or memorandum in the future.

Section 3.11 Taxes and Tax Returns. (a) The Company has previously delivered or made available to SouthTrust copies of the federal, state and local income tax returns of the Company and, if consolidated returns do not exist for all periods, of the Bank and each of its respective subsidiaries, for the years 1996, 1997, and 1998 and all schedules and exhibits thereto, and, will provide SouthTrust with a copy of all federal, state and local income tax returns for the year 1999, with all schedules and exhibits thereto, when such returns are filed, and, to the knowledge of the Company, the Bank and their respective subsidiaries such returns have not been examined by the Internal Revenue Service or any other taxing authority. Except as reflected in Disclosure Schedule 3.11, the Company, the Bank and their respective subsidiaries have duly filed in correct form all federal, state and local information returns and tax returns required to be filed on or prior to the date hereof, and the Company, the Bank and any of their respective subsidiaries have duly paid or made adequate provisions for the payment of all taxes and other governmental charges which are owed by the Company, the Bank or any of their respective subsidiaries to any federal, state or local taxing authorities, whether or not reflected in such returns (including, without limitation, those owed in respect of the properties, income, business, capital stock, deposits, franchises, licenses, sales and payrolls of the Company, the Bank and any of their respective subsidiaries), other than taxes and other charges which (i) are not yet delinquent or are being contested in good faith or (ii) have not been finally determined. The amounts set forth as liabilities for taxes on the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank are sufficient, in the aggregate, for the payment of all unpaid federal, state and local taxes (including any interest or penalties thereon), whether or not disputed, accrued or applicable, for the periods then ended, and have been computed in accordance with generally accepted accounting principles. None of the Company, the Bank nor any of their respective subsidiaries is responsible for the taxes of any other person other than the Company, the Bank and any of their respective subsidiaries, under Treasury Regulation 1.1502-6 or any similar provision of federal, state or foreign law.

(b) Except as disclosed in Disclosure Schedule 3.11, neither the Company, the Bank nor any of their respective subsidiaries has executed an extension or waiver of any statute of limitations on the assessment or collection of any federal, state or local taxes due that is currently in effect, and deferred taxes of the Company, the Bank or any of their respective subsidiaries, have been adequately provided for in the Financial Statements of the Company, or the Financial Statements of the Bank, as the case may be.

(c) Except as disclosed in Disclosure Schedule 3.11, neither the Company, the Bank nor any of their respective subsidiaries has made any payment, is obligated to make any payment or is a party to any contract, agreement or other arrangement that could obligate it to make any payment that would be disallowed as a deduction under Section 280 G or 162(m) of the Code.

(d) There has not been an ownership change, as defined in Section 382(g) or the Code, of the Company, the Bank or any of their respective subsidiaries that occurred during or after any taxable period in which the Company, the Bank or any of their respective subsidiaries

incurred an operating loss that carries over to any taxable period ending after the fiscal year of the Company immediately preceding the date of this Agreement.

(e) (i) Proper and accurate amounts have been withheld by the Company, the Bank and their respective subsidiaries from their employees and others for all prior periods in compliance in all material respects with the tax withholding provisions of all applicable federal, state and local laws and regulations, and proper due diligence steps have been taken in connection with back-up withholding, (ii) federal, state and local returns have been filed by the Company, the Bank and their respective subsidiaries for all periods for which returns were due with respect to withholding, Social Security and unemployment taxes or charges due to any federal, state or local taxing authority and (iii) the amounts shown on such returns to be due and payable have been paid in full or adequate provision therefor have been included by either the Company, the Bank in the Financial Statements of the Company or the Financial Statements of the Bank.

Section 3.12 Employee Benefit Plans. (a) None of the Company, the Bank or any of their respective subsidiaries has or maintains any "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), except as described in Disclosure Schedule 3.12(a). The Company, the Bank or their respective subsidiaries have, with respect to each such plan, delivered to SouthTrust true and complete copies of: (a) all plan texts and agreements and related trust agreements or annuity contracts and any amendments thereto; (b) all summary plan descriptions and material employee communications; (c) the Form 5500 filed in each of the most recent three plan years (including all schedules thereto and the opinions of independent accountants); (iv) the most recent actuarial valuation (if any); (d) the most recent annual and periodic accounting of plan assets; (vii) if the plan is intended to qualify under Section 401(a) or 403(a) of the Code, the most recent determination letter received from the Internal Revenue Service; and (e) all material communications with any governmental entity or agency (including, without limitation, the Department of Labor, Internal Revenue Service and the Pension Benefit Guaranty Corporation ("PBGC")).

(b) None of the Company, the Bank or any of their respective subsidiaries (or any pension plan maintained by either of them) has incurred any liability to the PBGC or the Internal Revenue Service with respect to any pension plan qualified under Section 401 of the Code, except liabilities to the PBGC pursuant to Section 4007 of ERISA, all which have been fully paid. No reportable event under Section 4043(b) of ERISA (including events waived by PBGC regulation) has occurred with respect to any such pension plan.

(c) None of the Company, the Bank or any of their subsidiaries has incurred any material liability under Section 4201 of ERISA for a complete or partial withdrawal from, or agreed to participate in, any multi-employer plan as such term is defined in Section 3(37) of ERISA.

(d) All "employee benefit plans," as defined in Section 3(3) of ERISA, that are maintained by the Company, the Bank and their respective subsidiaries comply in all material respects, with ERISA and the Code that are applicable, or intended to be applicable, including, but not limited to, COBRA, HIPAA and any applicable, similar state law, to such "employee benefit plans." None of the Company, the Bank or any of their respective subsidiaries have any material liability under any such plan.

For purposes of this Agreement, "COBRA" means the provision of Section 4980B of the Code and the regulations thereunder, and Part 6 of the Subtitle B of Title I.

of ERISA and any regulations thereunder, and "HIPPA" means the provisions of the Code and ERISA as enacted by the Health Insurance Portability and Accountability Act of 1996.

(e) No prohibited transaction (which shall mean any transaction prohibited by Section 406 of ERISA and not exempt under Section 408 of ERISA) has occurred with respect to any employee benefit plan maintained by the Company, the Bank or any of their respective subsidiaries (i) which would result in the imposition, directly or indirectly, of a material excise tax under Section 4975 of the Code or a material civil penalty under Section 502(i) of ERISA, or (ii) the correction of which would have a material adverse effect on the Condition of the Company, the Bank or any of their respective subsidiaries; and no actions have occurred which could result in the imposition of a penalty under any section or provision of ERISA.

(f) No employee benefit plan which is a defined benefit pension plan has any "unfunded current liability," as that term is defined in Section 302(d)(8)(A) of ERISA, and the present fair market value of the assets of any such plan exceeds the plan's "benefit liabilities," as that term is defined in Section 4001(a)(16) of ERISA, when determined under actuarial factors that would apply if the plan terminated in accordance with all applicable legal requirements.

(g) Except as set forth in Disclosure Schedule 3.12(g), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any material payment (including, without limitation, severance, unemployment compensation, golden parachute or otherwise) becoming due to any director or any officer or employee of the Company, the Bank or any of their respective subsidiaries under any benefit plan or otherwise, (ii) materially increase any benefits otherwise payable under any benefit plan or (iii) result in any acceleration of the time of payment or vesting of any such benefits to any material extent.

(h) No employee benefit plan is a multiemployer plan as defined in Section 414(f) of the Code or Section 3(37) or 4001(a) (31) of ERISA. The Company, the Bank and their respective subsidiaries have never been a party to or participant in a multiemployer plan.

(i) There are no actions, liens, suits or claims pending or threatened (other than routine claims for benefits) with respect to any employee benefit plan or against the assets of any employee benefit plan. No assets of the Company, the Bank or their respective subsidiaries are subject to any lien under Section 302(f) of ERISA or Section 412(n) of the Code.

(j) Each employee benefit plan which is intended to qualify under Section 401(a) or 403(a) of the Code so qualifies and its related trust is exempt from taxation under Section 501(a) of the Code. No event has occurred or circumstance exists that will or could give rise to a disqualification or loss of tax-exempt status of any such plan or trust.

(k) No employee benefit plan is a multiple employer plan within the meaning of Section 413(c) of the Code or Sections 4063, 4064 or 4066 of ERISA. No employee benefit plan is a multiple employer welfare arrangement as defined in Section 3(40) of ERISA.

(l) Each employee pension benefit plan, as defined in Section 3(2) of ERISA, that is not qualified under Section 401(a) or 403(a) of the Code is exempt from Part 2, 3 and 4 of Title I of ERISA as an unfunded plan that is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, pursuant to Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. No assets of the Company, the

Bank or their respective subsidiaries are allocated to or held in a "rabbi trust" or similar funding vehicle.

(m) Except as set forth on Disclosure Schedule 3.12(m), no employee benefit plan provides benefits to any current or former employee of the Company, the Bank or their respective subsidiaries beyond retirement or other termination of service (other than coverage mandated by COBRA, the cost of which is fully paid by the current or former employee or his or her dependents). Any such plan may be amended or terminated at any time by unilateral action of the Company, the Bank or their respective subsidiaries.

Section 3.13 Title and Related Matters. (a) Except as set forth in Disclosure Schedule 3.13(a), the Company, the Bank and their respective subsidiaries have good title, and as to owned real property, have good and marketable title in fee simple absolute, to all assets and properties, real or personal, tangible or intangible, reflected as owned by any of them on the Financial Statements of the Company, the Financial Statements of the Bank, or the Call Reports of the Bank or acquired subsequent thereto (except to the extent that such assets and properties have been disposed of for fair value in the ordinary course of business since December 31, 1999), free and clear of all liens, encumbrances, mortgages, security interests, restrictions, pledges or claims, except for (i) those liens, encumbrances, mortgages, security interests, restrictions, pledges or claims reflected in the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank or incurred in the ordinary course of business after December 31, 1999, (ii) statutory liens for amounts not yet delinquent or which are being contested in good faith, and (iii) liens, encumbrances, mortgages, security interests, pledges, claims and title imperfections that do not in the aggregate have a Material Adverse Effect on the Company.

(b) All agreements pursuant to which the Company, the Bank or any of their respective subsidiaries leases, subleases or licenses material real or material personal properties from others are valid, binding and enforceable in accordance with their respective terms, and there is not, under any of such leases or licenses, any existing default or event of default, or any event which with notice or lapse of time, or both, would constitute a default or force majeure, or provide the basis for any other claim of excusable delay or nonperformance, except for defaults which individually or in the aggregate would not have a Material Adverse Effect on the Company. Except as set forth in Disclosure Schedule 3.13(b), the Company, the Bank and their respective subsidiaries have all right, title and interest as a lessee under the terms of each lease or sublease, free and clear of all liens, claims or encumbrances (other than the rights of the lessor), as of the Effective Time of the Merger, and shall have the right to transfer each lease or sublease pursuant to this Agreement.

(c) Other than real estate owned, acquired by foreclosure or voluntary deed in lieu of foreclosure (i) all of the buildings, structures and fixtures owned, leased or subleased by the Company, the Bank and any of their respective subsidiaries, are in good operating condition and repair, subject only to ordinary wear and tear and/or minor defects which do not interfere with the continued use thereof in the conduct of normal operations, and (ii) all of the material personal properties owned, leased or subleased by the Company, the Bank and any of their respective subsidiaries, are in good operating condition and repair, subject only to ordinary wear and tear and/or minor defects which do not interfere with the continued use thereof in the conduct of normal operations.

Section 3.14 Real Estate. (a) Disclosure Schedule 3.14(a) identifies and sets forth a complete legal description for each parcel of real estate or interest therein owned, and a description of each parcel of real estate leased or subleased by the Company, the Bank or any of their respective subsidiaries or in which the Company, the Bank or any of their respective subsidiaries have any ownership or leasehold interest.

(b) Disclosure Schedule 3.14(b) lists or otherwise describes and sets forth each and every written or oral lease or sublease, together with the current name, address and telephone number of the landlord or sublandlord and the landlord's property manager (if any), under which the Company, the Bank or any of their respective subsidiaries is the lessee or sublessee of any real property and which relates in any manner to the operation of the businesses of the Company, the Bank or any of their respective subsidiaries.

(c) None of the Company, the Bank or any of their respective subsidiaries have violated, or is currently in violation of, any law, regulation or ordinance relating to the ownership or use of the real estate and real estate interests described in Disclosure Schedules 3.14(a) and 3.14(b) including, but not limited to, any law, regulation or ordinance relating to zoning, building, occupancy, environmental or comparable matter which individually or in the aggregate would have a Material Adverse Effect on the Company.

(d) As to each parcel of real property owned or used by the Company, the Bank or any of their respective subsidiaries, none of the Company, the Bank or any of their respective subsidiaries have received notice of any pending or, to the knowledge of the Company, the Bank or any of their respective subsidiaries, threatened condemnation proceedings, litigation proceedings or mechanics or materialmen's liens.

Section 3.15 Environmental Matters.

(a) Each of the Company, the Bank, their respective subsidiaries, the Participation Facilities (as defined below), and the Loan Properties (as defined below) are, and have been, in compliance with all applicable laws, rules, regulations, standards and requirements of the United States Environmental Protection Agency and all state and local agencies with jurisdiction over pollution or protection of the environment, except for violations which, individually or in the aggregate, will not have a Material Adverse Effect on the Company.

(b) There is no litigation pending or, to the knowledge of the Company, the Bank or any of their respective subsidiaries, threatened before any court, governmental agency or board or other forum in which the Company, the Bank, their respective subsidiaries, or any Participation Facility has been or, with respect to threatened litigation may be, named as defendant (i) for alleged noncompliance (including by any predecessor), with any Environmental Law (as defined below) or (ii) relating to the release into the environment of any Hazardous Material (as defined below) or oil, whether or not occurring at or on a site owned or leased or operated by the Company, the Bank or any Participation Facility, except for such litigation pending or threatened that will not, individually or in the aggregate, have a Material Adverse Effect on the Company.

(c) There is no litigation pending or, to the knowledge of the Company, the Bank and their respective subsidiaries, threatened before any court, governmental agency or board or other forum in which any Loan Property (or the Company, the Bank and their respective subsidiaries in respect of such Loan Property) has been or, with respect to threatened litigation, may be, named as a defendant or potentially responsible party (i) for alleged noncompliance

(including by any predecessor) with any Environmental Law (as defined below) or (ii) relating to the release into the environment of any Hazardous Material (as defined below) or oil, whether or not occurring at, on or involving a Loan Property, except for such litigation pending or threatened that will not individually or in the aggregate, have a Material Adverse Effect on the Company.

(d) To the knowledge of the Company, the Bank and any of their respective subsidiaries, there is no reasonable basis for any litigation of a type described in Sections 3.15(b) or 3.15(c) of this Agreement, except as will not have, individually or in the aggregate, a Material Adverse Effect on the Company.

(e) During the period of (i) ownership or operation by the Company, the Bank or any of their respective subsidiaries of any of their respective current properties, or (ii) participation by the Company, the Bank or any of their respective subsidiaries in the management of any Participation Facility, or (iii) holding by the Company, the Bank or any of their respective subsidiaries of a security interest in a Loan Property, there have been no releases of Hazardous Material or oil in, on, under or affecting such properties, except where such releases have not and will not, individually or in the aggregate, have a Material Adverse Effect on the Company.

(f) Prior to the period of (i) ownership or operation by the Company, the Bank or any of their respective subsidiaries of any of their respective current properties, (ii) participation by the Company, the Bank or any of their respective subsidiaries in the management of any Participation Facility, or (iii) holding by the Company, the Bank or any of their respective subsidiaries of a security interest in any Loan Property, to the knowledge of the Company, the Bank and their respective subsidiaries, there were no releases of Hazardous Material or oil in, on, under or affecting any such property, Participation Facility or Loan Property, except where such releases have not and will not, individually or in the aggregate, have a Material Adverse Effect on the Company.

Section 3.16 Commitments and Contracts. (a) Except as set forth in Disclosure Schedule 3.16(a), none of the Company, the Bank or any of their respective subsidiaries is a party or subject to any of the following (whether written or oral, express or implied):

- (i) Any employment contract or understanding (including any agreement or plan with respect to severance or termination pay liabilities or fringe benefits) with any present or former officer, director, employee, including in any such person's capacity as a consultant (other than those which either are terminable at will without any further amount being payable thereunder or as a result of such termination by the Company, the Bank or any of their respective subsidiaries);
- (ii) Any labor contract or agreement with any labor union;
- (iii) Any contract covenants which limit the ability of the Company, the Bank or any of their respective subsidiaries to compete in any line of business or which involve any restriction of the geographical area in which the Company, the Bank or any of their respective subsidiaries may carry on its business (other than as may be required by law or applicable regulatory authorities);

- (iv) Any lease (other than real estate leases described on Disclosure Schedule 3.14(b)) or other agreements or contracts with annual payments aggregating \$10,000 or more; or
- (v) Any other contract or agreement which would be required to be disclosed in reports filed by the Company, the Bank or any of their respective subsidiaries with the SEC, the FRB, or the FDIC and which has not been so disclosed.

(b) To the knowledge of the Company, the Bank or any of their respective subsidiaries, except as set forth in Disclosure Schedule 3.16(b), there is not, under any agreement, lease or contract to which the Company, the Bank or any of their respective subsidiaries is a party, any existing default or event of default, or any event which with notice or lapse of time, or both, would constitute a default or force majeure, or provide the basis for any other claim of excusable delay or non-performance.

Section 3.17 Regulatory, Accounting and Tax Matters. None of the Company, the Bank or any of their respective subsidiaries has taken or agreed to take any action, has any knowledge of any fact nor has agreed to any circumstance that would (i) materially impede or delay receipt of any Consents of any Regulatory Authorities referred to in this Agreement, (ii) prevent the transactions contemplated by this Agreement from qualifying as a reorganization within the meaning of Section 368(a) of the Code, or (iii) materially impede the ability of SouthTrust to account for the transactions contemplated by this Agreement as a pooling of interests.

Section 3.18 Registration Obligations. None of the Company, the Bank or any of their respective subsidiaries is under any obligation, contingent or otherwise, which will survive the Merger, to register any of its securities under the Securities Act of 1933 or any state securities laws.

Section 3.19 [Intentionally Omitted]

Section 3.20 Insurance. Each of the Company, the Bank and their respective subsidiaries is presently insured, and during each of the past three (3) calendar years has been insured, for reasonable amounts against such risks as companies or institutions engaged in a similar business would, in accordance with good business practice, customarily be insured. To the knowledge of the Company, the Bank and their respective subsidiaries, the policies of fire, theft, liability and other insurance maintained with respect to the assets or businesses of the Company, the Bank and their respective subsidiaries provide adequate coverage against loss, and the fidelity bonds in effect as to which the Company, the Bank or any of their respective subsidiaries is named an insured are sufficient for their purpose. Such policies of insurance are listed and described in Disclosure Schedule 3.20.

Section 3.21 Labor. (a) No work stoppage involving the Company, the Bank or any of their respective subsidiaries is pending as of the date hereof or, to the knowledge of the Company, the Bank and their respective subsidiaries, threatened. None of the Company, the Bank or any of their respective subsidiaries is involved in, or, to the knowledge of the Company, the Bank and their respective subsidiaries, threatened with or affected by, any proceeding asserting that the Company, the Bank or any of their respective subsidiaries has committed an unfair labor

practice or any labor dispute, arbitration, lawsuit or administrative proceeding which might reasonably be expected to have a Material Adverse Effect on the Company. No union represents or claims to represent any employees of the Company, the Bank or their respective subsidiaries, and, to the knowledge of the Company, the Bank and their respective subsidiaries, no labor union is attempting to organize employees of the Company, the Bank or their respective subsidiaries.

(b) The Company, the Bank or their respective subsidiaries has made available to SouthTrust a true and complete list of all employees of the Company, the Bank and their respective subsidiaries as of the date hereof, together with the employee position, title, salary and date of hire, and all information with respect to all benefit plans or policies, bonus arrangements, commissions, severance plans or policies, compensation arrangements or other benefits provided to such employees. Except as set forth on Schedule 3.21(b), the consummation of the transactions contemplated hereby will not cause SouthTrust or ST-Sub to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any person or entity. Except as set forth on Schedule 3.21(b) hereto, no employee of the Company, the Bank or their respective subsidiaries has any contractual right to continued employment by the Company. Except as set forth on Schedule 3.21(b) hereto, there are no employment agreements, contracts, plans, arrangements, professional service contracts, commitments or understandings between the Company, the Bank or their respective subsidiaries and any employee not terminable at will.

(c) The Company, the Bank and their respective subsidiaries is in compliance with all applicable laws and regulations relating to employment or the workplace, including, without limitation, provisions relating to wages, hours, collective bargaining, safety and health, work authorization, equal employment opportunity, immigration and the withholding of income taxes, unemployment compensation, workers compensation, employee privacy and right to know and social security contributions.

(d) Except as set forth on Schedule 3.21(d) hereto, there has not been, there is not presently pending or existing and, to the knowledge of the Company, the Bank or any of their respective subsidiaries, there is not threatened any proceeding against or affecting the Company, the Bank or their respective subsidiaries relating to the alleged violation of any legal requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable governmental body, organizational activity, or other labor or employment dispute against or affecting the Company, the Bank or their respective subsidiaries.

Section 3.22 Compliance with Laws. Each of the Company, the Bank and their respective subsidiaries has conducted its business and owned its assets in accordance with all applicable federal, foreign, state and local laws, regulations and orders, and is in compliance with such laws, regulations and orders, except for such violations or non-compliance, which when taken together as a whole, will not have a Material Adverse Effect on the Company. Except as disclosed in Disclosure Schedule 3.22, none of the Company, the Bank or any of their respective subsidiaries:

- (a) is in violation of any laws, regulations, rules, orders or permits applicable to its business or the employees or agents or representatives conducting its business, except for violations which individually or in the

aggregate do not have and will not have a Material Adverse Effect on the Company; and

- (b) has received a notification or communication from any agency or department of federal, state or local government or the Regulatory Authorities or the staff thereof (i) asserting that the Company, the Bank or any of their respective subsidiaries is not in compliance with any laws or orders which such governmental authority or Regulatory Authority enforces, where such noncompliance is reasonably likely to have a Material Adverse Effect on the Company, (ii) threatening to revoke any permit, the revocation of which is reasonably likely to have a Material Adverse Effect on the Company, (iii) requiring the Company, the Bank or any of their respective subsidiaries to enter into any cease and desist order, formal agreement, commitment or memorandum of understanding, or to adopt any resolutions or similar undertakings, or (iv) directing, restricting or limiting, or purporting to direct, restrict or limit in any manner, the operations of the Company, the Bank or any of their respective subsidiaries, including, without limitation, any restrictions on the payment of dividends.

Section 3.23 Transactions with Management. Except for (a) deposits, all of which are on terms and conditions comparable to those made available to other customers of the Bank at the time such deposits were entered into, (b) the loans listed on Disclosure Schedule 3.5, (c) the agreements listed on Disclosure Schedule 3.16, (d) obligations under employee benefit plans of the Company, the Bank and their respective subsidiaries as set forth on Disclosure Schedule 3.12, and (e) the items described on Disclosure Schedule 3.23 and any loans or deposit agreements entered into in the ordinary course with customers of the Bank, there are no contracts with or commitments to present or former stockholders, directors, officers or employees involving the expenditure of more than \$1,000 as to any one individual, including, any business directly or indirectly controlled by any such person, or \$5,000 for all such contracts or commitments in the aggregate for all such individuals.

Section 3.24 Derivative Contracts. Neither the Company nor the Bank is a party to or has agreed to enter into an exchange-traded or over-the-counter swap, forward, future, option, cap, floor or collar financial contract or agreement, or any other contract or agreement not included in Financial Statements of the Company and the Financial Statements of the Bank which is a financial derivative contract (including various combinations thereof) ("Derivative Contracts"), except for those Derivative Contracts set forth in Disclosure Schedule 3.24.

Section 3.25 Deposits. None of the deposits of the Bank are "brokered" deposits or are subject to any encumbrance, legal restraint or other legal process (other than garnishments, pledges, set off rights, escrow limitations and similar actions taken in the ordinary course of business), and no portion of such deposits represents a deposit of any affiliate of the Company's except as set forth in Disclosure Schedule 3.25.

Section 3.26 Accounting Controls. Each of the Company, the Bank and their respective subsidiaries have devised and maintained systems of internal accounting control sufficient to provide reasonable assurances that: (i) all material transactions are executed in accordance with general or specific authorization of the Board of Directors and the duly authorized executive

officers of the Company, the Bank and their respective subsidiaries; (ii) all material transactions are recorded as necessary to permit the preparation of financial statements in conformity with generally accepted accounting principles consistently applied with respect to institutions such as the Company, the Bank and their respective subsidiaries or any other criteria applicable to such financial statements, and to maintain proper accountability for items therein; (iii) access to the material properties and assets of the Company, the Bank and their respective subsidiaries is permitted only in accordance with general or specific authorization of the Board of Directors and the duly authorized executive officers of the Company, the Bank and their respective subsidiaries; and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate actions taken with respect to any differences.

Section 3.27 Proxy Materials. None of the information relating to the Company, the Bank or any of their respective subsidiaries to be included in the Proxy Statement which is to be mailed to the shareholders of the Company in connection with the solicitation of their approval of this Agreement will, at the time such Proxy Statement is mailed or at the time of the meeting of shareholders to which such Proxy Statement relates, be false or misleading with respect to any material fact, or omit to state any material fact, necessary in order to make a statement therein not false or misleading. The legal responsibility for the contents of such Proxy Statement relating to the Company, the Bank or any of their respective subsidiaries shall be and remain with the Company, the Bank and their respective subsidiaries.

Section 3.28 Deposit Insurance. The deposit accounts of the Bank are insured by the Bank Insurance Fund ("BIF") in accordance with the provisions of the Federal Deposit Insurance Act (the "Act"); the Bank has paid all regular premiums and special assessments and filed all reports required under the Act.

Section 3.29 Untrue Statements and Omissions. No representation or warranty contained in Article III of this Agreement or in the Disclosure Schedules of the Company contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SOUTHTRUST AND ST-SUB

SouthTrust and ST-Sub hereby jointly and severally represent and warrant to Company as follows as of the date hereof and as of all times up to and including the Effective Time of the Merger (except as otherwise provided):

Section 4.1 Organization and Related Matters of SouthTrust. (a) SouthTrust is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. SouthTrust has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as now conducted, or as proposed to be conducted pursuant to this Agreement, and SouthTrust is licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by SouthTrust, or the character or location of the properties and assets owned or leased by SouthTrust makes such licensing or qualification necessary, except where the failure to be so licensed or qualified (or steps necessary to cure such failure) would not have a Material Adverse Effect on SouthTrust. SouthTrust is duly registered

as a bank holding company under the Bank Holding Company Act of 1956, as amended. True and correct copies of the Restated Certificate of Incorporation of SouthTrust and the Bylaws of SouthTrust, each as amended to the date hereof, have been made available to the Company.

(b) SouthTrust has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, either individually or in the aggregate, would have a Material Adverse Effect on SouthTrust.

Section 4.2 Organization and Related Matters of ST-Sub. (a) ST-Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Alabama. ST-Sub has, or as of the Effective Time of the Merger, will have, the corporate power and authority to own or lease all of its properties and assets and to carry on its business as now conducted, or as proposed to be conducted pursuant to this Agreement, and ST-Sub is licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by ST-Sub, or the character or location of the properties and assets owned or leased by ST-Sub makes such licensing or qualification necessary, except where the failure to be so licensed or qualified (or steps necessary to cure such failure) would not have a Material Adverse Effect on SouthTrust. True and correct copies of the Articles of Incorporation of ST-Sub and the Bylaws of ST-Sub, each as amended to the date hereof will be made available to the Company.

(b) ST-Sub has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, either individually or in the aggregate, would have a Material Adverse Effect on SouthTrust.

Section 4.3 Capitalization. As of June 30, 2000, the authorized capital stock of SouthTrust consisted of 500,000,000 shares of common stock, par value \$2.50 per share, 168,233,823 shares (which includes the rights associated with such shares pursuant to that certain Amended and Restated Rights Agreement dated as of August 1, 2000 between SouthTrust and American Stock Transfer & Trust Company) of which were issued and outstanding (exclusive of any such shares held in the treasury of SouthTrust as of such date), and 5,000,000 shares of preferred stock, par value \$1.00 per share, none of which is issued and outstanding as of the date hereof. All issued and outstanding SouthTrust Shares have been duly authorized and validly issued, and all such shares are fully paid and nonassessable.

Section 4.4 Authorization. The execution, delivery, and performance of this Agreement, and the consummation of the transactions contemplated hereby and in any related agreements, have been or, as of the Effective Time of the Merger, will have been duly authorized by the Boards of Directors of SouthTrust and ST-Sub, and no other corporate proceedings on the part of SouthTrust or ST-Sub are or will be necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement, when duly authorized, will be the valid and binding obligation of SouthTrust and ST-Sub enforceable against each in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought. Neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the Restated Certificate of Incorporation or

Bylaws of SouthTrust or the Articles of Incorporation or Bylaws of ST-Sub or, (ii) to SouthTrust's knowledge and assuming that any necessary Consents, including, but not limited to those of the Regulatory Authorities, referred to herein are duly obtained, (A) violate, conflict with, result in a breach of any provisions of, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of, accelerate the performance required by or result in the creation of any lien, security interest, charge or other encumbrance upon any of the properties or assets of SouthTrust or ST-Sub under any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, deed of trust, license, permit, lease, agreement or other instrument or obligation to which SouthTrust or ST-Sub is a party, or by which SouthTrust or ST-Sub or any of their respective properties or assets may be bound or affected, (B) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to SouthTrust or ST-Sub or any of their respective material properties or assets, except for (X) such conflicts, breaches or defaults as are set forth in Disclosure Schedule 4.4; and (Y) with respect to (B) above, such as individually or in the aggregate will not have a Material Adverse Effect on SouthTrust.

Section 4.5 Financial Statements. (a) SouthTrust has made available to the Company copies of the consolidated financial statements of SouthTrust as of and for the two (2) fiscal years ended immediately prior to the date of this Agreement. SouthTrust will make available to the Company, as soon as practicable following the preparation of additional consolidated financial statements for each subsequent fiscal period or year of SouthTrust, the consolidated financial statements of SouthTrust as of and for such subsequent fiscal period or year (such consolidated financial statements, unless otherwise indicated, being hereinafter referred to collectively as the "Financial Statements of SouthTrust").

(b) Each of the Financial Statements of SouthTrust (including the related notes) have been or will be prepared in all material respects in accordance with generally accepted accounting principles, which principles have been or will be consistently applied during the periods involved, except as otherwise noted therein, and the books and records of SouthTrust have been, are being, and will be maintained in all material respects in accordance with applicable legal and accounting requirements and reflect only the actual transactions. Each of the Financial Statements of SouthTrust (including the related notes) fairly presents or will fairly present the consolidated financial position of SouthTrust as of the respective dates thereof and fairly presents or will fairly present the results of operations of SouthTrust for the respective periods therein set forth.

(c) Since December 31, 1999, SouthTrust has not incurred any obligation or liability (contingent or otherwise) that has or might reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on SouthTrust, except obligations and liabilities (i) which are accrued or reserved against in the Financial Statements of SouthTrust or reflected in the notes thereto, and (ii) which were incurred after December 31, 1999 in the ordinary course of business consistent with past practices. Since December 31, 1999, and except for the matters described in (i) and (ii) above, SouthTrust has not incurred or paid any obligation or liability which would have a Material Adverse Effect on SouthTrust.

Section 4.6 Absence of Certain Changes or Events. Since December 31, 1999, no fact or condition has occurred which would give rise to a Material Adverse Effect on SouthTrust, and to the knowledge of SouthTrust, no fact or condition exists which might reasonably be expected to cause such a Material Adverse Effect on SouthTrust in the future.

Section 4.7 Legal Proceedings, Etc. Except as set forth on Disclosure Schedule 4.7 hereto, or as disclosed in any registration statement filed by SouthTrust with the SEC and made available to the Company hereunder, neither SouthTrust nor any of its affiliates is a party to any, and there are no pending, or, to the knowledge of SouthTrust, threatened, legal, administrative, arbitral or other proceedings, claims, actions, causes of action or governmental investigations of any nature against SouthTrust challenging the validity or propriety of the transactions contemplated by this Agreement or which would be required to be reported by SouthTrust pursuant to Item 103 of Regulation S-K promulgated by the SEC.

Section 4.8 Insurance. SouthTrust has in effect insurance coverage with insurers which, in respect of amounts, premiums, types and risks insured, constitutes reasonably adequate coverage against all risks customarily insured against by institutions comparable in size and operation to SouthTrust.

Section 4.9 Consents and Approvals. Except for (i) the Consents of the Regulatory Authorities; (ii) approval of this Agreement by the respective shareholders of ST-Sub and the Company; (iii) the filing of a Certificate or Articles of Merger with the States of Alabama and Florida; or (iv) as disclosed in Disclosure Schedule 4.9, no Consents of any person are necessary in connection with the execution and delivery by SouthTrust and ST-Bank or, to the knowledge of SouthTrust, by the Company of this Agreement, and the consummation of the Merger and the other transactions contemplated hereby.

Section 4.10 Accounting, Tax, Regulatory Matters. SouthTrust has not agreed to take any action, has no knowledge of any fact and has not agreed to any circumstance that would (i) prevent the transactions contemplated hereby, including the Merger, from qualifying as a reorganization within the meaning of Section 368 of the Code, or (ii) materially impede or delay receipt of any Consent from any Regulatory Authority referred to in this Agreement.

Section 4.11 Proxy Materials. None of the information relating solely to SouthTrust or any of its subsidiaries to be included or incorporated by reference in the Proxy Statement which is to be mailed to the shareholders of the Company in connection with the solicitation of their approval of this Agreement will, at the time such Proxy Statement is mailed or at the time of the meeting of shareholders of the Company to which such Proxy Statement relates, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make a statement therein not false or misleading. The legal responsibility for the contents of the information supplied by SouthTrust and relating solely to SouthTrust which is either included or incorporated by reference in the Proxy Statement shall be and remain with SouthTrust.

Section 4.12 No Broker's or Finder's Fees. Neither SouthTrust nor ST-Sub or any of their subsidiaries, affiliates or employers has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with this Agreement or the consummation of any of the transactions contemplated herein.

Section 4.13 Untrue Statements and Omissions. No representation or warranty contained in Article IV of this Agreement or in the Disclosure Schedules of SouthTrust or ST-Sub contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 4.14 SEC Filings. SouthTrust has filed all forms, reports and documents required to be filed by SouthTrust with the SEC since December 31, 1998, other than registration

statements on Form S-4 and S-8 (collectively, the "SouthTrust SEC Reports"). The SouthTrust SEC Reports (i) at the time they were filed, complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, as the case may be, (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated in such SouthTrust SEC Reports or necessary in order to make the statements in such SouthTrust SEC Reports, in light of the circumstances under which they were made, not misleading.

Section 4.15 **Compliance with Laws.** Each of SouthTrust or ST-Sub has conducted its business and owned its assets in accordance with all applicable federal, foreign, state and local laws, regulations and orders, and is in compliance with such laws, regulations and orders, except for such violations or non-compliance, which when taken together as a whole, will not have a Material Adverse Effect on SouthTrust. Except as disclosed in Disclosure Schedule 4.15, none of SouthTrust or ST-Sub:

- (a) is in violation of any laws, regulations, rules, orders or permits applicable to its business or the employees or agents or representatives conducting its business, except for violations which individually or in the aggregate do not have and will not have a Material Adverse Effect on SouthTrust; and
- (b) has received a notification or communication from any agency or department of federal, state or local government or the Regulatory Authorities or the staff thereof (i) asserting that SouthTrust or ST-Sub is not in compliance with any laws or orders which such governmental authority or Regulatory Authority enforces, where such noncompliance is reasonably likely to have a Material Adverse Effect on SouthTrust, (ii) threatening to revoke any permit, the revocation of which is reasonably likely to have a Material Adverse Effect on SouthTrust, (iii) requiring SouthTrust or ST-Sub to enter into any cease and desist order, formal agreement, commitment or memorandum of understanding, or to adopt any resolutions or similar undertakings, or (iv) directing, restricting or limiting, or purporting to direct, restrict or limit in any manner, the operations of SouthTrust or ST-Sub, including, without limitation, any restrictions on the payment of dividends.

ARTICLE V

COVENANTS AND AGREEMENTS

Section 5.1 **Conduct of the Business of Company.** (a) Except as provided in this Agreement, during the period from the date of this Agreement to the Effective Time of the Merger, the Company shall and shall cause the Bank and each subsidiary of the Company and the Bank to, (i) conduct their business in the usual, regular and ordinary course consistent with past practice and prudent banking and business principles, (ii) use their best efforts to maintain and preserve intact their business organization, employees, goodwill with customers and advantageous business relationships and retain the services of their officers and key employees, and (iii) except as required by law or regulation, take no action which would adversely affect or delay the ability of

the Company or SouthTrust to obtain any Consent from any Regulatory Authorities or other approvals required for the consummation of the transactions contemplated hereby or to perform their covenants and agreements under this Agreement.

(b) During the period from the date of this Agreement to the Effective Time of the Merger, except as required by law or regulation, the Company shall not, and it shall not permit the Bank or any of their respective subsidiaries, without the prior written consent of SouthTrust, to:

- (i) change, delete or add any provision of or to the Articles of Incorporation or Bylaws of the Company, the Articles of Incorporation or Bylaws of the Bank or the Articles or Certificates of Incorporation or Bylaws of any of their respective subsidiaries;
- (ii) except for the issuance of the Company Shares pursuant to the terms of the Company Options, change the number of shares of the authorized, issued or outstanding capital stock of the Company, including any issuance, purchase, redemption, split, combination or reclassification thereof, or issue or grant any option, warrant, call, commitment, subscription, right or agreement to purchase relating to the authorized or issued capital stock of the Company, or declare, set aside or pay any dividend or other distribution with respect to the outstanding capital stock of the Company or the Bank except for that certain dividend from the Bank to Company disclosed on Schedule 3.9 (which consent, with respect to dividends paid by the Bank, will not be unreasonably withheld); provided, however, that in the event the Effective Time of the Merger has not occurred by the record date for the payment of SouthTrust's fourth quarter dividend, the Company shall be permitted to pay its normal and recurring dividend of \$0.22 per share to its shareholders prior to the Effective Time of the Merger;
- (iii) incur any material liabilities or material obligations (other than deposit liabilities and short-term borrowings in the ordinary course of business), whether directly or by way of guaranty, including any obligation for borrowed money, or whether evidenced by any note, bond, debenture, or similar instrument, except in the ordinary course of business consistent with past practice;
- (iv) make any capital expenditures individually in excess of \$25,000, or in the aggregate in excess of \$50,000 other than pursuant to binding commitments existing on December 31, 1999 and disclosed in a Disclosure Schedule delivered pursuant to Article III of this Agreement or in the annexed Disclosure Schedule 5.1(b)(iv) and other than expenditures necessary to maintain existing assets in good repair;
- (v) sell, transfer, convey or otherwise dispose of any real property (including "other real estate owned") or interest therein or any tangible or intangible personal property having a book value in

excess of or in exchange for consideration in excess of \$25,000 for each such parcel or interest, in which case consent will not be unreasonably withheld;

- (vi) except as reflected in annexed Disclosure Schedule 5.1(b)(vi): pay any bonuses to any executive officer or director except pursuant to the terms of an enforceable agreement; enter into any new, or amend in any respect any existing employment, consulting, non-competition or independent contractor agreement with any person; alter the terms of any existing incentive bonus or commission plan; adopt any new or amend in any material respect any existing employee benefit or bonus plan, except as may be required by law; grant any general increase in compensation to its employees as a class or to its officers except for non-executive officers in the ordinary course of business and consistent with past practices and policies or except in accordance with the terms of an enforceable written agreement; grant any material increases in fees or other increases in compensation or in other benefits to any of its directors; or effect any change in any material respect in retirement benefits to any class of employees or officers, except as required by law;
- (vii) enter into or extend any agreement, lease or license relating to real property, tangible or intangible personal property or any service or other function (including, without limitation), data processing or bankcard functions relating to the Company, the Bank or any of their respective subsidiaries that involves an aggregate of \$25,000;
- (viii) increase or decrease the rate of interest paid on time deposits or on certificates of deposit, except in a manner and pursuant to policies consistent with the Company and the Bank' past practices;
- (ix) purchase or otherwise acquire any investment securities for its own account having an average remaining life to maturity greater than five years, or any asset-backed security, other than those issued or guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association or Home Loan Mortgage Corporation, or any Derivative Contract;
- (x) acquire twenty percent (20%) or more of the assets or equity securities of any person or acquire direct or indirect control of any person, other than in connection with (A) any internal reorganization or consolidation involving existing subsidiaries of the Company or the Bank which has been approved in advance in writing by SouthTrust, (B) foreclosures in the ordinary course of business, (C) acquisitions of control by a banking subsidiary in a fiduciary capacity or (D) the creation of new subsidiaries organized to conduct and continue activities otherwise permitted by this Agreement; or

- (xi) commence any cause of action or proceeding other than in accordance with past practice or settle any action, claim, arbitration, complaint, criminal prosecution, demand letter, governmental or other examination or investigation, hearing, inquiry or other proceeding against the Company, the Bank or any of their respective subsidiaries for material money damages or restrictions upon any of their operations.

Section 5.2 Current Information. During the period from the date of this Agreement to the Effective Time of the Merger or the time of termination or abandonment of this Agreement, the Company will cause one or more of its designated representatives to confer on a regular and frequent basis with representatives of SouthTrust and to report the general status of the ongoing operations of the Company, the Bank and their respective subsidiaries. The Company will promptly notify SouthTrust of any material change in the normal course of business or the operations or the properties of the Company, the Bank or any of their respective subsidiaries, any governmental complaints, investigations or hearings (or communications indicating that the same may be contemplated) affecting the Company, the Bank or any of their respective subsidiaries, the institution or the threat of material litigation, claims, threats or causes of action involving the Company, the Bank or any of their respective subsidiaries, and will keep SouthTrust fully informed of such events. The Company will furnish to SouthTrust, promptly after the preparation and/or receipt by the Company thereof, copies of its unaudited periodic financial statements, and shall furnish or cause the Bank or such other applicable subsidiary of the Company or the Bank to furnish to SouthTrust promptly after the preparation and/or receipt by the Company, the Bank or such subsidiary, copies of all periodic financial statements of the Bank and such subsidiaries, if available, and all call reports with respect to the Bank for the applicable periods then ended, and such financial statements and call reports shall, upon delivery to SouthTrust, be treated, for purposes of Section 3.3 hereof, as among the Financial Statements of the Company, the Financial Statements of the Bank and the Call Reports of the Bank.

Section 5.3 Access to Properties; Personnel and Records. (a) So long as this Agreement shall remain in effect, the Company, the Bank and their respective subsidiaries shall permit SouthTrust or its agents reasonable access, to be arranged with the officers of the Company in advance, during normal business hours, to the properties of the Company, the Bank and their respective subsidiaries, and shall disclose and make available (together with the right to copy) to SouthTrust and to its internal auditors, loan review officers, attorneys, accountants and other representatives, all books, papers and records relating to the assets, stock, properties, operations, obligations and liabilities of the Company, the Bank or any of their respective subsidiaries, including all books of account (including the general ledger), tax records, minute books of directors' and shareholders' meetings, organizational documents, bylaws, contracts and agreements, filings with any regulatory agency, examination reports, correspondence with regulatory or taxing authorities, documents relating to assets, titles, abstracts, appraisals, consultant's reports, plans affecting employees, securities transfer records and stockholder lists, and any other assets, business activities or prospects in which SouthTrust may have a reasonable interest, and the Company, the Bank and their respective subsidiaries shall use their reasonable best efforts to provide SouthTrust and its representatives access to the work papers of the Company's accountants. The Company, the Bank and their respective subsidiaries shall not be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of any customer, would contravene any law, rule, regulation, order

or judgment or would violate any confidentiality agreement; provided that the Company, the Bank and their respective subsidiaries shall cooperate with SouthTrust in seeking to obtain Consents from appropriate parties under whose rights or authority access is otherwise restricted. The foregoing rights granted to SouthTrust shall not, whether or not and regardless of the extent to which the same are exercised, affect the representations and warranties made in this Agreement by the Company and its subsidiaries.

(b) All information furnished by the parties hereto pursuant to this Agreement shall be treated as the sole property of the party providing such information until the consummation of the Merger contemplated hereby and, if such transaction shall not occur, the party receiving the information shall return to the party which furnished such information, all documents or other materials containing, reflecting or referring to such information, shall use its best efforts to keep confidential all such information, and shall not directly or indirectly use such information for any competitive or other commercial purposes. The obligation to keep such information confidential shall continue for five (5) years from the date the proposed transactions are abandoned but shall not apply to (i) any information which (A) the party receiving the information was already in possession of prior to disclosure thereof by the party furnishing the information, (B) was then available to the public, or (C) became available to the public through no fault of the party receiving the information; or (ii) disclosures pursuant to a legal requirement or in accordance with an order of a court of competent jurisdiction or regulatory agency; provided that the party which is the subject of any such legal requirement or order shall use its best efforts to give the other party at least ten (10) business days prior notice of any such required disclosure. Each party hereto acknowledges and agrees that a breach of any of their respective obligations under this Section 5.3 would cause the other irreparable harm for which there is no adequate remedy at law, and that, accordingly, each is entitled to injunctive and other equitable relief for the enforcement thereof in addition to damages or any other relief available at law.

Section 5.4 Approval of Shareholders. The Company will take all steps necessary under applicable laws to call, give notice of, convene and hold a meeting of its shareholders at such time as may be mutually agreed to by the parties for the purpose of approving this Agreement and the transactions contemplated hereby and for such other purposes consistent with the complete performance of this Agreement as may be necessary or desirable. The Board of Directors of the Company will recommend to its shareholders the approval of this Agreement and the transactions contemplated hereby and the Company will use its best efforts to obtain the necessary approvals by its shareholders of this Agreement and the transactions contemplated hereby.

Section 5.5 No Other Bids. Except with respect to this Agreement and the transactions contemplated hereby, neither the Company nor any "affiliate" (as defined below) thereof, nor any investment banker, attorney, accountant or other representative (collectively, "representative") retained by the Company, the Bank or any of their respective subsidiaries shall directly or indirectly initiate, solicit, encourage or otherwise facilitate any inquiries or the making of any proposal or offer that constitutes, or may reasonably be expected to lead to, any "takeover proposal" (as defined below) by any other party. Except to the extent necessary to comply with the fiduciary duties of the Company's Board of Directors as advised in writing by counsel to such Board of Directors, neither the Company nor any affiliate or representative thereof shall furnish any non-public information that it is not legally obligated to furnish or negotiate or enter into any agreement or contract with respect to any takeover proposal, and shall direct and use its reasonable efforts to cause its affiliates or representatives not to engage in any of the foregoing, but the Company may communicate information about such a takeover proposal to its shareholders if and

to the extent it is required to do so in order to comply with its legal obligations as advised in writing by counsel. The Company shall promptly notify SouthTrust orally and in writing in the event that it receives any inquiry or proposal relating to any such transaction. The Company shall immediately cease and cause to be terminated as of the date of this Agreement any existing activities, discussions or negotiations with any other parties conducted heretofore with respect to any of the foregoing. As used in this Section 5.5, an "affiliate" of a party means (i) any other party directly or indirectly controlling, controlled by or under common control with such party, (ii) any executive officer, director, partner, employer or direct or indirect beneficial owner of a 10% or greater equity or voting interest in such party, or (iii) any other party for which a party described in clause (ii) acts in any such capacity. As used in this Section 5.5, "takeover proposal" shall mean any proposal for a merger or other business combination involving the Company, the Bank or any of their respective subsidiaries or for the acquisition of a significant equity interest in the Company, the Bank or any of their respective subsidiaries or for the acquisition of a significant portion of the assets or liabilities of the Company, the Bank or any of their respective subsidiaries.

Section 5.6 Notice of Deadlines. Disclosure Schedule 5.6 lists the deadlines for extensions or terminations of any material leases, agreements or licenses (including specifically real property leases and data processing agreements) to which the Company, the Bank or any of their respective subsidiaries is a party.

Section 5.7 Affiliates. No later than thirty (30) days following the execution of this Agreement, Company shall deliver to SouthTrust a letter identifying all persons who are anticipated to be, at the time this Agreement is submitted for approval to the shareholders of the Company, "affiliates" of the Company for purposes of Rule 145 under the Securities Act of 1933. In addition, the Company shall cause each person named in the letter referred to above to deliver to SouthTrust not later than thirty (30) days following the execution of this Agreement a written agreement substantially in the form of **EXHIBIT 5.7** providing that such person will not sell, pledge, transfer, or otherwise dispose of the Company Shares held by such person, except as contemplated by such agreement or by this Agreement, and will not sell, pledge, transfer, or otherwise dispose of the SouthTrust Shares to be received by such person upon consummation of the Merger except in compliance with applicable provisions of the Securities Act of 1933, and the rules and regulations promulgated thereunder and until such time as the financial results covering at least thirty (30) days of combined operations of SouthTrust and the Company and its subsidiaries have been published within the meaning of Section 201.01 of the SEC's Codification of Financial Reporting Policies. To assure that the Merger will qualify for pooling-of-interests accounting treatment, the SouthTrust Shares issued to such affiliates of the Company in exchange for the Company Shares shall not be transferable until such time as the financial results covering at least thirty (30) days of combined operations of SouthTrust and the Company and its subsidiaries have been published within the meaning of Section 201.01 of the SEC's Codification of Financial Reporting Policies regardless of whether each such person has provided the written agreement referred to in this Section 5.7.

Section 5.8 Maintenance of Properties. The Company, the Bank and their respective subsidiaries will maintain their respective properties and assets in satisfactory condition and repair for the purposes for which they are intended, ordinary wear and tear excepted.

Section 5.9 Environmental Audits. At the election and expense of SouthTrust, the Company will, with respect to each parcel of real property that the Company, the Bank or any of their respective subsidiaries owns, leases or subleases, procure and deliver to SouthTrust, at least

thirty (30) days prior to the Effective Time of the Merger, an environmental audit, which audit shall be reasonably acceptable to and shall be conducted by a firm reasonably acceptable to SouthTrust; provided, however, that in the event the Company, the Bank or any of their respective subsidiaries acquires a parcel of real property after the date of this Agreement, and owns, leases or subleases such parcel within forty-five (45) days prior to the Effective Time of the Merger, SouthTrust may elect to have an environmental audit conducted on the property at the expense of the Company.

Section 5.10 Title Insurance. At the election of SouthTrust, the Company will, at its own expense, with respect to each parcel of real property that the Company, the Bank or any of their respective subsidiaries owns, leases or subleases (with the exception of the branch located in the Wal-Mart store), procure and deliver to SouthTrust, at least thirty (30) days prior to the Effective Time of the Merger, a commitment to issue owner's title insurance in such amounts and by such insurance company reasonably acceptable to SouthTrust, which policy shall be free of all material exceptions to SouthTrust's reasonable satisfaction.

Section 5.11 Surveys. At the election of SouthTrust, with respect to each parcel of real property as to which a title insurance policy is to be procured pursuant to Section 5.10, the Company, at its own expense, will procure and deliver to SouthTrust at least thirty (30) days prior to the Effective Time of the Merger, a survey of such real property, which survey shall be reasonably acceptable to and shall be prepared by a licensed surveyor reasonably acceptable to SouthTrust, disclosing the locations of all improvements, easements, sidewalks, roadways, utility lines and other matters customarily shown on such surveys and showing access affirmatively to public streets and roads and providing the legal description of the property in a form suitable for recording and insuring the title thereof (the "Survey"). The Survey shall not disclose any survey defect or encroachment from or onto such real property that has not been cured or insured over prior to the Effective Time of the Merger.

Section 5.12 Consents to Assign and Use Leased Premises. With respect to the leases disclosed in Disclosure Schedule 3.14(b), the Company will, or shall cause the Bank and each applicable subsidiary of the Company and the Bank to, obtain all Consents necessary or appropriate to transfer and assign all right, title and interest of the Company, the Bank and their respective subsidiaries to ST-Bank and to permit the use and operation of the leased premises by ST-Bank.

Section 5.13 Exemption Under Anti-Takeover Statutes. Prior to the Effective Time of the Merger, the Company and SouthTrust will use its best efforts to take all steps required to exempt the transactions contemplated by this Agreement from any applicable state anti-takeover law.

Section 5.14 Conforming Accounting and Reserve Policies. At the request of SouthTrust, the Company shall immediately prior to Closing establish and take such reserves and accruals as SouthTrust reasonably shall request to conform the Bank's loan, accrual, reserve and other accounting policies to the policies of ST-Bank, provided however, such requested conforming adjustment shall not be taken into account as having a Material Adverse Effect on the Company.

Section 5.15 Publicity. Except as otherwise required by law or the rules of NASDAQ, so long as this Agreement is in effect, neither ST-Sub nor the Company shall, or shall permit any of their respective subsidiaries or Affiliates to, issue or cause the publication of any press release

or other public announcement with respect to, or otherwise make any public statement concerning, the transactions contemplated by this Agreement without the consent of the other party, which consent shall not be unreasonably withheld. In the event such press release, public statement or public announcement is required by law, the announcing party will give the other party advance notice of such and provide a copy of the proposed release, statement or announcement to the other party.

Section 5.16 Compliance Matters. Prior to the Effective Time of the Merger, the Company shall take, or cause to be taken, all steps reasonably requested by SouthTrust to cure any deficiencies in regulatory compliance by the Company, the Bank or any of their respective subsidiaries, including compliance with Regulations Z and CC of the FRB; provided that neither SouthTrust nor ST-Sub shall be responsible for discovering or have any obligation to disclose the existence of such defects to the Company nor shall SouthTrust or ST-Sub have any liability resulting from such deficiencies or attempts to cure them.

Section 5.17 Subsidiary Merger Agreement. Prior to the effective time of the Merger, ST-Bank, and the Bank shall have executed and delivered the Subsidiary Merger Agreement substantially in the form annexed hereto as **EXHIBIT 5.17** and the Company shall have voted by action by written consent or as otherwise required the shares of capital stock of the Bank held by the Company in favor of such Subsidiary Merger Agreement and the transactions contemplated thereby.

ARTICLE VI

ADDITIONAL COVENANTS AND AGREEMENTS

Section 6.1 Best Efforts; Cooperation. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its best efforts promptly to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, or otherwise, including attempting to obtain all necessary Consents, to consummate and make effective, as soon as practicable, the transactions contemplated by this Agreement.

Section 6.2 Regulatory Matters. (a) Within thirty (30) days following the execution and delivery of this Agreement, SouthTrust and the Company shall cause to be prepared and filed all required applications and filings with the Regulatory Authorities which are necessary or contemplated for the obtaining of the Consents of the Regulatory Authorities or consummation of the Merger. Such applications and filings shall be in such form as may be prescribed by the respective government agencies and shall contain such information as they may require. The parties hereto will cooperate with each other and use their best efforts to prepare and execute all necessary documentation, to effect all necessary or contemplated filings and to obtain all necessary or contemplated permits, consents, approvals, rulings and authorizations of government agencies and third parties which are necessary or contemplated to consummate the transactions contemplated by this Agreement, including, without limitation, those required or contemplated from the Regulatory Authorities, and the shareholders of the Company. Each of the parties shall have the right to review and approve in advance, which approval shall not be unreasonably

withheld, any filing made with, or written material submitted to, any government agency in connection with the transactions contemplated by this Agreement.

(b) Each party hereto will furnish the other party with all information concerning itself, its subsidiaries, directors, trustees, officers, shareholders and depositors, as applicable, and such other matters as may be necessary or advisable in connection with any statement or application made by or on behalf of any such party to any governmental body in connection with the transactions, applications or filings contemplated by this Agreement. Upon request, the parties hereto will promptly furnish each other with copies of written communications received by them or their respective subsidiaries from, or delivered by any of the foregoing to, any governmental body in respect of the transactions contemplated hereby.

Section 6.3 Other Matters. (a) The parties acknowledge that nothing in this Agreement shall be construed as constituting an employment agreement between SouthTrust or any of its affiliates and any officer or employee of the Company, the Bank or any of their respective subsidiaries or an obligation on the part of SouthTrust or any of its affiliates to employ any such officers or employees.

(b) The parties agree that appropriate steps shall be taken to terminate the First Bank 401(k) Profit Sharing Plan (the "Company Savings Plan") as of a date prior to the Effective Time of the Merger or as promptly as practicable thereafter. SouthTrust shall take appropriate steps to wind up the Company Savings Plan and distribute the assets of its trust in accordance with the terms of the Company Savings Plan and applicable law, following the termination of the Company Savings Plan and receipt of a favorable determination letter from the Internal Revenue Service relating to such termination. In addition, the parties agree that appropriate steps shall be taken to terminate all employee benefit plans of the Company, the Bank or any of their respective subsidiaries other than the Company Savings Plan and that certain Split Dollar Agreement between Frederick C. Nixon and the Bank, dated March 24, 1999, immediately prior to, at or as soon as administratively feasible following the Effective Time of the Merger provided that the conditions of this Subsection (b) and of paragraphs (i)-(ii) below are then met and provided further that all employees of the Company, the Bank or any of their respective subsidiaries who were participating immediately prior to the Merger in employee benefit plans of the Company, the Bank or any of their respective subsidiaries (other than the Company Savings Plan) for which SouthTrust maintains a corresponding plan shall commence participation in SouthTrust's corresponding plan upon the later of the Effective Time of the Merger or the date of termination of coverage under the Company's employee benefit plans of the Company, the Bank or any of their respective subsidiaries without any gap or interruption in coverage (including any gap affecting any Target employee's dependents), whether a gap in time of coverage or in waiting or elimination periods. Subject to Section 6.4(c) hereof and except as otherwise specifically provided below, SouthTrust agrees that the officers and employees of the Company, the Bank or any of their respective subsidiaries who SouthTrust or its subsidiaries employ shall be eligible to participate in SouthTrust's employee benefit plans, including welfare and fringe benefit plans, sick leave, vacation, holiday pay and similar payroll practices, on the same basis as and subject to the same conditions as are applicable to any newly-hired employee of SouthTrust; provided, however, that:

(i) with respect to each SouthTrust group health plan (within the meaning of Section 5000(b)(1) of the Code), SouthTrust shall credit each such employee for eligible expenses incurred by such employee and his or her

dependents (if applicable) under the group medical insurance plan of the Company, the Bank or any of their respective subsidiaries during the current calendar year for purposes of satisfying the deductible provisions under SouthTrust's plan for such current year, and SouthTrust shall waive all waiting periods under said plans for pre-existing conditions; and

(ii) credit for each such employee's past service with the Company, the Bank or any of their respective subsidiaries prior to the Effective Time of the Merger ("Past Service Credit") shall be given by SouthTrust to employees for purposes of:

(1) determining vacation, sick leave and other leave benefits and accruals, in accordance with the established policies of SouthTrust; and

(2) establishing eligibility for participation in and vesting under SouthTrust's welfare and fringe benefit plans, and for purposes of determining the scheduling of vacations and other determinations which are made based on length of service.

(c) From and after the Applicable Date (as hereinafter defined) and subject to applicable law, SouthTrust shall recognize the service of all Company employees of the Company, the Bank or any of their respective subsidiaries for purposes of determining eligibility to participate in, and vesting in accrued benefits under the SouthTrust 401(k) Plan, the SouthTrust Employee Stock Ownership Plan, the SouthTrust Corporation Employees' Cash Profit Sharing Plan (the "ST Cash PS Plan"), and the SouthTrust Corporation Revised Retirement Income Plan (the "ST Retirement Plan") as follows:

(i) for purposes of vesting and eligibility under the SouthTrust 401(k) Plan, the SouthTrust Employee Stock Ownership Plan, the ST Cash PS Plan and the ST Retirement Plan, all Past Service Credit shall be credited as if such service had been performed for SouthTrust and all service performed for SouthTrust from and after the Effective Time of the Merger shall be credited; and

(ii) for purposes of benefit accrual under the ST Retirement Plan, all service performed for SouthTrust from and after the Applicable Date shall be credited.

The "Applicable Date" with respect to a plan is as specified below:

<u>Plan</u>	<u>Applicable Date</u>
SouthTrust 401(k) Plan	The Eligibility Plan Entry Date as defined in such plan
SouthTrust Employee Stock Ownership Plan	January 1
ST Cash PS Plan	January 1
ST Retirement Plan	January 1
SouthTrust Discount Stock Payroll Purchase Plan	January 1

Section 6.4 Indemnification (a) The Company agrees to indemnify, defend and hold harmless SouthTrust and its subsidiaries and each of their respective present and former officers, directors, employees and agents, from and against all losses, expenses, claims, damages or liabilities to which any of them may become subject under applicable laws (including, but not limited to, the Securities Act of 1933 or the Securities Exchange Act of 1934), and will reimburse each of them for any legal, accounting or other expenses reasonably incurred in connection with investigating or defending any such actions, whether or not resulting in liability, insofar as such losses, expenses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of material fact contained in the Registration Statement, the Proxy Statement or any application for the approval of the transactions contemplated by this Agreement) filed with any Regulatory Authority or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the Statements therein, in light of the circumstances under which they were made not misleading.

(b) SouthTrust agrees to indemnify, defend and hold harmless the Company, the Bank, and their respective subsidiaries and each of their respective present and former officers, directors, employees and agents, from and against all losses, expenses, claims, damages or liabilities to which any of them may become subject under applicable laws (including, but not limited to, the Securities Act of 1933 or the Securities Exchange Act of 1934), and will reimburse each of them for any legal, accounting or other expenses reasonably incurred in connection with investigating or defending any such actions, whether or not resulting in liability, insofar as such losses, expenses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of material fact contained in the Registration Statement, the Proxy Statement or any application for the approval of the transactions contemplated by this Agreement) filed with any Regulatory Authority or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the Statements therein, in light of the circumstances under which they were made not misleading.

(c) After the Effective Time of the Merger, directors, officers and employees of the Company and the Bank shall have indemnification rights having prospective application only. These prospective indemnification rights shall consist of such rights to which directors, officers and employees of SouthTrust and its subsidiaries would be entitled under the Restated Certificate of Incorporation and Bylaws of SouthTrust or the particular subsidiary for which they are serving as officers, directors or employees and under such directors' and officers' liability insurance policy as SouthTrust may then make available to officers, directors and employees of SouthTrust and its subsidiaries. In addition to and not as a limitation on the foregoing, it is specifically acknowledged, agreed and understood that no director, officer or employee of the Company or the Bank shall be entitled to any indemnification for any claims or actions arising out of or related to the transactions described in Disclosure Schedule 7.6.

Section 6.5 Current Information. During the period from the date of this Agreement to the Effective Time of the Merger or the time of termination or abandonment hereunder, SouthTrust will cause one or more of its designated representatives to confer on a regular and frequent basis with the Company and to report with respect to the general status and the ongoing operations of SouthTrust.

Section 6.6 Registration Statement. SouthTrust shall cause the Registration Statement to be filed and shall use its best efforts to cause such Registration Statement to become effective

with the SEC and any such state securities authority prior to the Effective Time of the Merger, which Registration Statement shall in all material respects conform to the requirements of the Securities Act of 1933 and the general rules and regulations of the SEC under the Securities Act of 1933. The Company will furnish to SouthTrust the information required to be included in the Registration Statement with respect to the business and affairs of the Company, the Bank and their respective subsidiaries before such Registration Statement is filed with the SEC and again before any amendments are filed. SouthTrust shall take all actions required to qualify or obtain exemptions from such qualifications for the SouthTrust Shares to be issued in connection with the transactions contemplated by this Agreement under applicable federal securities laws and state blue sky securities laws, as appropriate.

Section 6.7 Reservation of Shares. SouthTrust, on behalf of ST-Sub, shall reserve for issuance such number of SouthTrust Shares as shall be necessary to pay the consideration contemplated in this Agreement. If at any time the aggregate number of SouthTrust Shares remaining unissued (or in treasury) shall not be sufficient to meet such obligation, SouthTrust shall take all appropriate actions to increase the amount of its authorized common stock.

Section 6.8 Consideration. SouthTrust shall issue the SouthTrust Shares and shall pay or cause to be paid all cash payments as and when the same shall be required to be issued and paid pursuant to this Agreement.

ARTICLE VII

MUTUAL CONDITIONS TO CLOSING

The obligations of SouthTrust and ST-Sub on the one hand, and the Company, on the other hand, to consummate the transactions provided for herein shall be subject to the satisfaction of the following conditions, unless waived as hereinafter provided for:

Section 7.1 Shareholder Approval. The Merger shall have been approved by the requisite vote of the shareholders of the Company and the sole shareholder of ST-Sub.

Section 7.2 Regulatory Approvals. All necessary Consents of the Regulatory Authorities shall have been obtained and all notice and waiting periods required by law to pass after receipt of such Consents shall have passed, and all conditions to consummation of the Merger set forth in such Consents shall have been satisfied.

Section 7.3 Legal Proceedings. No court or governmental or regulatory authority of any competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law, order or similar restriction (whether temporary, preliminary or permanent) or taken any other action which prohibits or makes illegal the consummation of the transactions contemplated by this Agreement.

Section 7.4 Registration Statement and Listing. The Registration Statement shall have been declared effective by the SEC, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no action, suit, proceeding or investigation by the SEC to suspend the effectiveness of the Registration Statement shall have been initiated or threatened by the SEC or any other regulatory authority. SouthTrust shall have received all federal and state securities laws, or "Blue Sky" permits or other authorizations or confirmations as to the

availability of exemptions from registration requirements, as may be necessary to issue the SouthTrust Shares pursuant to the terms of this Agreement.

Section 7.5 Matters Relating to Employment Agreements. The employment agreements between ST-Bank and each of Frederick C. Nixon, Susie B. Andrews and Tami Chandler, set forth as **EXHIBITS 7.5(a), (b) and (c)** respectively, shall be in full force and effect and shall not have been terminated by either Nixon, Andrews or Chandler.

Section 7.6 Certain Stock Purchases. As soon as practicable following the execution of this Agreement and in any event prior to the date of mailing of the Proxy Statement, the Company will use its best efforts to cause the individuals listed in Disclosure Schedule 7.6 (or otherwise identified by the parties hereto) to offer to rescind the transactions listed in Disclosure Schedule 7.6 in a manner mutually acceptable to SouthTrust and the Company. In the event that any such individuals refuses or fails to offer to rescind any such transaction, the Directors of the Company, jointly and severally, shall defend, indemnify and hold harmless SouthTrust from and against any and all liability, loss, claims or damages that may arise from or out of such transactions or such failure or refusal.

(b) In addition to the foregoing, with respect to the individuals listed and identified in Disclosure Schedule 7.6 (or otherwise identified by the parties hereto) who are non-executive employees of the Company or the Bank, for each transaction rescinded by such individuals, the Company will pay to the respective non-executive employee an amount equal to the difference between (i) the amount refunded to rescind the transaction and (ii) the product of the market price of SouthTrust Common Stock at the close of business on the day before the rescission is effected multiplied by the Conversion Ratio. Furthermore, with respect to each non-executive employee that rescinds such a transaction, the Company will pay to each such non-executive employee an amount sufficient to gross up the tax liability resulting to such non-executive employee as a result of the payment described in the foregoing sentence. The non-executive employees who are subject to this Section 7.6(b), and the respective transactions, are identified on Disclosure Schedule 7.6.

ARTICLE VIII

CONDITIONS TO THE OBLIGATIONS OF SOUTHTRUST AND ST-SUB

The obligations of SouthTrust and ST-Sub to consummate the Merger are subject to the fulfillment of each of the following conditions, unless waived as hereinafter provided for:

Section 8.1 Representations and Warranties. The representations and warranties of the Company set forth in this Agreement and in any certificate or document delivered pursuant hereto shall be true and correct as of the date of this Agreement and as of all times up to and including the Effective Time of the Merger (as though made on and as of the Effective Time of the Merger except to the extent such representations and warranties are by their express provisions made as of a specified date and except for changes therein contemplated by this Agreement).

Section 8.2 Performance of Obligations. The Company, the Bank and their respective subsidiaries shall have performed all covenants, obligations and agreements required to be performed by them under this Agreement prior to the Effective Time of the Merger.

Section 8.3 Certificate Representing Satisfaction of Conditions. The Company shall have delivered to SouthTrust and ST-Sub a certificate of the Chief Executive Officer of the

Company dated as of the Closing Date as to the satisfaction of the matters described in Sections 8.1 and 8.2 hereof, and such certificate shall be deemed to constitute additional representations, warranties, covenants, and agreements of the Company under Article III of this Agreement.

Section 8.4 Absence of Adverse Facts. There shall have been no determination by SouthTrust that any fact, event or condition exists or has occurred that, in the reasonable judgment of SouthTrust, (a) would have a Material Adverse Effect on, or which may be foreseen to have a Material Adverse Effect on, the Company or the consummation of the transactions contemplated by this Agreement, (b) would be of such significance with respect to the business or economic benefits expected to be obtained by SouthTrust pursuant to this Agreement as to render inadvisable the consummation of the transactions pursuant to this Agreement or (c) would be materially adverse to the interests of SouthTrust on a consolidated basis or (d) would render the Merger or the other transactions contemplated by this Agreement impractical because of any state of war, national emergency, banking moratorium or general suspension of trading on NASDAQ, the New York Stock Exchange, Inc. or other national securities exchange.

Section 8.5 Opinion of Counsel. SouthTrust shall have received an opinion of counsel from Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. or other counsel to the Company acceptable to SouthTrust in substantially the form set forth in **EXHIBIT 8.5** hereof.

Section 8.6 Consents Under Agreements. The Company shall have obtained the consent or approval of each person (other than the Consents of the Regulatory Authorities) whose consent or approval shall be required in order to permit the succession by the Surviving Corporation to any obligation, right or interest of the Company, the Bank and any of their respective subsidiaries under any loan or credit agreement, note, mortgage, indenture, lease (other than any lease or sublease described in and set forth on Disclosure Schedule 3.14(b)), license, or other agreement or instrument, except those for which failure to obtain such consents and approvals would not in the opinion of SouthTrust, individually or in the aggregate, have a Material Adverse Effect on the Surviving Corporation or upon the consummation of the transactions contemplated by this Agreement.

Section 8.7 Consents Relating to Leased Real Property. The Company shall have delivered evidence that each Consent described in Section 3.14(c) shall have been obtained by the Company, the Bank and any of their respective subsidiaries, as appropriate.

Section 8.8 Material Condition. There shall not be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Merger by any Regulatory Authority which, in connection with the grant of any Consent by any Regulatory Authority, imposes, in the judgment of SouthTrust, any material adverse requirement upon SouthTrust or its subsidiaries, including, without limitation, any requirement that SouthTrust sell or dispose of any significant amount of the assets of the Company or the Bank or any other banking or other Subsidiary of SouthTrust, provided that, except for any such requirement relating to the above-described sale or disposition of any significant assets of the Company or the Bank or any banking or other subsidiary of SouthTrust, no such term or condition imposed by any Regulatory Authority in connection with the grant of any Consent by any Regulatory Authority shall be deemed to be a material adverse requirement unless it materially differs from terms and conditions customarily imposed by any such entity in connection with the acquisition of Bank under similar circumstances.

Section 8.9 Acknowledgment of Option Conversion. Each holder of a Company Option outstanding immediately prior to the Effective Time of the Merger shall have executed and delivered to SouthTrust such documents as SouthTrust, with the advice of counsel, may deem necessary to reflect the conversion and assumption of the Company Options provided for in Section 2.2.

Section 8.10 Outstanding Shares of the Company. The total number of the Company Shares outstanding as of the Effective Time of the Merger and the total number of the Company Shares covered by any option, warrant, commitment, or other right or instrument to purchase or acquire any Company Shares that are outstanding as of the Effective Time of the Merger, including any securities or rights convertible into or exchangeable for Company Shares, shall not exceed 422,000 shares in the aggregate.

Section 8.11 Dissenters. The holders of not more than five percent (5%) of the outstanding Company Shares shall have elected to exercise their right to dissent from the Merger and demand payment in cash for the fair or appraised value of their shares.

Section 8.12 Pooling. SouthTrust, in the exercise of its discretion, and after taking into account the holders of the outstanding Company Shares who shall have elected to exercise their right to dissent from the Merger and demand payment in cash for the fair or appraised value of their shares, shall not have determined that the transactions contemplated by this Agreement fail to qualify for pooling of interests accounting treatment.

Section 8.13 Certification of Claims. The Company shall have delivered a certificate to SouthTrust that the Company is not aware of any pending or threatened claim under the directors and officers insurance policy or the fidelity bond coverage of the Company, the Bank or any of their respective subsidiaries.

Section 8.14 Litigation. There shall be no actual or threatened causes of action, investigations or proceedings (i) challenging the validity or legality of this Agreement or the consummation of the transactions contemplated by this Agreement, or (ii) seeking damages in connection with the transactions contemplated by this Agreement, or (iii) seeking to restrain or invalidate the transactions contemplated by this Agreement, which, in the case of (i) through (iii), and in the judgment of SouthTrust, based upon advice of counsel, would have a Material Adverse Effect with respect to the interests of SouthTrust.

Section 8.15 Increase in Borrowing. As of the date of any Financial Statement of the Company, any Financial Statement of the Bank or any Call Report of the Bank subsequent to the execution of this Agreement, including the date of the Financial Statements of the Company, the Financial Statements of the Bank and the Call Report of the Bank that immediately precede the Effective Time of the Merger, there shall not have been any material increase in the loan agreements, notes or borrowing arrangements described in (i) through (iii) of Section 3.5 and in Disclosure Schedule 3.5.

ARTICLE IX

CONDITIONS TO OBLIGATIONS OF THE COMPANY

The obligation of the Company to consummate the Merger as contemplated herein is subject to each of the following conditions, unless waived as hereinafter provided for:

Section 9.1 Representations and Warranties. The representations and warranties of SouthTrust and ST-Sub contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof shall be true and correct as of the date of this Agreement and as of the Effective Time of the Merger (as though made on and as of the Effective Time of the Merger, except to the extent such representations and warranties are by their express provisions made as of a specified date and except for changes therein contemplated by this Agreement.

Section 9.2 Performance of Obligations. SouthTrust and ST-Sub shall have performed all covenants, obligations and agreements required to be performed by them and under this Agreement prior to the Effective Time of the Merger.

Section 9.3 Certificate Representing Satisfaction of Conditions. SouthTrust and ST-Sub shall have delivered to the Company a certificate dated as of the Effective Time of the Merger as to the satisfaction of the matters described in Sections 9.1 and 9.2 hereof, and such certificate shall be deemed to constitute additional representations, warranties, covenants, and agreements of SouthTrust and ST-Sub under Article IV of this Agreement.

Section 9.4 Absence of Adverse Facts. There shall have been no determination by the Company that any fact, event or condition exists or has occurred that, in the reasonable judgment of the Company, (a) would have a Material Adverse Effect on, or which may be foreseen to have a Material Adverse Effect on SouthTrust on a consolidated basis or the consummation of the transactions contemplated by this Agreement, or (b) would render the Merger or the other transactions contemplated by this Agreement impractical because of any state of war, national emergency, banking moratorium, or a general suspension of trading on NASDAQ, the New York Stock Exchange, Inc. or other national securities exchange.

Section 9.5 Consents Under Agreements. SouthTrust and ST-Sub shall have obtained the consent or approval of each person (other than the Consents of Regulatory Authorities) whose consent or approval shall be required in connection with the transactions contemplated hereby under any loan or credit agreement, note, mortgage, indenture, lease, license or other agreement or instrument, except those for which failure to obtain such consents and approvals would not, in the judgment of the Company, individually or in the aggregate, have a Material Adverse Effect upon the consummation of the transactions contemplated hereby.

Section 9.6 Opinion of Counsel. The Company shall have received the opinion of Bradley Arant Rose & White LLP, counsel to SouthTrust, dated the Effective Time of the Merger in substantially the form set forth in EXHIBIT 9.6 hereof.

Section 9.7 SouthTrust Shares. The SouthTrust Shares to be issued in connection herewith shall be duly authorized and validly issued and, fully paid and nonassessable, issued free of preemptive rights and free and clear of all liens and encumbrances created by or through SouthTrust.

Section 9.8 Tax Opinion. The Company shall have received an opinion of Bradley Arant Rose & White LLP on or before the Effective Time of the Merger, to the effect, among others, that the Merger will constitute a tax-free reorganization within the meaning of Section 368 of the Code and that no gain or loss will be recognized by the shareholders of Company to the extent that they receive SouthTrust Shares in exchange for their Company Shares in the Merger.

Section 9.9 Fairness Opinion. The Board of Directors of the Company shall have received a letter from Allen C. Ewing & Co. (the "Fairness Opinion") dated prior to or as of the date that the Proxy Statement is delivered to the shareholders of the Company in connection with any meeting of the shareholders of the Company to approve the Merger, stating that the Merger is fair, from a financial point of view, and the Fairness Opinion shall not have been withdrawn prior to or as of the Effective Time of the Merger.

ARTICLE X

TERMINATION, WAIVER AND AMENDMENT

Section 10.1 Termination. This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time of the Merger:

(a) by the mutual consent in writing of the Board of Directors of SouthTrust, ST-Sub and the Company; or

(b) by the Board of Directors of SouthTrust, ST-Sub, or the Company if the Merger shall not have occurred on or prior to March 31, 2001, provided that the failure to consummate the Merger on or before such date is not caused by any breach of any of the representations, warranties, covenants or other agreements contained herein by the party electing to terminate pursuant to this Section 10.1(b);

(c) by the Board of Directors of SouthTrust, ST-Sub or the Company (provided that the terminating party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 8.1 of this Agreement in the case of the Company and Section 9.1 in the case of SouthTrust or in breach of any covenant or agreement contained in this Agreement) in the event of an inaccuracy of any representation or warranty of the other party 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 inaccuracy and which inaccuracy would provide the terminating party the ability to refuse to consummate the Merger under the applicable standard set forth in Section 8.1 of this Agreement in the case of the Company and Section 9.1 of this Agreement in the case of SouthTrust; or

(d) by the Board of Directors of SouthTrust, ST-Sub or the Company (provided that the terminating party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 8.1 of this Agreement in the case of the Company and Section 9.1 in the case of SouthTrust or in breach of any covenant or other agreement contained in this Agreement) in the event of a material breach by the other party of any 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; or

(e) by the Board of Directors of SouthTrust, ST-Sub or the Company in the event (i) any Consent of any Regulatory Authority required for consummation of the Merger and the other transactions contemplated hereby shall have been denied by final nonappealable action of such authority or if any action taken by such authority is not appealed within the time limit for appeal, or (ii) the shareholders of the Company fail to vote their approval of this Agreement and the Merger and the transactions contemplated hereby as required by applicable law at the Company's shareholders' meeting where the transactions were presented to such shareholders for approval and voted upon;

(f) by the Board of Directors of SouthTrust, ST-Sub or the Company (provided that the terminating party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 8.1 of this Agreement in this case of the Company and Section 9.1 in the case of SouthTrust or in breach of any covenant or agreement contained in this Agreement) in the event that any of the conditions precedent to the obligations of such party to consummate the Merger (other than as contemplated by Section 10.1(e) of this Agreement) cannot be satisfied or fulfilled by the date specified in Section 10.1(b) of this Agreement as the date after which such party may terminate this Agreement; or

(g) by majority vote of the members of the entire Board of Directors of the Company at any time during the five-business-day period commencing on the first day following the end of the Determination Period, if the Average Closing Price of SouthTrust Shares for the Determination Period shall be less than \$22.00.

For purposes of this Section 10.1(g), the following terms shall have the meanings indicated:

"Average Closing Price" shall mean the average of the daily last sales prices of SouthTrust Shares as reported on NASDAQ (as reported by *The Wall Street Journal* or, if not reported thereby, another authoritative source as chosen by SouthTrust) during the Determination Period.

"Determination Period" shall mean the ten consecutive full trading day period beginning 45 days prior to the Closing Date.

Section 10.2 Effect of Termination; Break-Up and Termination Fees. In the event of the termination and abandonment of this Agreement pursuant to Section 10.1 of this Agreement, the Agreement shall terminate and have no effect, except that:

(a) The provisions of this Section 10.2, Section 10.5 and Article 11 of this Agreement shall survive any such termination and abandonment;

(b) If, after the date of this Agreement, (i) an Acquisition Transaction (as defined below) is offered, presented or proposed to the Company or its shareholders, (ii) thereafter this Agreement and the Merger are disapproved by the Company or by the shareholders of the Company and (iii) within one year after termination of this Agreement as a result of disapproval by the Company or by the shareholders of the Company, an Acquisition Transaction is consummated or a definitive agreement is entered into by the Company relating to an Acquisition Transaction (a "Trigger Event"), then immediately upon the occurrence of a Trigger Event and in lieu of any other rights and remedies of SouthTrust, the Company shall pay SouthTrust a cash amount of \$1,000,000.00 as an agreed-upon break-up fee (the "Break-Up Fee"). For purposes of

this Section 10.2, "Acquisition Transaction" shall, with respect to the Company, mean any of the following: (a) a merger or consolidation, or any similar transaction (other than the Merger) of any company with either the Company, the Bank or any of their respective subsidiaries, (b) a purchase, lease or other acquisition of all or substantially all the assets of either the Company, the Bank or any of their respective subsidiaries, (c) a purchase or other acquisition of "beneficial ownership" by any "person" or "group" (as such terms are defined in Section 13(d)(3) of the Securities Exchange Act) (including by way of merger, consolidation, share exchange, or otherwise) which would cause such person or group to become the beneficial owner of securities representing 35% or more of the voting power of either the Company, the Bank or any of their respective subsidiaries, but excluding the acquisition of beneficial ownership by an existing shareholder of the Company or by any employee benefit plan maintained or sponsored by the Company, or (d) a bona fide tender or exchange offer to acquire securities representing 35% or more of the voting power of the Company;

(c) The Company and SouthTrust agree that the Break-Up Fee is fair and reasonable in the circumstances. If a court of competent jurisdiction shall nonetheless, by a final, nonappealable judgment, determine that the amount of any such Break-Up Fee exceeds the maximum amount permitted by law, then the amount of such Break-Up Fee shall be reduced to the maximum amount permitted by law in the circumstances, as determined by such court of competent jurisdiction;

(d) Notwithstanding the foregoing, if this Agreement is terminated by SouthTrust for any reason other than as provided in Section 10.1(b), and the Company is not in breach of any of its representations, warranties, covenants or other agreements contained herein, then SouthTrust shall pay to the Company a termination fee in an amount equal to \$150,000. Such payment shall be made within one business day following the notice of termination of this Agreement.

(e) Notwithstanding the foregoing, if this Agreement is terminated by the Company for any reason other than as provided in Section 10.1(b) or 10.1(g), and SouthTrust is not in breach of any of its representations, warranties, covenants or other agreements contained herein, then the Company shall pay to SouthTrust a termination fee in an amount equal to \$150,000. Such payment shall be made within one business day following the notice of termination of this Agreement.

Section 10.3 Effect of Wrongful Termination. Notwithstanding the foregoing provisions of Section 10.2, if the Merger fails to be consummated because of the wrongful termination of this Agreement or a willful, knowing or grossly negligent breach by SouthTrust, or ST-Sub on the one hand, or the Company, on the other hand, of any representations, warranty, covenant, undertaking, term or restriction contained herein, the other party shall have all rights and remedies afforded by law.

Section 10.4 Amendments. To the extent permitted by law, this Agreement may be amended by a subsequent writing signed by each of SouthTrust, ST-Sub, and the Company.

Section 10.5 Waivers. Subject to Section 11.11 hereof, prior to or at the Effective Time of the Merger, SouthTrust and ST-Sub, on the one hand, and the Company, on the other hand, shall have the right to waive any default in the performance of any term of this Agreement by the other, to waive or extend the time for the compliance or fulfillment by the other of any and all of the other's obligations under this Agreement and to waive any or all of the conditions to its

obligations under this Agreement, except any condition, which, if not satisfied, would result in the violation of any law or any applicable governmental regulation.

Section 10.6 Non-Survival of Representations and Warranties. The representations, warranties, covenants or agreements in this Agreement or in any instrument delivered by SouthTrust or ST-Sub, or the Company shall not survive the Effective Time of Merger, except that Sections 5.3(b), 6.3(b), 6.4, 6.6 and 7.6 shall survive the Effective Time of the Merger, and any representation, warranty or agreement in any agreement, contract, report, opinion, undertaking or other document or instrument delivered hereunder in whole or in part by any person other than SouthTrust, ST-Sub, the Company (or directors and officers thereof in their capacities as such) shall survive the Effective Time of Merger; provided that no representation or warranty of SouthTrust, ST-Sub or the Company contained herein shall be deemed to be terminated or extinguished so as to deprive SouthTrust or ST-Sub, on the one hand, and the Company, on the other hand, of any defense at law or in equity which any of them otherwise would have to any claim against them by any person, including, without limitation, any shareholder or former shareholder of either party. No representation or warranty in this Agreement shall be affected or deemed waived by reason of the fact that SouthTrust, ST-Sub or the Company and/or its representatives knew or should have known that any such representation or warranty was, is, might be or might have been inaccurate in any respect.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Entire Agreement. This Agreement and the documents referred to herein contain the entire agreement among SouthTrust, ST-Sub and the Company with respect to the transactions contemplated hereunder and this Agreement supersedes all prior arrangements or understandings with respect thereto, whether written or oral. Nothing in this Agreement, expressed or implied, is intended to confer upon any person, firm, corporation or entity, other than the parties hereto and their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 11.2 Definitions. Except as otherwise provided herein, the capitalized terms set forth below (in their singular and plural forms as applicable) shall have the following meanings:

“Affiliate” of a person shall mean (i) any other person directly or indirectly through one or more intermediaries controlling, controlled by or under common control of such person, (ii) any officer, director, partner, employer or direct or indirect beneficial owner of any 10% or greater equity of voting interest of such person or (iii) any other persons for which a person described in clause (ii) acts in any such capacity.

“Consent” shall mean a consent, approval or authorization, waiver, clearance, exemption or similar affirmation by any person pursuant to any lease, contract, permit, law, regulation or order.

“Environmental Law” means any applicable federal, state or local law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, order, judgment, decree or injunction relating to (i) the protection, preservation or restoration of the

environment (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface soil, subsurface soil, plant and animal life or any other natural resource), and/or (ii) the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of any substance presently listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, whether by type or by substance as a component; "Loan Property" means any property owned by the Company, the Bank or any of their subsidiaries, or in which the Company, the Bank or any of their subsidiaries 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; "Hazardous Material" means any pollutant, contaminant, or hazardous substance within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*, or any similar federal, state or local law; and "Participation Facility" means any facility in which the Company, the Bank or any of their subsidiaries has engaged in Participation in the Management of such facility, and, where required by the context, includes the owner or operator of such facility, but only with respect to such facility; "Participation in the Management" of a facility has the meaning set forth in 40 C.F.R. § 300.1100(c).

"Material Adverse Effect," with respect to any party, shall mean any event, change or occurrence which, together with any other event, change or occurrence, has a material adverse impact on (i) the financial position, business or results of operation, financial performance or prospects of such party and their respective subsidiaries, taken as a whole, or (ii) the ability of such party to perform its obligations under this Agreement or to consummate the Merger and the other transactions contemplated by this Agreement.

"Regulatory Authorities" shall mean, collectively, the Alabama State Banking Department, the Office of the Comptroller of the State of Florida, the Federal Trade Commission (the "FTC"), the United States Department of Justice (the "Justice Department"), the Board of Governors of the Federal Reserve System (the "FRB"), the Federal Deposit Insurance Corporation (the "FDIC"), and all state regulatory agencies having jurisdiction over the parties, the National Association of Securities Dealers, Inc., all national securities exchanges and the Securities and Exchange Commission (the "SEC").

Section 11.3 Notices. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by first class or registered or certified mail, postage prepaid, telegram or telex or other facsimile transmission addressed as follows:

If to the Company, then to:

First Bank Holding Company
1997 Capital Circle
Tallahassee, Florida 32312
Attention: Frederick C. Nixon
Fax: (850) 385-7427

with a copy to:

Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.
215 South Monroe Street, 2nd Floor

Tallahassee, Florida 32301
Attention: Ben M. Wilkinson
Fax: (850) 222-2126

If to ST-Sub or SouthTrust, then to:

SouthTrust Corporation
420 North 20th Street
Birmingham, Alabama 35203
Attention: Alton E. Yother
Fax (205) 254-5022

with a copy to:

Bradley Arant Rose & White LLP
2001 Park Place, Suite 1400
Birmingham, Alabama 35203
Attention: Paul S. Ware, Esq.
Fax (205) 521-8800

All such notices or other communications shall be deemed to have been delivered (i) upon receipt when delivery is made by hand, (ii) on the third (3rd) business day after deposit in the United States mail when delivery is made by first class, registered or certified mail, and (iii) upon transmission when made by telegram, telex or other facsimile transmission if evidenced by a sender transmission completed confirmation.

Section 11.4 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other competent authority to be invalid, void or unenforceable or against public or regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and in no way shall be affected, impaired or invalidated, if, but only if, pursuant to such remaining terms, provisions, covenants and restrictions the Merger may be consummated in substantially the same manner as set forth in this Agreement as of the later of the date this Agreement was executed or last amended.

Section 11.5 Costs and Expenses. Expenses incurred by the Company on the one hand and SouthTrust on the other hand, in connection with or related to the authorization, preparation and execution of this Agreement, the solicitation of shareholder approval and all other matters related to the closing of the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel and accountants employed by either such party or its affiliates, shall be borne solely and entirely by the party which has incurred same.

Section 11.6 Captions. The captions as to contents of particular articles, sections or paragraphs contained in this Agreement and the table of contents hereto are inserted only for convenience and are in no way to be construed as part of this Agreement or as a limitation on the scope of the particular articles, sections or paragraphs to which they refer.

Section 11.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute

one and the same document with the same force and effect as though all parties had executed the same document.

Section 11.8 Governing Law. This Agreement is made and shall be governed by and construed in accordance with the laws of the State of Alabama without respect to its conflicts of laws principles.

Section 11.9 Persons Bound; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, distributees, and assigns, but notwithstanding the foregoing, this Agreement may not be assigned by any party hereto unless the prior written consent of the other parties is first obtained (other than by ST-Bank to another affiliate of SouthTrust).

Section 11.10 Exhibits and Schedules. Each of the exhibits and schedules attached hereto is an integral part of this Agreement and shall be applicable as if set forth in full at the point in the Agreement where reference to it is made.

Section 11.11 Waiver. The waiver by any party of the performance of any agreement, covenant, condition or warranty contained herein shall not invalidate this Agreement, nor shall it be considered a waiver of any other agreement, covenant, condition or warranty contained in this Agreement. A waiver by any party of the time for performing any act shall not be deemed a waiver of the time for performing any other act or an act required to be performed at a later time. The exercise of any remedy provided by law, equity or otherwise and the provisions in this Agreement for any remedy shall not exclude any other remedy unless it is expressly excluded. The waiver of any provision of this Agreement must be signed by the party or parties against whom enforcement of the waiver is sought. This Agreement and any exhibit, memorandum or schedule hereto or delivered in connection herewith may be amended only by a writing signed on behalf of each party hereto.

Section 11.12 Construction of Terms. Whenever used in this Agreement, the singular number shall include the plural and the plural the singular. Pronouns of one gender shall include all genders. Accounting terms used and not otherwise defined in this Agreement have the meanings determined by, and all calculations with respect to accounting or financial matters unless otherwise provided for herein, shall be computed in accordance with generally accepted accounting principles, consistently applied. References herein to articles, sections, paragraphs, subparagraphs or the like shall refer to the corresponding articles, sections, paragraphs, subparagraphs or the like of this Agreement. The words "hereof", "herein", and terms of similar import shall refer to this entire Agreement. Unless the context clearly requires otherwise, the use of the terms "including", "included", "such as", or terms of similar meaning, shall not be construed to imply the exclusion of any other particular elements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, and their respective seals hereunto affixed, by their officers thereunto duly authorized, and have caused this Agreement to be dated as of the date and year first above written.

FIRST BANK HOLDING COMPANY

By: [Signature]

Name: F.C. NIXON

Its: Chief Executive Officer

ATTEST:

By: [Signature]

Name: Susie B. Andrews

Its: Secretary

[CORPORATE SEAL]

SOUTHTRUST OF ALABAMA, INC.

By: _____

Name: _____

Its: _____

ATTEST:

By: _____

Name: _____

Its: Secretary

[CORPORATE SEAL]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, and their respective seals hereunto affixed, by their officers thereunto duly authorized, and have caused this Agreement to be dated as of the date and year first above written.

FIRST BANK HOLDING COMPANY

By: _____

Name: _____

Its: Chief Executive Officer

ATTEST:

By: _____

Name: _____

Its: Secretary

[CORPORATE SEAL]

SOUTHTRUST OF ALABAMA, INC.

By: John D. Buchanan

Name: JOHN D. BUCHANAN

Its: VICE PRESIDENT

ATTEST:

By: Alton E. Yotter

Name: ALTON E. YOTTER

Its: Secretary

[CORPORATE SEAL]

SOUTHTRUST CORPORATION

By: John D. Buchanan
Name: JOHN D. BUCHANAN
Its: SENIOR VICE PRESIDENT

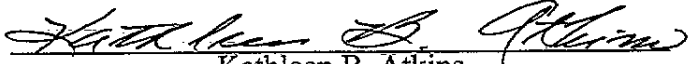
ATTEST:

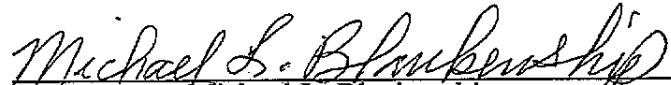
By: Alton E. Yoder
Name: ALTON E. YODER
Its: Secretary

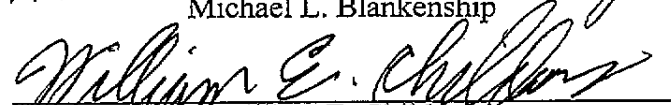
[CORPORATE SEAL]

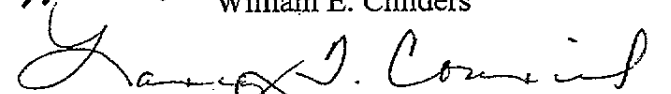
The undersigned directors of First Bank Holding Company hereby execute this Agreement for the purpose of evidencing their consent and agreement to Sections 1.3, 5.4 and 7.6 of this Agreement.


DIRECTORS:


Kathleen B. Atkins



Michael L. Blankenship



William E. Childers

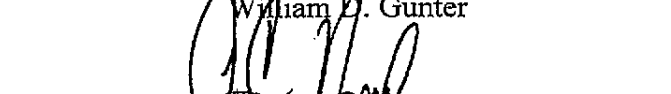

Nancy T. Council



William G. Donnellan


Elaine N. Duggar


Thomas E. Duggar


William D. Gunter


F. C. Nixon


J. Lee Vause


Stephen R. Winn