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MEMORANDUM

TO: Annette Ramsey
FROM: Holli Alexander
DATE: August 18, 1999
RE: The Banc Corporation

Articles of
Correction
for Articles
of Merger

FILED
99 AUG 19 PM 2:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

As you and I discussed last week, enclosed is one original and two copies of the Articles of Correction to Articles of Merger of C&L Banking Corporation with and into The Banc Corporation. Also enclosed is our firm's check in the amount of \$35.00 for payment of the requisite filing fees and also a check in the amount of \$52.50 for payment of a certified copy of the Articles of Correction once they have been filed with the Secretary of State. I respectfully request these Articles of Correction be submitted for filing at your earliest convenience.

Annette, I greatly appreciate your assistance with this filing. If you have any questions, please feel free to call.

upload contact
with Mrs. Alexander
around July 14 or 15.
AJR 8/19/99

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-08/19/99--01044--018
*****52.50 *****52.50

ARTICLES OF CORRECTION

TO

ARTICLES OF MERGER

OF

C&L BANKING CORPORATION
(a Florida corporation)

with and into

THE BANC CORPORATION
(a Delaware corporation)

FILED
99 AUG 19 PM 2:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned corporation, pursuant to 607.0124 of the Business Corporation Act of the State of Florida, hereby executes the following Articles of Correction to the Articles of Merger:

FIRST: Articles of Merger of C&L Banking Corporation with and into The Banc Corporation (the "Articles of Merger") were duly filed with the Secretary of State of the State of Florida on June 30, 1999.

SECOND: The Plan and Agreement of Merger, set forth in Exhibit A attached to the Articles of Merger as filed with the Secretary of State of the State of Florida on June 30, 1999 and incorporated by reference, was the incorrect Plan and Agreement of Merger.

THIRD: The Plan and Agreement of Merger, set forth in Exhibit A attached hereto and incorporated herein by reference, is the correct Plan and Agreement of Merger that was submitted to and approved by the respective Boards of Directors and shareholders of The Banc Corporation and C&L Banking Corporation, in the manner prescribed by their charters, the General Corporation Law of the State of Delaware and the Business Corporation Act of the State of Florida.

FOURTH: Pursuant to Section 103 of the General Corporation Law of the State of Delaware, the undersigned authorized officer of The Banc Corporation hereby executes these Articles of Correction to Articles of Merger on behalf of The Banc Corporation for filing and recording.

Signed this the 17th day of August, 1999.

THE BANC CORPORATION

By: James A. Taylor

Its: President

PLAN AND AGREEMENT OF MERGER

This Plan and Agreement of Merger ("Plan of Merger") is entered into this 25th day of February, 1999, by and between The Banc Corporation, a Delaware corporation ("TBC"), and C&L Banking Corporation, a Florida corporation (the "Company").

RECITALS:

WHEREAS, TBC is a bank holding company existing under the laws of the State of Delaware, with its principal office at 17 North 20th Street, Birmingham, Alabama 35203, and is a registered bank holding company through ownership of 99.75% of the outstanding shares of The Bank, a bank chartered under the laws of the State of Alabama ("The Bank");

WHEREAS, the Company is a bank holding company existing under the laws of the State of Florida, with its principal office at Highway 20 and Baker Street, Bristol, Florida 32321, and is a registered bank holding company through ownership of 98.10% of the issued and outstanding shares of C&L Bank of Bristol, a bank chartered under the laws of the State of Florida (the "Subsidiary");

WHEREAS, TBC and the Company have entered into that certain Plan and Agreement of Merger, dated as of February 25, 1999, by and between TBC, Subsidiary and C&L Bank of Blountstown, a Florida banking corporation, pursuant to which C&L Bank of Blountstown will be acquired by TBC simultaneously with TBC's acquisition of the Company;

WHEREAS, TBC, the Company, Bristol Acquisition Corporation and the Subsidiary have entered into that certain Share Exchange Agreement, dated as of February 25, 1999 (the "Share Exchange Agreement"), pursuant to which the outstanding shares of the common stock of the Subsidiary will be exchanged for TBC Common Stock (the "Share Exchange");

WHEREAS, the Boards of Directors of TBC and the Company have determined that it is in the best interests of TBC and the Company respectively and in the best interests of their respective stockholders and shareholders that TBC and the Company merge in accordance with, and subject to, the terms and conditions hereinafter set forth;

WHEREAS, the respective Boards of Directors of TBC and the Company have unanimously approved and authorized the execution and delivery of this Plan of Merger and the merger of the Company with and into TBC (the "Merger") in accordance with, and subject to, the terms and conditions set forth herein, and the Board of Directors of the Company has unanimously voted to recommend to its shareholders that this Plan of Merger and the Merger be approved;

WHEREAS, TBC and the Company desire to merge in a transaction intended to qualify as a tax-free reorganization under the provisions of Sections 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the parties intend that this Plan of Merger shall constitute a plan of reorganization as that term is used in Sections 354 and 361 of the Code; and

WHEREAS, for accounting purposes, it is intended that the Merger be accounted for as a "pooling of interests;"

NOW THEREFORE, in consideration of the mutual covenants, promises, agreements and provisions contained herein and subject to the satisfaction of the terms and conditions set forth herein, and intending to be legally bound hereby, TBC and the Company do hereby agree as follows:

Section 1. The Merger.

1.1 The Merger. At the Effective Time, in accordance with, and subject to, the terms and conditions of this Plan of Merger, including the receipt of all requisite governmental and shareholder approvals, and in accordance with, and subject to, the General Corporation Law of the State of Delaware (the "DGCL") and the Florida Business Corporation Act (the "FBCA"): (i) the Company shall merge with and into TBC; (ii) the separate existence of the Company shall cease, and TBC shall continue as the surviving entity under the name "The Banc Corporation" (TBC, in its capacity as the corporation surviving the Merger, is hereinafter sometimes referred to as the "Surviving Corporation"); and (iii) the Subsidiary will become a wholly-owned subsidiary of TBC.

1.2 The Closing. The closing of the Merger (the "Closing") shall take place at 10:00 a.m. Central Time on a date to be specified by the parties (the "Closing Date") which (subject to the satisfaction or waiver of the conditions specified in Sections 7.2 and 7.3) shall be no later than the second business day after satisfaction or waiver of the conditions set forth in Section 7.1 at the office of Haskell Slaughter & Young, L.L.C., Birmingham, Alabama, or at such other place as the parties hereto may agree. The Closing Date may be extended from time to time by the mutual agreement of the parties hereto. At the Closing, the parties hereto shall exchange the various agreements, certificates, instruments and documents to be delivered pursuant to the terms of this Plan of Merger.

1.3 Effective Time. Subject to the provisions of this Plan of Merger, Articles of Merger and a Certificate of Merger, substantially in the form attached as Exhibits 1.3(a) and 1.3(b) hereto, shall be duly executed and, on the Closing Date (as defined in section 1.2 hereof) or as soon thereafter as reasonably practicable, filed with the Secretary of State of the State of Florida (the "Florida Secretary of State") and the Secretary of State of the State of Delaware (the "Delaware Secretary of State") in accordance with the FBCA and the DGCL. The Merger shall become effective upon the filing of the Articles of Merger with the Florida Secretary of State and the Certificate of Merger with the Delaware Secretary of State (the "Effective Time").

1.4 Effect of the Merger. The Merger shall have the effect provided in Section 259 of the DGCL and Section 607.1106 of the FBCA.

Section 2. Effect of the Merger on the Capital Stock of the Constituent Corporation; Exchange of Certificates.

2.1 Effect on Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of any holder of Company Common Stock:

(a) *Cancellation of Treasury Stock.* Each share of Company Common Stock, par value \$10.00 per share ("Company Common Stock"), that is owned by the Company or by any subsidiary of the Company shall automatically be canceled and retired and shall cease to exist, and none of the Common Stock, par value \$.001 per share, of TBC ("TBC Common Stock"), cash or other consideration shall be delivered in exchange therefor.

(b) *Conversion of Company Common Stock.* In the Merger, at the Effective Time, each issued and outstanding share of Company Common Stock (other than Dissenting Shares) shall

be converted into the right to receive on a pro rata basis that number of shares of TBC Common Stock equal to the Merger Consideration (as defined herein). All such shares of TBC Common Stock to be issued shall be duly and validly issued, fully paid and nonassessable, issued pursuant to an effective Registration Statement (as defined herein) under the Securities Act (as defined herein) and listed on the Nasdaq National Market ("Nasdaq") and are hereinafter sometimes referred to as the "TBC Shares". Upon such conversion, all such shares of Company Common Stock shall be canceled and cease to exist, and each holder thereof shall cease to have any rights with respect thereto other than the right to receive TBC Shares issued in exchange therefor or to dissent from the Merger on the terms provided herein and cash payments required pursuant to Sections 2.2(c) and 2.2(e).

"Merger Consideration" means that number of TBC Shares (rounded to the nearest whole share) equal to approximately \$12,866,857.42 (plus the Additional Merger Consideration if applicable) divided by the Closing Date Trading Price of TBC Common Stock. In the event the Closing Date Trading Price is in excess of \$14.00 per share, then for purposes of the calculation of the Merger Consideration set forth in this Section 2.1, \$14.00 shall be used as the Closing Date Trading Price. If the Effective Time has not occurred as of July 31, 1999, the Merger Consideration shall be increased, but not decreased, on a dollar for dollar basis, by the earnings of the Company from August 1, 1999, through the most reasonable practicable day of determination (but no more than three business days) immediately prior to the Special Meeting of Company Shareholders described in Section 6.4 (the "Additional Merger Consideration"). "Closing Date Trading Price" means the average last sale prices for shares of TBC Common Stock for the twenty consecutive trading days on which such shares are actually traded (as reported to TBC by Nasdaq or as reported

in *The Wall Street Journal*, Eastern Edition, or if not reported thereby, any other authoritative source) ending at the close of trading on the third trading day immediately preceding the date on which the shareholders of the Company meet to consider this Plan of Merger.

(c) *Exchange Ratio.* The number of shares of TBC Common Stock that will be exchanged for each share of the Company Common Stock outstanding immediately prior to the Effective Time (except for those shares of the Company Common Stock with respect to which dissenters' rights of appraisal are effectively perfected) shall be a ratio (the "Exchange Ratio") determined by dividing the number of shares of TBC Common Stock comprising the Merger Consideration (plus the Additional Merger Consideration if applicable) by the number of shares of the Company Common Stock outstanding immediately prior to the Effective Time (without regard to any exercise of dissenters' rights of appraisal).

(d) *Anti-Dilution Provisions.* If after the date hereof and prior to the Effective Time, TBC shall have declared a stock split (including a reverse split) of TBC Common Stock or a dividend payable in TBC Common Stock, or any other distribution of securities or dividend (in cash or otherwise) to holders of TBC Common Stock with respect to their TBC Common Stock (including without limitation such a distribution or dividend made in connection with a recapitalization, reclassification, merger, consolidation, reorganization or similar transaction) then the Exchange Ratio shall be appropriately adjusted to reflect such stock split or dividend or other distribution of securities and if such stock split, dividend or distribution has a record date during or after the ten trading day period set forth in Section 2.1(b) and prior to the Effective Time, then the number of shares of TBC Common Stock to be issued upon conversion of a share of Company Common Stock

pursuant to Section 2.1(b) shall be appropriately adjusted to reflect such stock split, dividend or other distribution of securities.

(e) *Dissenting Shares.* Notwithstanding anything in this Plan of Merger to the contrary, the shares of Company Common Stock outstanding immediately prior to the Effective Time of the Merger held by a holder (if any) who is entitled to dissent, and who properly dissents, in accordance with Sections 607.1301 through 607.1320 of the FBCA ("Dissenting Shares") shall be entitled to receive only the fair value of his shares as defined under Section 607.1301 of the FBCA. Such Dissenting Shares shall not be converted into a right to receive the Merger Consideration and any cash in lieu of fractional shares of TBC Common Stock unless such holder fails to perfect or otherwise loses such holder's right to appraisal. If, after the Effective Time of the Merger, such holder fails to perfect or loses any such right to appraisal, such shares, as of the time of such failure or loss, shall no longer be deemed Dissenting Shares, and such holder shall be entitled to receive from the Surviving Corporation the number of TBC Shares that any participating Company shareholder is entitled to receive under Section 2.1(c) and the cash in lieu of fractional shares of TBC Common Stock specified in Section 2.2(e).

2.2 Exchange of Certificates.

(a) *Exchange Agent.* Prior to the Effective Time, TBC shall enter into an agreement with such bank or trust company as may be designated by TBC (the "Exchange Agent"), which is reasonably acceptable to the Company, which shall provide that TBC shall deposit with the Exchange Agent as of the Effective Time, for the benefit of the holders of the Company Common Stock, for exchange in accordance with this Section 2, through the Exchange Agent, certificates representing the shares of TBC Common Stock (such shares of TBC Common Stock, together with

any dividends or distributions with respect thereto with a record date after the Effective Time but prior to their exchange, being hereinafter referred to as the "Exchange Fund") issuable pursuant to Section 2.1 in exchange for outstanding shares of the Company Common Stock.

(b) *Exchange Procedures.* As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of the Company Common Stock (the "Certificates") whose shares were converted into the right to receive the Merger Consideration pursuant to Section 2.1, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as TBC may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of TBC Common Stock. Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by TBC, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of TBC Common Stock and cash in lieu of any fractional share of TBC Common Stock which such holder has the right to receive pursuant to the provisions of this Section 2, and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of shares of the Company Common Stock which is not registered in the transfer records of the Company, a certificate representing the proper number of shares of TBC Common Stock may be issued to a person other than the person in whose name the Certificate so surrendered is registered,

if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment shall pay any transfer or other taxes required by reason of the issuance of shares of TBC Common Stock to a person other than the registered holder of such Certificate or establish to the satisfaction of TBC that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.2, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of TBC Common Stock, cash in lieu of any fractional share of TBC Common Stock as contemplated by this Section 2.2. No interest will be paid or will accrue on any cash payable in lieu of any fractional shares of TBC Common Stock. To the extent permitted by law, former shareholders of record of the Company shall be entitled to vote after the Effective Time at any meeting of TBC's stockholders the number of whole shares of TBC Common Stock into which their respective shares of the Company Common Stock are converted, regardless of whether such holders have exchanged their Certificates for certificates representing TBC Common Stock in accordance with this Section 2.2. Those persons who are entitled to receive, in accordance with this Section 2.2, certificates representing shares of TBC Common Stock in exchange for surrendered Certificates are hereinafter referred to as "the Company Shareholders."

(c) *Distributions with Respect to the Unexchanged Shares.* No dividends or other distributions with respect to TBC Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of TBC Common Stock represented thereby and no cash payment in lieu of any fractional share shall be paid to any such holder pursuant to Section 2.2(e) until the surrender of such Certificate in accordance with this Section 2. Subject to the effect of applicable laws, following surrender of any such Certificate, there

shall be paid to the holder of the certificate representing whole shares of TBC Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of TBC Common Stock to which such holder is entitled pursuant to Section 2.2(e) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of TBC Common Stock, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such whole shares of TBC Common Stock.

(d) *No Further Ownership Rights in the Company Common Stock.* All shares of TBC Common Stock issued upon the surrender for exchange of Certificates in accordance with the terms of this Section 2 (including any cash paid pursuant to Section 2.2(c) or 2.2(e)) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the Company Common Stock theretofore represented by such Certificates. If, after the Effective Time, Certificates are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be canceled and exchanged as provided in this Section 2, except as otherwise provided by law.

(e) *No Fractional Shares.* No certificates or scrip representing fractional shares of TBC Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of TBC. Notwithstanding any other provision of this Plan of Merger, each holder of the Company Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of TBC Common Stock (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 a share of TBC Common Stock multiplied by the Closing Date Trading Price.

(f) *Termination of Exchange Fund.* Any portion of the Exchange Fund which remains undistributed to the holders of the Certificates for six months after the Effective Time shall be delivered to TBC, upon demand, and any holders of the Certificates who have not theretofore complied with this Section 2 shall thereafter look only to TBC for payment of TBC Common Stock, any cash in lieu of fractional shares of TBC Common Stock and any dividends or distributions with respect to TBC Common Stock.

(g) *No Liability.* None of TBC, the Company or the Exchange Agent shall be liable to any person in respect of any shares of TBC Common Stock (or dividends or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificates shall not have been surrendered prior to seven years after the Effective Time (or immediately prior to such earlier date on which any shares of TBC Common Stock, any cash in lieu of fractional shares of TBC Common Stock or any dividends or distributions with respect to TBC Common Stock in respect of such Certificates would otherwise escheat to or become the property of any governmental entity), any such shares, cash, dividends or distributions in respect of such Certificates shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

(h) *Investment of Exchange Fund.* The Exchange Agent shall invest any cash included in the Exchange Fund in deposit accounts or short-term money market instruments, as

directed by TBC, on a daily basis. Any interest and other income resulting from such investments shall be paid to TBC.

2.3 Certificate of Incorporation of the Surviving Corporation. The certificate of incorporation of TBC in effect immediately prior to the Effective Time shall remain the certificate of incorporation of the Surviving Corporation from and after the Effective Time until amended or repealed in accordance with its provisions and applicable law.

2.4 Bylaws of the Surviving Corporation. The bylaws of TBC in effect immediately prior to the Effective Time shall remain the bylaws of the Surviving Corporation from and after the Effective Time until amended or repealed in accordance with their provisions and applicable law.

2.5 Capitalization of the Surviving Corporation. The combined capitalization of the Company and TBC immediately prior to the Effective Time shall be the capitalization of the Surviving Corporation until changed by resolution of the Board of Directors of the Surviving Corporation or by action of the stockholders of the Surviving Corporation.

2.6 Directors and Officers of the Surviving Corporation. Except as provided in Sections 6.18 and 6.19, the directors and officers of TBC immediately prior to the Effective Time shall be the directors and officers of the Surviving Corporation to serve until their successors have been elected or qualified or until their resignation or removal according to applicable law and the bylaws of the Surviving Corporation.

Section 3. Representations and Warranties of the Company.

Except as set forth in the Disclosure Schedule delivered to TBC by the Company (the "Company Disclosure Schedule") as set forth in Section 6.25 hereof, the Company hereby represents and warrants to TBC, as of the date hereof and up to and including the Closing Date as follows (to the extent applicable, all representations and warranties by the Company include its subsidiaries):

3.1 Organization, Existence and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with full corporate power and authority to, and possesses all material governmental, regulatory and other permits, licenses and authorizations necessary to, carry on its business as now conducted and to own and operate the properties and assets it owns or operates, to enter into this Plan of Merger and the Merger and to perform its obligations hereunder and thereunder. The Company is duly qualified or licensed to transact business as a foreign corporation in good standing in the states and foreign jurisdictions where the character of its assets or the nature or conduct of the business requires it to be so qualified or licensed, except for such jurisdictions in which the failure to be so qualified or licensed is not reasonably likely to have, individually or in the aggregate, a material adverse effect on the business, operations, properties or assets, or the condition, financial or otherwise, of the Company. The deposit accounts of the Subsidiary are insured by the Federal Deposit Insurance Corporation (the "FDIC") to the full extent permitted under applicable law and the rules and regulations of the FDIC.

3.2 The Company Capital Stock.

(a) The Company's authorized capital stock consists of 20,000 shares of common stock, \$10.00 par value per share, of which 16,274 shares are outstanding, all of which are validly issued and outstanding.

(b) Other than the Subsidiary or as set forth on Schedule 3.2(b) to the Company Disclosure Schedule, the Company does not own directly, beneficially or of record, more than five percent of the outstanding stock of any other corporation and does not otherwise control any company or bank. Other than the Subsidiary, the Company does not have any direct or indirect subsidiaries and does not have any interest in any partnership, firm, association, corporation or joint venture other than investment securities purchased and loans made in the regular and usual course of its business.

(c) The Company has no outstanding securities convertible into shares of capital stock or existing options, warrants, calls, commitments or other rights of any character granted or entered into by the Company relating to its authorized, issued or unissued capital stock, and no such rights will be granted or entered into.

(d) There are no outstanding or unsatisfied preemptive rights or rights of first refusal with respect to the Company's capital stock.

(e) No shares of the Company's capital stock will be issued between the date hereof and the Effective Time.

(f) Attached to the Company Disclosure Schedule are copies of the Company's articles of incorporation and bylaws as in effect on the date this Plan of Merger is executed and

delivered, both certified to be complete and correct by the Secretary of the Company, the same to remain unchanged up to the Effective Time.

3.3 The Subsidiary Capital Stock.

(a) The Subsidiary's authorized capital stock consists of 20,000 shares of common stock, \$10.00 par value per share (the "Subsidiary Common Stock"), of which 20,000 shares are outstanding, all of which are validly issued and outstanding. All of the issued and outstanding shares of the Subsidiary Common Stock are owned by the persons and entities as reflected in Schedule 3.3(a) to the Company Disclosure Schedule.

(b) Other than as set forth on Schedule 3.3(b) to the Company Disclosure Schedule, the Subsidiary does not own directly, beneficially or of record, more than five percent of the outstanding stock of any other corporation and does not otherwise control any company or bank.

(c) The Subsidiary has no outstanding securities convertible into shares of capital stock or existing options, warrants, calls, commitments or other rights of any character granted or entered into by the Subsidiary relating to its authorized, issued or unissued capital stock, and no such rights will be granted or entered into.

(d) There are no outstanding or unsatisfied preemptive rights or rights of first refusal with respect to the Subsidiary's capital stock.

(e) No shares of the Subsidiary's capital stock will be issued between the date hereof and the Effective Time.

(f) Attached to the Company Disclosure Schedule are copies of the Subsidiary's articles of incorporation and bylaws as in effect on the date this Plan of Merger is executed and

delivered, both certified to be complete and correct by the Cashier or Secretary of the Subsidiary, the same to remain unchanged up to the Effective Time.

3.4 Organization, Existence and Good Standing of Subsidiaries and Assets. The Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Subsidiary has all necessary corporate power to own its properties and assets and to carry on its business as presently conducted.

3.5 Power and Authority. Subject to the satisfaction of the conditions precedent set forth herein, the Company has the corporate power to execute, deliver and perform this Plan of Merger and all agreements and other documents executed and delivered or to be executed and delivered by it pursuant to this Plan of Merger, and, subject to the satisfaction of the conditions precedent set forth herein, has taken all action required by its articles of incorporation, bylaws or otherwise, to authorize the execution, delivery and performance of this Plan of Merger and such related documents. The execution and delivery of this Plan of Merger does not and, subject to the receipt of required stockholder and regulatory approvals and any other required third-party consents or approvals, the consummation of the Merger will not violate any provisions of any statute or other law, any rule or regulation of any governmental agency or authority, the articles of incorporation of the Company or any provisions of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree, to which the Company or the Subsidiary is a party, or by which it is bound, or violate any restrictions of any kind to which it is subject which, if violated or accelerated, would have a material adverse effect on the Company. The execution and delivery of this Plan of Merger has been approved by the Board of Directors of the Company. This Plan of Merger has been duly executed and delivered by the Company and,

assuming this Plan of Merger constitutes a valid and binding obligation of TBC, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and principles of equity.

3.6 Financial Statements. The Company has delivered to TBC balance sheets of the Company as of December 31, 1998, the related statements of operations, changes in shareholders' equity and changes in financial position or statements of cash flows for the periods then ended, and the related notes and related opinions thereon as applicable (the "Company Financial Statements"). The Company Financial Statements, as and when prepared, (i) with the exception of the statement for and as of the period ended December 31, 1998, have been audited, (ii) present fairly the financial condition of the Company as of the respective dates indicated and the results of operations, the changes in shareholders' equity, the changes in financial position and cash flows for the respective periods indicated; (iii) have been prepared in accordance with generally accepted accounting principles ("GAAP") and regulatory accounting principles ("RAP") (to the extent GAAP and RAP are the same, and GAAP in case of any differences between the two) as to audited statements and in a manner consistent with past practice as to unaudited statements; (iv) contain and reflect reserves for all material accrued liabilities; and (v) are based on the books and records of the Company and the Subsidiary.

3.7 Absence of Undisclosed Liabilities. Except as and to the extent reflected or reserved against in the Company Financial Statements or disclosed in Schedule 3.7 to the Company Disclosure Schedule, the Company has no material liabilities or obligations whether accrued,

absolute, contingent or otherwise, including governmental charges or lawsuits, or any tax liabilities due or to become due and whether (i) incurred in respect of or measured by the income of the Company for any period up to the close of business on the respective dates of the Company Financial Statements, or (ii) arising out of transactions entered into, or any state of facts existing, thereafter.

3.8 Absence of Certain Changes or Events. Except as set forth on Schedule 3.8 to the Company Disclosure Schedule, since the date of the Company Financial Statements, there has not been:

- (a) any material adverse change in the condition (financial or otherwise), assets, liabilities or business of the Company;
- (b) any material adverse change in the character of the assets or liabilities of the Company;
- (c) any capital improvements, except for ordinary maintenance and repairs, or any purchase of property by the Company at a cost in excess of \$25,000 other than supplies in the ordinary course of business;
- (d) any physical damage, destruction or loss not covered by insurance affecting in a material and adverse way the property or assets of the Company;
- (e) any material change in the accounting methods or practices of the Company unless required by law, regulation, GAAP or RAP, as the case may be;
- (f) any material change in the capital structure of the Company;

(g) any loss incurred or accrued for by the Company as a result of environmental problems which has or would be expected to have a material adverse effect on the financial position of the Company; or

(h) any increase in the compensation payable or to become payable by the Company to any officer or employee or any bonus, except bonuses accrued and reflected on the Company Financial Statements, percentage compensation, service award or other like benefit, granted, made or accrued or credited to any officer or employee or any pension, retirement or deferred compensation payment agreed to, other than in accordance with preexisting plans or normal and customary annual salary reviews and adjustments and promotional increases.

3.9 Tax Matters. The Company has filed all federal, state, municipal and local income, excise, property, special district, sales, transfer and other tax returns and reports of information statements that are required to be filed and has paid all taxes that have become due pursuant to such returns or pursuant to any assessment that has become payable. The returns filed by the Company have been and will be accurately and properly prepared in all material respects. To the extent that any tax liability or assessment has accrued, but has not yet become payable or has been proposed for assessment or determination but remains unpaid, the same has been reflected (if it is required to be so reflected under GAAP) as a liability on the books and records of the Company and the Company Financial Statements subject to normal year-end adjustments. Since the date of the Company Financial Statements, the Company has not incurred any liability with respect to any such taxes except for normal taxes incurred in the ordinary and regular course of its business. The Company has not executed or filed with the Internal Revenue Service or any other taxing authority any agreement extending the period for the assessment or collection of any income taxes. There are no exam-

inations, reviews, audits or investigations of any tax return or report of the Company that are presently pending or, to the Company's knowledge, threatened, and the Company is not a party to any pending action or proceeding by any governmental authority for assessment or collection of income taxes.

3.10 Title to Properties; Absence of Liens and Encumbrances; Enforceability of Leases.

(a) Except as to property indicated on Schedule 3.10 to the Company Disclosure Schedule as being leased or mortgaged, the Company has good and marketable title to its assets, real and personal (including those reflected in the Company Financial Statements, except for loans and investments thereafter sold or otherwise disposed of in the ordinary course of business for adequate consideration), free and clear of all material mortgages, pledges, liens, charges and encumbrances, except (A) investment securities that are pledged to secure the deposit of public monies, FHLB advances or monies under the control of any court, (B) the lien of taxes not yet due and payable or being contested in good faith by appropriate proceedings, and (C) such imperfections of title and encumbrances, if any, and such liens, if any, incidental to the conduct of the Company's business or the ownership of its assets as are not material in amount and do not affect the value of, or interfere with the present use of, the Company's assets or otherwise materially impair its operations.

(b) To the best knowledge of the Company, the structures and equipment owned or used by the Company comply with applicable laws, regulations and ordinances or if not in compliance, such noncompliance does not give rise to a material adverse effect, and are in good operating condition, subject to ordinary wear and tear.

(c) The real property, if any, leased by the Company is held by it under valid and enforceable leases. The Company is not in material default under any such leases.

3.11 Legal Proceedings. Except as set forth on Schedule 3.11 to the Company Disclosure Statement, there are no material claims, actions, suits, proceedings or investigations pending, or to the best knowledge of the Company, threatened by or against or otherwise affecting the Company or its assets, business or properties, or the transactions contemplated by the Plan of Merger, or its directors, officers or employees in reference to actions taken by them in such capacity at law or in equity, or before or by any federal, state, municipal or other government department, commission, board, agency, instrumentality or authority, nor to the Company's knowledge is there any valid basis for any such action, proceeding or investigation, other than (i) claims by the Company in the ordinary course of its business for the recovery of loans or protection of its interest as a secured or unsecured creditor, and (ii) claims fully covered by insurance. To the best knowledge of the Company, it is in compliance in all respects with laws, ordinances, rules, regulations, orders, licenses and permits that are applicable to its business as now conducted, or if not in compliance, such noncompliance does not give rise to a material adverse effect.

3.12 No Untrue Representations. The documents furnished by the Company to TBC (the "Company Documents"), including but not limited to the Company Disclosure Schedule and the Company Financial Statements, are true and complete copies of such documents and do not contain any untrue statement of a material fact. The Company Disclosure Schedule does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. There is no fact that the Company has not disclosed in the Company Disclosure Schedule or otherwise to TBC in writing which materially and adversely affects the properties, business, profits or condition (financial or otherwise) of the Company or the ability of the Company to perform this Plan of Merger, except that the Company makes no

representation or warranty as to the effect of general economic conditions, the condition of the financial markets, future legislation, future regulatory action or any other event or circumstance that affects financial institutions generally.

3.13 Employee Benefit Plans.

(a) Except as described in the Company Documents or set forth on Schedule 3.13(a) to the Company Disclosure Schedule, the Company has neither established nor maintains nor is obligated to make contributions to or under or otherwise participate in (i) any bonus or other type of incentive compensation plan, program, agreement, policy, commitment, contract or arrangement (whether or not set forth in a written document), (ii) any pension, profit-sharing, retirement or other plan, program or arrangement, or (iii) any other employee benefit plan, fund or program, including, but not limited to, those described in Section 3(3) of ERISA. All such plans (individually, a "Plan" and collectively, the "Plans") have been operated and administered in all material respects in accordance with, as applicable, ERISA, the Code, Title VII of the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1967, as amended, the Age Discrimination in Employment Act of 1967, as amended, and the related rules and regulations adopted by those federal agencies responsible for the administration of such laws. No act or failure to act by the Company has resulted in a "prohibited transaction" (as defined in ERISA) with respect to the Plans that is not subject to a statutory or regulatory exception. No "reportable event" (as defined in ERISA) has occurred with respect to any of the Plans which is subject to Title IV of ERISA. The Company has not previously made, is not currently making, and is not obligated in any way to make, any contributions to any multi-employer plan within the meaning of the Multi-Employer Pension Plan Amendments Act of 1980.

(b) Except as described in the Company Documents or set forth on Schedule 3.13(b) to the Company Disclosure Schedule, the Company is not a party to any oral or written (i) union, guild or collective bargaining agreement which agreement covers employees in the United States (nor is it aware of any union organizing activity currently being conducted in respect to any of its employees), (ii) agreement with any executive officer or other key employee the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction of the nature contemplated by this Plan of Merger and which provides for the payment of in excess of \$25,000, or (iii) agreement or plan, including any stock option plan, stock appreciation rights plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Plan of Merger or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Plan of Merger.

3.14 Environmental Protection.

(a) None of the assets of the Company (defined for purposes of this subsection as the real property and tangible personal property owned or leased by the Company as of the date of this Plan of Merger and as of the Effective Time) contain any hazardous materials, defined as any substance whose nature and/or quantity or existence, use, manufacture or effect render it subject to federal, state or local regulation as potentially injurious to public health or welfare, or to the environment, including, without limitation, friable asbestos, petroleum products or PCBs ("Hazardous Materials"), other than in such quantities which are incidental and customary for the maintenance and operation of such assets, e.g., cleaning fluids ("Incidental Quantities").

(b) No notice or other communication has been received from any governmental agency having jurisdiction over the Company or to the best knowledge of the Company from any other person, with respect to any alleged violation by the Company of any federal, state or local laws, rules, regulations, ordinances and codes governing Hazardous Materials and which are applicable to the assets of the Company.

(c) All Hazardous Materials which have been remediated from any assets of the Company prior to or during their ownership by the Company have been handled in compliance with all applicable laws.

(d) To the Company's best knowledge, no collateral securing any loan made by the Company, as of the date of this Plan of Merger and as of the Effective Time, contains any Hazardous Materials, other than in Incidental Quantities.

3.15 Material Contract Defaults. The Company is not in default in any material respect under the terms of any outstanding material contract, agreement, lease or other commitment, which would have a material adverse effect on the business, operations, properties or assets, or the condition, financial or otherwise, of the Company or under its articles of incorporation or bylaws, and no event has occurred which, with notice or lapse of time, or both, may be or become a material default of any such contract, agreement, lease or other commitment or under the articles of incorporation or bylaws of the Company.

3.16 Brokers and Finders. Except as permitted in Section 3.18, neither the Company nor any of its officers, directors or employees have employed any broker or finder or incurred any liability for any financial advisory, brokerage or finders fees or commissions and no broker or finder

has acted directly or indirectly for the Company in connection with this Plan of Merger or the transactions contemplated hereby.

3.17 Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of the Company Common Stock entitled to vote thereon is the only vote of the holders of any class or series of the Company capital stock necessary to approve this Plan of Merger, the Merger and the transactions contemplated hereby.

3.18 Opinion of Financial Advisor. The Board of Directors of the Company has employed Alex Sheshunoff & Co. ("Sheshunoff") to provide the Board of Directors of the Company with opinions by March 5, 1999, and as of the most reasonably practicable date closest and prior to the mailing of the definitive proxy materials to the effect that, as of March 5, 1999, and as of the most reasonably practicable date closest and prior to the mailing of the definitive proxy materials, respectively, the Merger Consideration is fair to the holders of the Company Common Stock from a financial point of view, a written copy of such opinion will be delivered by the Company to TBC prior to the date on which the definitive proxy materials for the Proxy Statement (as defined in Section 6.8(a)) are filed with the SEC.

3.19 Year 2000 Compliance. Except as set forth on Schedule 3.19 to the Company Disclosure Schedule, each item of software, hardware, firmware, third-party software, goods with computer chips and services (i) provided by the Company or the Subsidiary during the past four (4) years to any customer of the Company or the Subsidiary or any other party or (ii) used by the Company or the Subsidiary in its respective business, is and shall remain Year 2000 Compliant, as that term is hereinafter defined, through the year 2000. For purposes of this Agreement, "Year 2000 Compliant" means that the item:

(a) functions without interruption or human intervention with four-digit year processing on all data, input, or output which includes an indication date (collectively, "Date Data"), including errors or interruptions from functions that may involve Date Data from more than one century, leap years, or the date September 9, 1999, regardless of the date of processing or date of Date Data;

(b) provides results from any operation accurately reflecting any Date Data used in the operation performed, with output in any form, except graphics, having four digit years;

(c) accepts two digit year Date Data in a manner that resolves any ambiguities as to century in a defined manner; and

(d) provides data interchange in the ISO8601:1988 standard of CCYYMMDD.

Except as set forth on Schedule 3.19 to the Company Disclosure Schedule, to the best knowledge of the Company and the Subsidiary, each of the Company's and the Subsidiary's vendors and customers has ensured that each item of software, hardware, firmware, third-party software, goods with computer chips, and services (a) provided by such vendor or customer during the past four (4) years to any of its respective customers or any other party or (b) used by such vendor or customer in its business, is and shall remain Year 2000 Compliant through the Year 2000. The Company and the Subsidiary have followed the procedures set forth in, and have taken and will continue to take all actions required by the October 15, 1998 interim FFIEC Interagency Guidelines Establishing Year 2000 Standards for Safety and Soundness Guidelines Concerning the Year 2000 Business Risk and the companion interim rule Safety and Soundness Standards and all previously applicable regulatory standards and guidance papers regarding Year 2000 readiness (collectively, the "Year 2000 Guidelines") to ensure that all computer software owned by or licensed to the Company or the

Subsidiary is fully compliant with the Year 2000 Guidelines. Except as set forth on Schedule 3.19 to the Company Disclosure Schedule, neither the Company nor the Subsidiary has received a regulatory rating of less than satisfactory from any regulatory authority with respect to any review of its compliance with the Year 2000 Guidelines or the adequacy of its Year 2000 planning efforts.

Section 4. Representations and Warranties of TBC.

Except as set forth in its Disclosure Schedule delivered to the Company (the "TBC Disclosure Schedule") as set forth in Section 6.25 hereof, TBC hereby represents and warrants to the Company as of the date hereof and up to and including the Closing Date as follows (all representations and warranties by TBC include its subsidiaries):

4.1 Organization, Existence and Good Standing. TBC is a corporation duly organized, validly existing and in good standing under the laws of Delaware, with full corporate power and authority, and possesses all material governmental, regulatory and other permits, licenses and other authorization, necessary to carry on its business as now conducted and to own and operate the properties and assets it owns or operates, to enter into this Plan of Merger and the Merger and to perform its obligations hereunder and thereunder. TBC is duly qualified or licensed to transact business as a foreign corporation in good standing in the states and foreign jurisdictions where the character of its assets or the nature or conduct of its business requires it to be so qualified or licensed, except for such jurisdictions in which the failure to be so qualified or licensed is not reasonably likely to have, individually or in the aggregate, a material adverse effect on the business, operations, properties, or assets, or the condition, financial or otherwise, of TBC. The deposit accounts of The Bank are

insured by the FDIC to the full extent permitted under applicable law and the rules and regulations of the FDIC.

4.2 TBC Capital Stock.

(a) The authorized capital stock of TBC consists of 25,000,000 shares of common stock of which 12,204,594 shares of common stock are issued and outstanding and 5,000,000 shares of preferred stock of which no shares are issued and outstanding. TBC Common Stock issued in this Merger will be, when issued, duly authorized, validly issued, fully paid and nonassessable.

(b) Other than as set forth on Schedule 4.2(b) to TBC Disclosure Schedule, TBC does not own directly or indirectly, beneficially or of record, more than five percent of the outstanding stock of any other corporation and does not otherwise control any company or bank. Except as set forth on Schedule 4.2(b) to TBC Disclosure Schedule, TBC does not have any direct or indirect subsidiaries and does not have any interest in any partnership, firm, association, corporation, or joint venture other than investment securities purchased and loans made in the regular and usual course of its business.

(c) Other than as set forth on Schedule 4.2(c) to TBC Disclosure Schedule, there are no outstanding securities convertible into shares of TBC capital stock or existing options, warrants, calls, commitments, or other rights of any character granted or entered into by TBC relating to its authorized, issued or unissued capital stock.

(d) There are no outstanding or unsatisfied preemptive rights or rights of first refusal with respect to TBC Common Stock or TBC's preferred stock.

(e) Other than as set forth on Schedule 4.2(e) to TBC Disclosure Schedule, as of the date of this Agreement there are no outstanding agreements, arrangements, or understandings of

any kind, to which TBC is a party, affecting or relating to the voting, issuance, purchase, redemption, repurchase, or transfer of TBC Common Stock or any other securities of TBC.

(f) Attached to TBC Disclosure Schedule are copies of TBC's certificate of incorporation and bylaws, certified to be complete and correct by the Secretary of TBC, the same to remain unchanged up to the Effective Time.

4.3 Organization, Existence and Good Standing of Subsidiaries and Assets. Each of the subsidiaries of TBC is duly organized, validly existing and in good standing under the laws of its respective state of incorporation. Each subsidiary has all necessary corporate power to own its properties and assets and to carry on its business as presently conducted.

4.4 Financial Statements. TBC has delivered to the Company balance sheets of TBC as of December 31, 1996 and 1997 and September 30, 1998, and the related statements of operations, changes in stockholders' equity, and changes in financial position or statements of cash flows for the year then ended, and the related notes and related opinions thereon as applicable (the "TBC Financial Statements"). TBC Financial Statements, as and when prepared, (i) with the exception of the statement for and as of the period ended September 30, 1998, have been audited, (ii) present fairly the financial condition of TBC as of the date indicated and the results of operations, the changes in stockholders' equity, the changes in financial position and cash flows for the respective periods indicated; (iii) have been prepared in accordance with GAAP and RAP (to the extent GAAP and RAP principles are the same, and GAAP in the case of any difference between the two) as to audited statements and in a manner consistent with past practice as to unaudited statements; (iv) contain and reflect reserves for all material accrued liabilities; and (v) are based on the books and records of TBC.

4.5 Power and Authority. Subject to the satisfaction of the conditions precedent set forth herein, TBC has corporate power to execute, deliver and perform the Plan of Merger and all agreements and other documents executed and delivered, or to be executed and delivered, by it pursuant to the Plan of Merger, and has taken all actions required by law, its certificate of incorporation, its bylaws or otherwise, to authorize the execution and delivery of the Plan of Merger and such related documents. The execution and delivery of the Plan of Merger does not and, subject to the receipt of required stockholder and regulatory approvals and other required third-party consents or approvals, the consummation of the Merger contemplated hereby will not, violate any provisions of the certificate of incorporation or bylaws of TBC, or any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which TBC is a party or by which it is bound, or violate any restrictions of any kind to which TBC is subject. The execution and delivery of this Plan of Merger has been approved by the Board of Directors of TBC. This Plan of Merger has been duly executed and delivered by TBC and, assuming this Plan of Merger constitutes a valid and binding obligation of the Company, constitutes a valid and binding obligation of TBC, enforceable against TBC in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and principles of equity.

4.6 Absence of Undisclosed Liabilities. Except as and to the extent reflected or reserved against in TBC Financial Statements or disclosed in Schedule 4.6 to TBC Disclosure Schedule, TBC has no material liabilities or obligations whether accrued, absolute, contingent or otherwise, including, governmental charges or lawsuits, or any tax liabilities due or to become due and whether (i)

incurred in respect of or measured by the income of TBC for any period up to the close of business on the respective dates of the TBC Financial Statements, or (ii) arising out of transactions entered into, or any state of facts existing, prior thereto. TBC has no liabilities or obligations, either accrued or contingent, which are material to TBC and which have not been either (i) reflected or disclosed in the audited financial statements of TBC for the December 31, 1997, and provided to the Company in writing; or (ii) incurred subsequent to September 30, 1998, in the ordinary course of business.

4.7 Absence of Certain Changes or Events. Except as set forth on Schedule 4.7 to TBC Disclosure Schedule, since September 30, 1998, there has not been:

- (a) any material adverse change in the condition (financial or otherwise), of the assets, liabilities or business of TBC;
- (b) any material adverse change in the character of the assets or liabilities of TBC;
- (c) any capital improvements, except for ordinary maintenance and repairs, or any purchase of property by TBC at a cost in excess of \$25,000 other than supplies in the ordinary course of business;
- (d) any physical damage, destruction or loss not covered by insurance exceeding \$25,000 in value or affecting in a material and adverse way the property, assets, business or prospects of TBC;
- (e) any material change in the accounting methods or practices of TBC unless required by law, regulation, GAAP or RAP, as the case may be;
- (f) any material change in the capital structure of TBC;

(g) any loss incurred or determined to be probable for TBC as a result of environmental problems which has or would be expected to have a material adverse effect on the financial position of TBC; or

(h) any increase in the compensation payable or to become payable by TBC to any officer or employee or any bonus, except bonuses accrued and reflected on the TBC Financial Statements, percentage compensation, service award or other like benefit, granted, made or accrued or credited to any officer or employee or any pension, retirement, or deferred compensation payment agreed to, other than in accordance with preexisting plans or normal and customary annual salary reviews and adjustments and promotional increases.

4.8 Tax Matters. TBC has filed all federal, state, municipal and local income, excise, property, special district, sales, transfer and other tax returns and reports of information statements that are required to be filed and have paid all taxes that have become due pursuant to such returns or pursuant to any assessment that has become payable. The returns filed by TBC have been and will be accurately and properly prepared. To the extent that any tax liability or assessment has accrued, but has not yet become payable or has been proposed for assessment or determination but remains unpaid, the same has been reflected as a liability on the books and records of TBC and TBC Financial Statements subject to normal year-end adjustments. Since September 30, 1998, TBC has not incurred any liability with respect to any such taxes except for normal taxes incurred in the ordinary and regular course of its business. TBC has not executed or filed with the Internal Revenue Service or any other taxing authority any agreement extending the period for assessment or collection of any income taxes. There are no examinations, reviews, audits or investigations of any tax return or report of TBC that is presently pending or threatened, and TBC is not a party to any

pending action or proceeding by any governmental authority for assessment or collection of income taxes.

4.9 Title to Properties; Absence of Liens and Encumbrances, Leases Enforceable.

(a) Except as to property indicated in Schedule 4.9 to TBC Disclosure Schedule as being leased or mortgaged, TBC has good and marketable title to its assets, real and personal (including those reflected in TBC Financial Statements, except for loans and investments as thereafter sold or otherwise disposed of in the ordinary course of business and for adequate consideration), free and clear of all material mortgages, pledges, liens, charges and encumbrances, except (A) investment securities that are pledged to secure the deposit of public monies, FHLB advances or monies under the control of any court, (B) the lien of taxes not yet due and payable or being contested in good faith by appropriate proceedings, and (C) such imperfections of title and encumbrances, if any, and such liens, if any, incidental to the conduct of TBC's business or the ownership of its assets as are not material in amount and do not affect the value of, or interfere with the present use of, TBC's assets or otherwise materially impair its operations.

(b) To the best knowledge of TBC, the structures and equipment owned or used by TBC comply with applicable laws, regulations and ordinances or if not in compliance, such noncompliance does not give rise to a material adverse effect and are in good operating condition, subject to ordinary wear and tear.

(c) The real property, if any, leased by TBC is held by it under valid and enforceable leases. TBC is not in material default under any such leases.

4.10 Legal Proceedings. Except as set forth on Schedule 4.10 to TBC Disclosure Schedule, there are no material claims, actions, suits, proceedings or investigations pending, or to the best

knowledge of TBC, threatened, by or against, or otherwise affecting TBC or its assets, business or properties, or the transactions contemplated by the Plan of Merger, or its directors, officers or employees in reference to actions taken by them in such capacity at law or in equity, or before or by any federal, state, municipal or other government department, commission, board, agency, instrumentality or authority, nor to TBC's knowledge is there any valid basis for any such action, proceeding or investigation, other than (i) claims by TBC in the ordinary course of its business for the recovery of loans or protection of its interest as a secured or unsecured creditor, and (ii) claims fully covered by insurance. To the best knowledge of TBC, TBC is in compliance in all respects with laws, ordinances, rules, regulations, orders, licenses and permits that are applicable to its business as now conducted or if not in compliance, such noncompliance does not give rise to a material adverse effect.

4.11 No Untrue Representations. The documents furnished by TBC to the Company (the "TBC Documents"), including but not limited to TBC Disclosure Schedule and TBC Financial Statements, are true and complete copies of such documents and do not contain any untrue statement of a material fact. The TBC Disclosure Schedule does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. There is no fact that TBC has not disclosed in TBC Documents or otherwise to the Company in writing which materially and adversely affects the properties, business, profits or condition (financial or otherwise) of TBC or the ability of TBC to perform this Plan of Merger, except that TBC makes no representation or warranty as to the effect of general economic conditions, the condition of the financial markets, future legislation, future regulatory action or any other event or circumstance that affects financial institutions generally.

4.12 Employee Benefit Plans.

(a) Except as described in TBC Documents or set forth on Schedule 4.12(a) to TBC Disclosure Schedule, TBC has neither established nor maintains nor is obligated to make contributions to or under or otherwise participate in (i) any bonus or other type of incentive compensation plan, program, agreement, policy, commitment, contract or arrangement (whether or not set forth in a written document), (ii) any pension, profit-sharing, retirement or other plan, program or arrangement, or (iii) any other employee benefit plan, fund or program, including, but not limited to, those described in Section 3(3) of ERISA. All such Plans have been operated and administered in all material respects in accordance with, as applicable, ERISA, the Code, Title VII of the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1967, as amended, the Age Discrimination in Employment Act of 1967, as amended, and the related rules and regulations adopted by those federal agencies responsible for the administration of such laws. No act or failure to act by TBC has resulted in a "prohibited transaction" (as defined in ERISA) with respect to the Plans that is not subject to a statutory or regulatory exception. No "reportable event" (as defined in ERISA) has occurred with respect to any of the Plans which is subject to Title IV of ERISA. TBC has not previously made, is not currently making, and is not obligated in any way to make, any contributions to any multi-employer plan within the meaning of the Multi-Employer Pension Plan Amendments Act of 1980.

(b) Except as described in TBC Documents or set forth on Schedule 4.12(b) to TBC Disclosure Schedule, TBC is not a party to any oral or written (i) union, guild or collective bargaining agreement which agreement covers employees in the United States (nor is it aware of any union organizing activity currently being conducted in respect to any of its employees), (ii)

agreement with any executive officer or other key employee the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction of the nature contemplated by this Plan of Merger and which provides for the payment of in excess of \$25,000, or (iii) agreement or plan, including any stock option plan, stock appreciation rights plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Plan of Merger or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Plan of Merger.

4.13 Environmental Protection.

(a) None of the assets of TBC (defined for purposes of this subsection as the real property and tangible personal property owned or leased by TBC as of the date of this Plan of Merger and as of the Effective Time) contain any Hazardous Materials, other than in Incidental Quantities.

(b) No notice or other communication has been received from any governmental agency having jurisdiction over TBC or to their best knowledge from any other person, with respect to any alleged violation by TBC of any federal, state or local laws, rules, regulations, ordinances and codes governing Hazardous Materials and which are applicable to the assets of TBC.

(c) All Hazardous Materials which have been remediated from any assets of TBC prior to or during their ownership by TBC have been handled in compliance with all applicable laws.

(d) To TBC's best knowledge, no collateral securing any loan made by TBC, as of the date of this Plan of Merger and as of the Effective Time, contains any Hazardous Materials, other than in Incidental Quantities.

4.14 Material Contract Defaults. TBC is not in default in any material respect under the terms of any outstanding material contract, agreement, lease or other commitment, which would have a material adverse effect on the business, operations, properties or assets, or the condition, financial or otherwise, of TBC or under its certificate of incorporation or bylaws and no event has occurred which, with notice or lapse of time, or both, may be or become a material default of any such contract, agreement, lease or other commitment or under the certificate of incorporation or bylaws of TBC.

4.15 Brokers and Finders. Neither TBC nor any of its officers, directors or employees have employed any broker or finder or incurred any liability for any financial advisory, brokerage or finders fees or commissions and no broker or finder has acted directly or indirectly for TBC in connection with this Plan of Merger or the transactions contemplated hereby.

4.16 Year 2000 Compliance. Except as set forth on Schedule 4.16 to the TBC Disclosure Schedule, each item of software, hardware, firmware, third-party software, goods with computer chips and services (i) provided by TBC or its subsidiaries during the past four (4) years to any customer of TBC or its subsidiaries or any other party or (ii) used by TBC or its subsidiaries in its respective business, is and shall remain Year 2000 Compliant through the year 2000.

Except as set forth on Schedule 4.16 to the TBC Disclosure Schedule, to the best knowledge of TBC and its subsidiaries, each of TBC's and its subsidiaries' vendors and customers has ensured that each item of software, hardware, firmware, third-party software, goods with computer chips, and services (a) provided by such vendor or customer during the past four (4) years to any of its respective customers or any other party or (b) used by such vendor or customer in its business, is and shall remain Year 2000 Compliant through the Year 2000. TBC and its subsidiaries have followed the

procedures set forth in, and have taken and will continue to take all actions required by the Year 2000 Guidelines to ensure that all computer software owned by or licensed to TBC or its subsidiaries is fully compliant with the Year 2000 Guidelines. Neither TBC nor its subsidiaries have received a regulatory rating of less than satisfactory from any regulatory authority with respect to any review of its compliance with the Year 2000 Guidelines or the adequacy of its Year 2000 planning efforts.

4.17 Investment Intent. TBC is (a) experienced in the evaluation of banking businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of this investment, (c) has the ability to bear the economic risks of this investment, (d) was not organized or reorganized for the specific purpose of acquiring the shares of Company Common Stock pursuant to this Plan of Merger and (e) has been afforded the opportunity to ask questions of, and to receive answers from, the Company and to obtain any additional information, to the extent the Company possesses such information or could have acquired it without reasonable effort or expense, necessary for TBC to make an informed decision with respect to the purchase of the shares of Company Common Stock. TBC acknowledges that it is not acting on the basis of any representations or warranties made by or on behalf of the Company or the Subsidiary other than those contained in this Plan of Merger.

4.18 Consents and Approvals. Except for regulatory approvals disclosed on Schedule 4.18 to the TBC Disclosure Schedule, no approval, consent, order or authorization of, or registration, declaration or filing with, any governmental authority or other third party is required on the part of TBC in connection with the execution, delivery or performance of this Plan of Merger or the agreements contemplated hereby or the consummation by TBC of the transactions contemplated hereby or thereby. TBC is not aware of any matters that would prevent TBC from obtaining all

necessary approvals (including SEC approval and all required regulatory approvals) on a timely basis.

Section 5. Access to Information Concerning Properties and Records.

5.1 Access to Information. The Company will give to TBC and to its counsel, accountants and other representatives (“advisors”), upon reasonable notice, during normal business hours throughout the period prior to the Closing Date, full access to its books, records, customer and loan files, contracts and commitments. Any investigation conducted by TBC or its advisors pursuant to this Section 5.1 shall be conducted in a manner that is the least disruptive to the Company’s business. For the period prior to the Effective Time, the Company shall deliver to TBC such statements, schedules and reports concerning the business, operations and financial condition of the Company as are regularly provided to its Board of Directors at such times as they are regularly supplied to its Board of Directors.

5.2 Return of Records. If the transactions contemplated hereby are not consummated and this Plan of Merger terminates, each party agrees to promptly return all documents, contracts, records, properties analyses, abstracts and any related notes of the other party and all copies thereof furnished pursuant to this Section 5 or otherwise. All information disclosed by any party or any affiliate or representative of any party shall be deemed to be “Confidential Information” as defined in that certain Confidentiality Agreement, dated as of January 20, 1999, by and between TBC and the Company (the “Confidentiality Agreement”).

5.3 Effect of Access.

(a) Nothing contained in this Section 5 shall be deemed to create any duty or responsibility on the part of either party to investigate or evaluate the value, validity or enforceability of any contract, lease or other asset included in the assets of the other party.

(b) With respect to matters as to which any party has made express representations or warranties herein, the parties shall be entitled to rely upon such express representations and warranties irrespective of any investigations made by such parties, except to the extent that such investigations result in actual knowledge of the inaccuracy or falsehood of particular representations and warranties.

Section 6. Covenants

6.1 Preservation of Business. From the date of this Agreement, the Company will, and will cause the Subsidiary to, use its best efforts to preserve the business organization of the Company and the Subsidiary intact, to keep available to the Surviving Corporation the services of the present employees of the Company and the Subsidiary, and to preserve for the Surviving Corporation the goodwill of the suppliers, customers, depositors and others having business relations with the Company and the Subsidiary.

6.2 Material Transactions. Until the Effective Time or the earlier termination of this Plan of Merger, and except as contemplated by this Plan of Merger or disclosed in the Disclosure Schedules or as consented to or otherwise approved by TBC in writing, which consent or approval will not be unreasonably withheld:

(a) the business of the Company and the Subsidiary shall be conducted only in the ordinary course, and the Company will not, and will cause the Subsidiary not to, encumber any asset or enter into any transaction or make any contract or commitment relating to its properties, assets and businesses, other than in the ordinary course of business or as otherwise disclosed herein;

(b) no change shall be made in the articles of incorporation or bylaws of the Company or the Subsidiary;

(c) except as provided in the Company's Disclosure Schedule, no change shall be made in the number of shares of capital stock of the Company or the Subsidiary issued and outstanding, nor shall any option, warrant, call, convertible security, commitment or other right be granted or made by the Company (or permitted by the Company with respect to the Subsidiary) relating to its authorized or issued capital stock;

(d) except in the ordinary course of business as previously conducted, no purchase order, contract or commitment (other than deposits, loan commitments and investments or the sale of other real estate owned in the ordinary course of business of the Company or the Subsidiary, as the case may be) shall be entered into by or on behalf of the Company or permitted by the Company with respect to the Subsidiary extending for more than one year or involving payment by the Company or the Subsidiary, as the case may be, of more than \$25,000 in any one contract or related series of contracts or otherwise materially affecting its business;

(e) no employment agreement or other agreement will be entered into with any employee of the Company (or be permitted to be entered into by the Subsidiary) and no employee's salary or benefits will be increased except for normal annual increases as agreed to in writing, and no employee benefit plan will be modified or amended except as required by law;

(f) the Company will comply, and will cause the Subsidiary to comply, in all material respects with all laws applicable to it and to the conduct of its business, if failure to comply could have a material adverse effect upon its business;

(g) no dividends shall be paid, or distributions made, with respect to the Company Common Stock;

(h) no loan in excess of \$100,000 will be made by the Company (or be permitted to be made by the Subsidiary) without providing TBC with all relevant documents related thereto and giving TBC a reasonable opportunity to review such loan and comment thereon;

(i) no security owned by the Company will be sold and no new securities will be purchased, other than securities of a type and duration as the Company has previously purchased under its investment policy, without the approval of TBC; and

(j) the obligations under all employment, severance or other agreements between the Company and its respective employees related to the termination of such agreements shall not be in excess of the amounts described in the employment agreements attached to the Company Disclosure Schedule.

(k) the Company shall not take any action of a character as described in Section 3.8(a) to 3.8(h), inclusive.

6.3 Confidentiality. [Intentionally Omitted]

6.4 The Company Shareholder Meeting. The Company shall take all action necessary in accordance with applicable law and its articles of incorporation and bylaws to call, give notice of, convene and hold a meeting of its shareholders (the "Special Meeting") for the purpose of approving and adopting this Plan of Merger, the Merger and the transactions contemplated thereby. In connec-

tion therewith, the Company shall mail to all shareholders of record entitled to vote at such meeting the Proxy Statement, as defined in Section 6.8 hereof, which shall indicate that the Board of Directors of the Company has, by resolution, approved the Merger on the terms and subject to the conditions set forth in this Plan of Merger and, if consistent with the fiduciary duty of the directors to the Company and the shareholders, recommends to the shareholders that they vote in favor of adopting and approving the Merger and the Plan of Merger. Subject to applicable laws and the fiduciary duties of its directors, the Company shall use reasonable efforts to solicit from its shareholders proxies in favor of such adoption and approval and shall take all other reasonable action necessary or helpful to secure a favorable vote of its shareholders.

6.5 Affiliate's Letters. The Company and TBC shall use their respective best efforts to obtain and deliver to one another prior to the Special Meeting a signed letter in the form attached hereto as Exhibit 6.5 from each of their respective officers, directors or shareholders who may be deemed an "affiliate" of the Company or TBC, as appropriate within the meaning of such term as used in Rule 145 under the Securities Act.

6.6 Accounting Methods. Neither the Company nor TBC shall change, in any material respect, its methods of accounting in effect at its most recent fiscal year end, except as required by changes in GAAP or RAP, as the case may be, if applicable, as concurred by such party's independent accountants.

6.7 Approvals of Regulatory Authorities. The Company will, and will cause the Subsidiary to cooperate with TBC and TBC will cooperate with the Company and the Subsidiary in the preparation and the filing by TBC of such applications to the Board of Governors of the Federal Reserve System (the "Fed"), the FDIC, the Florida Department of Banking and Finance, and other

regulatory authorities as may be necessary to obtain all governmental approvals requisite to the consummation of the Merger. As soon as practicable, but in no event later than 30 days after execution of the Plan of Merger, TBC shall file applications with the proper regulatory authorities for approval of the Merger and the acquisition of the Company by TBC and shall thereafter take all action to obtain the approval of such regulatory authorities. All of the representations contained in the applications filed by TBC with regulators with or on behalf of the Company or the Subsidiary, will be, at the time they are made, accurate in all material respects, except TBC makes no representation or warranty as to matters contained therein that are based on information provided by the Company or the Subsidiary. All filings, requests for approval or other submissions for any regulatory approval, and all public notices associated with such filings, shall be made available for review by the Company sufficiently prior to filing to enable the Company to comment thereon.

6.8 Registration Statement.

(a) TBC shall prepare and file with the Securities and Exchange Commission (the "SEC") and any other applicable regulatory bodies, as soon as reasonably practicable, a Registration Statement on Form S-4 with respect to the shares of TBC Common Stock to be issued in the Merger (the "Registration Statement") and will otherwise proceed promptly to satisfy the requirements of the Securities Act of 1933 (the "Securities Act") including Rule 145 thereunder. Such Registration Statement shall contain a proxy statement of the Company (the "Proxy Statement"), prepared by the Company and subject to review and comments by TBC, containing information required by the Securities Exchange Act of 1934 (the "Exchange Act"). Prior to the filing, TBC shall provide the Company with a draft of the Registration Statement and allow the Company sufficient time to review and comment on the same. TBC shall take all reasonable steps necessary to cause the Registration

Statement to be declared effective and to maintain such effectiveness until all of the shares of TBC Common Stock covered thereby have been distributed. TBC shall promptly amend or supplement the Registration Statement to the extent necessary in order to make the statements therein not misleading or to correct any statements which have become false or misleading. TBC shall use its reasonable best efforts to have the Registration Statement declared effective by the SEC under the provisions of the Securities Act and the Exchange Act. TBC shall provide the Company with copies of all filings made pursuant to this Section 6.8 and shall consult with the Company on responses to any comments made by the staff of the SEC with respect thereto.

(b) The information specifically designated as being supplied by the Company for inclusion or incorporation by reference in the Registration Statement shall not, at the time the Registration Statement is declared effective, at the time the Proxy Statement is first mailed to holders of the Company Common Stock, at the time of the Special Meeting and at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, not misleading. The information specifically designated as being supplied by the Company for inclusion or incorporation by reference in the Proxy Statement shall not, at the date the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to holders of the Company Common Stock, at the time of the Special Meeting and at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event or circumstance relating to the Company or its officers or directors should be discovered by the Company which should be set forth in an amendment to the Registration

Statement or a supplement to the Proxy Statement, the Company shall promptly inform TBC. All documents, if any, that the Company is responsible for filing with the SEC in connection with the transactions contemplated hereby will comply as to form and substance in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations thereunder.

(c) The information specifically designated as being supplied by TBC for inclusion or incorporation by reference in the Registration Statement shall not, at the time the Registration Statement is declared effective, at the time the Proxy Statement is first mailed to holders of the Company Common Stock, at the time of the Special Meeting and at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, not misleading. The information specifically designated as being supplied by TBC for inclusion or incorporation by reference in the Proxy Statement in connection with the Special Meeting shall not, at the date the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to holders of the Company Common Stock, at the time of the Special Meeting or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, not misleading. If at any time prior to the Effective Time any event or circumstance relating to TBC or its officers or directors, should be discovered by TBC which should be set forth in an amendment to the Registration Statement or a supplement to the Proxy Statement, TBC should promptly inform the Company and shall promptly file such amendment to the Registration Statement. All documents that TBC is responsible for filing with the SEC in connection with the transactions contemplated herein will comply as to form and substance in all material

respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations thereunder.

(d) Prior to the Closing Date, TBC shall use its best efforts to cause the shares of TBC Common Stock to be issued in the Merger to be registered or qualified under all applicable securities or Blue Sky laws of each of the states and territories of the United States, and to take any other actions which may be necessary to enable TBC Common Stock to be issued in the Merger to be distributed in each such jurisdiction.

(e) Prior to the Closing Date, TBC shall file a notification form for listing of additional shares (the "Listing Form") with Nasdaq relating to shares of TBC Common Stock to be issued in connection with the Merger, and shall use reasonable good faith efforts to cause such shares of TBC Common Stock to be approved for listing on Nasdaq prior to the Closing Date.

(f) The Company shall furnish all information to TBC with respect to the Company and its subsidiaries as TBC may reasonably request for inclusion in the Registration Statement, the Proxy Statement and the Listing Form, and shall otherwise cooperate with TBC in the preparation and filing of such documents.

6.9 Due Diligence. The Company and TBC shall each deliver by the Closing Date all opinions, certificates and other documents required to be delivered by it.

6.10 Status Reports. The Company and TBC shall advise one another from time to time regarding the applications for regulatory approval of the Merger and provide one another copies of all comments, correspondence and approvals to or from regulators in connection with the applications, and give one another copies of all regulatory approvals referred to in this Plan of Merger.

6.11 Pooling and Tax-Free Reorganization Treatment. Unless required by law, neither the Company nor TBC shall take or cause to be taken any action, whether on or before the Effective Time, which would disqualify the Merger as a “pooling of interests” for accounting purposes or as a “reorganization” within the meaning of Section 368(a) of the Code.

6.12 Other Actions. Unless required by law, neither the Company nor TBC shall knowingly or intentionally take any action, or omit to take any action, if such action or omission would, or reasonably might be expected to, result in any of its representations and warranties set forth herein being or becoming untrue in any material respect, or in any of the conditions to the Merger set forth in this Plan of Merger not being satisfied, or (unless such action is required by applicable law) which would materially adversely affect the ability of TBC or the Company to obtain any consents or approvals required for the consummation of the Merger without imposition of a condition or restriction which would have a material adverse effect on the Surviving Corporation or which would otherwise materially impair the ability of TBC or the Company to consummate the Merger in accordance with the terms of the Plan of Merger or materially delay such consummation.

6.13 Notice of Subsequent Events. Each party hereto shall notify the other parties of any changes, additions or events which would cause any material change in or material addition to any schedule to the Disclosure Schedule delivered by the notifying party under this Plan of Merger, promptly after the occurrence of the same. If the effect of such change or addition would, individually or in the aggregate with the effect of changes or additions previously disclosed pursuant to this Section 6.13, constitute a material adverse effect on the notifying party, the non-notifying party may, within ten (10) days after receipt of such notice, elect to terminate this Plan of Merger. If the non-notifying party does not give written notice of such termination within such 10-day period,

the non-notifying party shall be deemed to have consented to such change and shall not be entitled to terminate this Plan of Merger by reason thereof.

6.14 Public Disclosures. TBC and the Company will consult with each other before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Plan of Merger, and shall not issue any such press release or make any such public statement prior to such consultation except as may be required by applicable law or requirements of Nasdaq. The parties shall issue a joint press release or simultaneous separate press releases, mutually acceptable to TBC and the Company, promptly upon execution and delivery of this Plan of Merger.

6.15 No Solicitations. Neither the Company nor any of its officers and directors will, and the Company shall direct and use its best efforts to cause its employees, agents and representatives not to, during the period beginning on the date hereof and ending on the first to occur of (a) the Effective Time or (b) the termination of this Plan of Merger, (i) sell or arrange for sale of any the Company Common Stock, other than as required by the Company employee stock purchase or option plan; (ii) negotiate, solicit or encourage or authorize any person to solicit from any third party any proposals relating to the merger or consolidation of the Company, disposition of a substantial portion of the business or assets of the Company or the acquisition of the capital stock of the Company; or (iii) except to the extent legally required for the discharge by the board of directors of its fiduciary duties, make any information concerning the Company available to any person for the purpose of affecting or causing a merger, consolidation or disposition of the Company or its assets or common stock.

6.16 Directors of the Subsidiary. TBC shall cause the Subsidiary to maintain the existing directors of the Subsidiary as directors of the Subsidiary, and receive the current fees for serving as such, through at least December 31, 1999.

6.17 Cooperation.

(a) TBC and the Company shall together, or pursuant to an allocation of responsibility agreed to between them, (i) cooperate with one another in determining whether any filings are required to be made or consents are required to be obtained in any jurisdiction prior to the Effective Time in connection with the consummation of the transactions contemplated hereby; and cooperate in making any such filings promptly and in seeking to obtain timely any such consents, (ii) use their respective best efforts to cause to be lifted any injunction prohibiting the Merger, or any part thereof, or the other transactions contemplated hereby, and (iii) furnish to one another and to one another's counsel all such information as may be required to effect the foregoing actions.

(b) Subject to the terms and conditions herein provided, and unless this Plan of Merger shall have been validly terminated as provided herein, each of TBC and the Company shall use all reasonable efforts (i) to take, or cause to be taken, all actions necessary to comply promptly with all legal requirements which may be imposed on such party (or any subsidiaries or affiliates of such party) with respect to the Plan of Merger and to consummate the transactions contemplated hereby and (ii) to obtain (and to cooperate with the other party to obtain) any consent, authorization, order or approval of, or any exemption by, any governmental entity and/or any other public or private third party which is required to be obtained or made by such party or any of its subsidiaries or affiliates in connection with this Plan of Merger and the transactions contemplated hereby. Each of TBC and the Company will promptly cooperate with and furnish information to the other in con-

nection with any such burden suffered by, or requirement imposed upon, either of them or any of their subsidiaries or affiliates in connection with the foregoing. The parties shall, as of and upon the Closing Date and if earlier required by Section 6.13, prepare and deliver to each other updated Disclosure Schedules as are necessary or appropriate to assure the accuracy and completeness thereof; provided that the furnishing of any such supplement shall not modify, limit, or otherwise affect any representations or warranties of a party contained in this Agreement or any right of a party to terminate this Agreement.

6.18 Officers' and Directors' Liability Insurance. The Surviving Corporation shall maintain in effect for not less than four years after the Effective Time the Company's current policy of directors' and officers' liability insurance for the benefit of the individuals who, at or before the Effective Time, were directors or officers of the Company with respect to matters occurring prior to the Effective Time; provided, however, that (i) the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions which are no less advantageous to the covered officers and directors and (ii) the Surviving Corporation shall not be required to pay an annual premium for such insurance in excess of the last annual premium paid prior to the date hereof, but in the event such premium shall exceed such amount shall purchase as much coverage as possible for such amount.

6.19 Employment Agreement. TBC shall cause the Subsidiary to enter into an employment agreement with Jed M. Hiers on substantially the same terms and conditions as set forth in Exhibit 6.19.

6.20 Nomination and Election of Director. TBC shall take all necessary actions to cause Jerry M. Smith to be nominated and elected as a director of TBC at the first regularly scheduled Board of Directors meeting subsequent to the Effective Time.

6.21 Proxies from the Directors of the Company. The directors of the Company shall have granted proxies to TBC, substantially in the form of Exhibit 6.21(i), as of the date of this Plan of Merger, to vote the shares of the Company owned by such directors in favor of the Merger and such proxies shall remain valid and in effect until the Effective Time.

6.22 Due Diligence of the Company Financial Advisor. TBC shall cooperate with Sheshunoff and provide Sheshunoff with any information reasonably necessary in order for Sheshunoff to render an opinion regarding the fairness of the Merger.

6.23 Section 16 Exemption. Prior to the Effective Time, the Board of Directors, or a committee thereof, of the Company shall have approved the disposition of Company Common Stock as being exempt under Rule 16b-3 of the Exchange Act if the disposition occurs simultaneously with or immediately before the Merger. The Board of Directors of TBC shall approve the Rule 16b-3 exemption of the acquisition of TBC Common Stock in the Merger.

6.24 TBC Employees. Any employees of the Company who are employed after the Effective Time by TBC shall be employees-at-will (except to the extent that such employees are parties to contracts providing for other employment terms, in which case such employees shall be retained in accordance with the terms of such contracts) and TBC shall provide such employees with the same customary employee benefits as TBC provides its existing employees, or reasonably equivalent benefits. For the purposes of computing such benefits, any employee retained by TBC shall receive credit for the time he was employed by the Company though nothing herein shall entitle

such employees to greater benefits than those customarily given to the existing employees of TBC.

Except as provided in Section 6.19, nothing herein shall create any right to employment for the employees of the Company.

6.25 Disclosure Schedules. TBC and the Company will deliver the TBC Disclosure Schedule and the Company Disclosure Schedule, as the case may be, to each other within ten (10) business days of the date of this Plan of Merger. TBC and the Company shall then have five (5) business days to notify the other party of any objections or exceptions taken to such other party's Disclosure Schedule. If any reasonable objection or exception cannot be cured within ten (10) business days of receipt of notice of objection or exception by the disclosing party, the notifying party may elect to terminate this Plan of Merger, without liability to either party, or its respective officers, directors, employees or agents.

Section 7. Conditions

7.1 Mutual Conditions. The respective obligations of the Company and TBC under this Plan of Merger are subject to and conditioned upon the satisfaction, prior to the Closing Date, of each of the following conditions except as both the Company and TBC may waive in writing:

(a) *Registration Statement.* The Registration Statement shall have been declared effective by the SEC and no stop order shall be in effect, and all applicable federal securities or state blue sky laws shall have been complied with or an exemption thereunder shall be available.

(b) *Listing of TBC Common Stock.* The shares of TBC Common Stock to be issued in connection with the Merger shall have been approved for listing by Nasdaq.

(c) *No Litigation.* No suit, action, claim or other proceeding shall have been threatened or pending before any court, administrative or governmental agency which, in the reasonable opinion of the Company or TBC, presents a significant risk of restraint or prohibition of the transactions contemplated hereby or the attainment of material damages or other relief against the Company or its shareholders or TBC or its stockholders in connection therewith.

(d) *Shareholder Approval.* The holders of a majority of the outstanding shares of the Company Common Stock shall have approved the adoption of the Plan of Merger and any other matters submitted to them pursuant to Section 6.4 hereof.

(e) *Approvals.* Receipt of all authorizations, approvals and/or consents of any third parties as well as the expiration of applicable waiting periods, including federal or state governmental and/or regulatory bodies and officials, necessary for the consummation of this Plan of Merger and for the continuation in all material respects of the business of TBC and the Company, without interruption after the Effective Time, in substantially the manner in which such business is now conducted shall have been received, and no such authorizations or approvals shall contain any conditions or restrictions that the Company or TBC reasonably believes will materially restrict or limit the business or activities of the Surviving Corporation subsequent to the Merger, or have a material adverse effect on their businesses, operations or financial conditions taken as a whole.

(f) *Dissenter's Rights.* Holders of not more than ten percent (10%) of the outstanding shares of the Company Common Stock shall have voted against approval of, and given notice in writing to the Company at or prior to the Company shareholders' meeting that he or she dissents from, the transactions contemplated by the Plan of Merger.

(g) *Share Exchange.* TBC and the Subsidiary shall have entered into the Share Exchange Agreement providing for the Share Exchange to immediately follow consummation of the Merger.

(h) *Employment Agreement.* TBC, the Subsidiary and Jed M. Hiers shall have entered into the employment agreement as set forth in Exhibit 6.19, providing for Mr. Hiers continued employment with the Subsidiary subsequent to the Effective Time.

7.2 Conditions in Favor of the Company. All obligations of the Company under this Plan of Merger are subject to and conditioned upon the satisfaction, prior to the Closing Date, of each of the following conditions except as the Company may waive in writing:

(a) *Material Adverse Change.* Since the date of this Plan of Merger, there have been no material adverse changes, occurrences or developments in the business of TBC that have, or would be expected to have, a material adverse effect on the business, operations or financial condition of TBC, and the Company shall not have discovered any fact or circumstance not disclosed by TBC prior to the date of this Plan of Merger that has resulted in, or could reasonably be expected to result in, a material adverse effect on the business, operations or financial condition of TBC.

(b) *Representations, Warranties and Agreements.* Each representation and warranty of TBC contained in this Plan of Merger or in any certificates, schedules or other documents delivered pursuant hereto or in connection with the transactions contemplated hereby, that is qualified as to materiality shall be true and correct, and each representation and warranty that is not so qualified shall be true and correct in all material respects, as of the date of the Plan of Merger and at the Closing Date as if then made, except to the extent that any such representation and warranty expressly relates to an earlier date (in which case any such representation and warranty that is

qualified as to materiality shall be true and correct, and any such representation that is not so qualified shall be true and correct in all material respects, as of such earlier date). TBC shall have performed and complied with all covenants, agreements and conditions required by this Plan of Merger to be performed or complied with in all material respects by them, or either of them, prior to or at the Closing Date.

(c) *Officers' Certificate.* The Company shall have received a certificate in form and content satisfactory to the Company from the appropriate officers of TBC, dated as of the Closing Date, to the effect that the representations and warranties made herein by TBC on the date hereof and on the Closing Date are true and correct as set forth in Section 4 and that TBC has performed the covenants, obligations and agreements undertaken by it herein in all material respects.

(d) *Secretary's Certificate.* The Company shall have received in form and content satisfactory to it a certificate of the Secretary or an Assistant Secretary of TBC to the effect that all necessary approvals of Plan of Merger and the Merger by the Board of Directors and shareholders of TBC were obtained at meetings duly called for such purposes and as to the incumbency of all corporate officers of TBC at all relevant times.

(e) *Legal Opinion.* The Company shall have received an opinion of Haskell Slaughter & Young, L.L.C., legal counsel for TBC, substantially in the form attached hereto as Exhibit 7.2(e). Such opinion shall be subject to reasonable and customary qualifications. In addition, counsel may rely on representations and certificates of officers and directors of TBC and certificates of public officials.

(f) *Federal Tax Opinion.* An opinion of Jenkins & Gilchrist, P.C. shall have been received by the Company to the effect that for federal income tax purposes the Merger will constitute a reorganization within the meaning of section 368(a) of the Internal Revenue Code, which opinion may be based upon representations of officers of the Company reasonably satisfactory in form and substance to such counsel.

(g) *Accountant's Letter.* The Company shall have received from Ernst & Young LLP a letter dated as of the date of the mailing of the Proxy Statement and the Closing Date, in form and substance reasonably satisfactory to the Company and customary in scope and substance for letters delivered by independent public accountants in connection with pooling of interests transactions similar to the Merger.

(h) *Proper Actions and Documentation.* All actions required to be taken by TBC in connection with the transactions contemplated by this Plan of Merger shall have been taken, and all documents incidental thereto shall be in a form and substance reasonably satisfactory to the Company, and the Company shall have received copies of all documents that it may have reasonably requested in connection with such transactions.

(i) *Opinion of Financial Advisor.* The Board of Directors of the Company shall have received an opinion from Sheshunoff by March 5, 1999, and as of the most reasonably practicable date closest and prior to the mailing of the definitive proxy materials to the effect that, as of March 5, 1999, and as of the most reasonably practicable date closest and prior to the mailing of the definitive proxy materials, respectively, the Merger Consideration is fair to the holders of Company Common Stock from a financial point of view. A written copy of such opinion shall be

delivered to the Company and TBC prior to the date on which the definitive proxy materials are filed with the SEC.

(j) *Acquisition of C&L Bank of Blountstown.* The Merger shall occur simultaneously with and be conditioned on TBC's acquisition of C&L Bank of Blountstown.

7.3 Conditions in Favor of TBC. All obligations of TBC under this Plan of Merger are subject to and shall be conditioned upon the satisfaction, prior to or on the Closing Date, of each of the following conditions except as TBC may waive such conditions in writing:

(a) *Material Adverse Change.* Since the date of this Plan of Merger there have been no material adverse changes, occurrences or developments in the business of the Company that have, or would be expected to have, a material adverse effect on the business, operations or financial condition of the Company, and TBC shall not have discovered any fact or circumstance not disclosed by the Company prior to the date of this Plan of Merger that has resulted in, or could reasonably be expected to result in, a material adverse effect on the business, operations or financial condition of the Company.

(b) *Representations, Warranties and Agreements.* Each representation and warranty of the Company contained in this Plan of Merger or in any certificates, schedules or other agreements delivered pursuant hereto or in connection with the transactions contemplated hereby, that is qualified as to materiality shall be true and correct, and each representation and warranty that is not so qualified shall be true and correct in all material respects, as of the date of the Plan of Merger and at the Closing Date as if then made, except to the extent that any such representation and warranty expressly relates to an earlier date (in which case any such representation and warranty that is qualified as to materiality shall be true and correct, and any such representation that is not so

qualified shall be true and correct in all material respects, as of such earlier date). The Company shall have performed and complied with all covenants, agreements and conditions required by this Plan of Merger to be performed or complied with in all material respects by it prior to or at the Closing Date.

(c) *Officer's Certificate.* TBC shall have received a certificate in form and content satisfactory to it from the appropriate officers of the Company, dated the Closing Date, to the effect that the representations and warranties made herein by the Company on the date hereof, and on the Closing Date, are true and correct as set forth in Section 3, and that the Company has performed the covenants, obligations and agreements undertaken by it herein in all material respects.

(d) *Secretary's Certificate.* TBC shall have received in form and content satisfactory to it a certificate of the Secretary or an Assistant Secretary of the Company to the effect that all necessary approvals of the Plan of Merger and the Merger by the Board of Directors and shareholders of the Company were obtained at meetings duly called for such purposes and as to the incumbency of all corporate officers of the Company at all relevant times.

(e) *Legal Opinion.* TBC shall have received an opinion of Jenkins & Gilchrist, P.C., legal counsel for the Company, substantially in the form attached as Exhibit 7.3(e). Such opinion shall be subject to reasonable and customary qualifications. In addition, such counsel may rely on representations and certificates of officers and directors of the Company and certificates of public officials.

(f) *Federal Tax Opinion.* An opinion of Haskell Slaughter & Young, L.L.C. shall have been received by TBC to the effect that for federal income tax purposes the Merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code,

which opinion may be based upon representations of officers of TBC reasonably satisfactory in form and substance to such counsel.

(g) *Accountant's Letter.* TBC shall have received from Ernst & Young LLP a letter dated the date of the mailing of the Proxy Statement and the Closing Date, in form and substance reasonably satisfactory to TBC and customary in scope and substance for letters delivered by independent public accountants in connection with pooling of interests transactions similar to the Merger.

(h) *Proper Actions and Documentation.* All actions required to be taken by the Company by this Plan of Merger shall have been taken or satisfied in all material respects, and all documents incidental thereto shall be in a form and substance reasonably satisfactory to TBC and its counsel, and TBC shall have received copies of all documents that they may have reasonably requested in connection with such transactions.

(i) *Acquisition of C&L Bank of Blountstown.* The Merger shall occur simultaneously with and be conditioned on TBC's acquisition of C&L Bank of Blountstown.

Section 8. Termination

8.1 Termination. This Plan of Merger may be terminated and the Merger abandoned (either before or after approvals and authorizations by the shareholders of the Company and TBC contemplated hereby and without seeking further shareholder approval) at any time prior to the Effective Time only in one of the following manners:

(a) *Mutual Agreement.* By mutual written consent of the parties authorized by their respective Boards of Directors at any time prior to the Effective Time.

(b) by either the Company or TBC:

(i) if, upon a vote at a duly held meeting of shareholders or any adjournment thereof, any required approval of the holders of shares of the Company Common Stock shall not have been obtained;

(ii) if the Merger shall not have been consummated on or before September 30, 1999, unless the failure to consummate the Merger is the result of a willful and material breach of this Plan of Merger by the party seeking to terminate this Plan of Merger; provided, however, that the passage of such period shall be tolled for any part thereof (but not exceeding 60 days in the aggregate) during which any party shall be subject to a nonfinal order, decree, ruling or action restraining, enjoining or otherwise prohibiting the consummation of the Merger or the calling or holding of a meeting of stockholders;

(iii) if any court of competent jurisdiction or other governmental entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable;

(iv) in the event of a breach by the other party of any representation, warranty, covenant or other agreement contained in this Plan of Merger which (A) would give rise to the failure of a condition set forth in Section 7.2(a) or (b) or Section 7.3(a) or (b), as applicable, and (B) cannot be or has not been cured within 30 days after the giving of written notice to the breaching party of such breach (a "Material Breach") (provided that the terminating party is not then in Material Breach of any representation, warranty, covenant or other agreement contained in this Plan of Merger);

(c) by either the Company or TBC in the event that any condition to the obligation of such party to effect the Merger set forth in Sections 7.1 or 7.2 (in the case of the Company) or Sections 7.1 or 7.3 (in the case of TBC) is not capable of being satisfied prior to the end of the period referred to in Section 8.1(b)(ii);

(d) by TBC or the Company, if TBC's or the Company's Board of Directors shall have determined, in the exercise of its fiduciary duties under applicable law, not to recommend the Merger to the holders of TBC Common Stock or the holders of the Company Common Stock or shall have withdrawn such recommendation; and

(e) by TBC or the Company, if the Closing Date Trading Price of TBC Common Stock is equal to or less than \$10.00.

8.2 Effect of Termination. In the event of termination of this Plan of Merger as provided in Section 8.1, this Plan of Merger shall forthwith become void and have no effect, without any liability or obligation on the part of any party, other than the provisions of Sections 6.14, 8.2 and 8.6, and except to the extent that such termination results from the willful and material breach by a party of any of its representations, warranties, covenants or other agreements set forth in this Plan of Merger. Further, in the event of termination of this Plan of Merger, the Confidentiality Agreement shall remain in full force and effect.

8.3 Amendment. This Plan of Merger may be amended by the parties at any time before or after any required approval of matters presented in connection with the Merger by the holders of shares of the Company Common Stock and TBC Common Stock; provided, however, that after any such approval, there shall be made no amendment that pursuant to Section 251(d) of the DGCL requires further approval by such stockholders without the further approval of such stockholders.

This Plan of Merger may not be amended except by an instrument in writing signed on behalf of each of the parties.

8.4 Extension; Waiver. At any time prior to the Effective Time of the Merger, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in this Plan of Merger or in any document delivered pursuant to this Plan of Merger or (c) subject to the proviso of Section 8.3, waive compliance with any of the agreements or conditions contained in this Plan of Merger. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Plan of Merger to assert any of its rights under this Plan of Merger or otherwise shall not constitute a waiver of such rights.

8.5 Procedure for Termination, Amendment, Extension or Waiver. A termination of this Plan of Merger pursuant to Section 8.1, an amendment of this Plan of Merger pursuant to Section 8.3, or an extension or waiver pursuant to Section 8.4 shall, in order to be effective, require in the case of the Company or TBC, action by its Board of Directors or the duly authorized designee of the Board of Directors.

8.6 Expenses and Damages. Each party shall pay its own expenses in connection with the Plan of Merger and the Merger. Nothing contained in Section 8.7 shall be deemed to preclude either party from seeking to recover damages which it incurs as a result of a breach by the other party of this Plan of Merger or to obtain other legal or equitable relief (including specific performance).

8.7 No Liability Upon Proper Termination. Upon proper termination by written notice as provided in Section 8.1 of this Plan of Merger, this Plan of Merger shall be void and of no further

effect, except as set forth in Section 8.2, and there shall be no liability by reason of this Plan of Merger or the termination thereof on the part of either TBC, the Company or the directors, officers, employees, agents or shareholders of any of them, and all such parties shall be released from all such liability, provided that any such termination shall not excuse a party for liability for any breach of this Agreement.

Section 9. Miscellaneous

9.1 Survival of Representations, Warranties and Covenants. Unless expressly provided otherwise, none of the respective representations, warranties, agreements and covenants of the parties in this Plan of Merger or in any instrument delivered pursuant to this Plan of Merger shall survive the Effective Time.

9.2 Notices. Any notice, request, instruction, legal process or other instrument to be given or served hereunder by any party to another, shall be deemed given or served if in writing and delivered personally or by facsimile and overnight courier to the respective party or parties at the following addresses or at such other address as either party may advise the other in writing from time to time:

If to TBC:

Mr. James A. Taylor
Chairman of the Board
and Chief Executive Officer
The Banc Corporation
17 North 20th Street
Birmingham, Alabama 35203

With copies to:

James A. Taylor, Jr., Esq.
Executive Vice President, General Counsel
and Secretary
The Banc Corporation
17 North 20th Street
Birmingham, Alabama 35203

and

Haskell Slaughter & Young, L.L.C.
Attn: F. Hampton McFadden, Jr., Esq.
1200 AmSouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203

If to the Company:

Mr. Jed M. Hiers
President and Chief Executive Officer
C & L Banking Corporation
Post Office Box 550
Bristol, Florida 32321

With copies to:

Jenkins & Gilchrist, P.C.
Attn: Peter G. Weinstock, Esq.
1445 Ross Avenue
Suite 3200
Dallas, Texas 75202-2799

All such communications shall be deemed to have been delivered on the date of hand delivery or on the next business day following the deposit of such communications with the overnight courier.

9.3 Employee Benefits. All employees of the Company who continue as employees of the Surviving Corporation after the Merger shall receive service credits for employment at the Company prior to the Effective Time for purposes of meeting all the eligibility requirements and all

vesting requirements for all of the Surviving Corporation's benefit programs in which such employees shall become eligible to participate on or after the Effective Time, including but not limited to health, retirement, vacation and disability plans. The Surviving Corporation will waive waiting periods and pre-existing conditions limitations under its group health plan (within the meaning of Section 5000(b)(i) of the Internal Revenue Code of 1986, as amended) for those employees of the Company who continue as employees of the Surviving Corporation after the Merger and who had coverage under compatible group health plans of the Company immediately prior to the Effective Time. The Surviving Corporation shall provide the opportunity for continuation of coverage through COBRA for any former Company employee who participated as or who had a right to elect participation as a COBRA continuee under the Company's group health plans immediately prior to the Effective Time.

9.4 Further Assurances. Each party hereby agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Plan of Merger.

9.5 "Including". The word "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific terms or matters as provided immediately following the word "including" or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference to the word "including" or the similar items or matters, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general statement, term or matter.

9.6 “Material”, “material adverse change” or “material adverse effect”. “Material” means, when used in connection with one or more entities, material to the business, prospects, assets, properties, operations, results of operations or condition (financial or other) of such entity or entities and all other entities with which such entity or entities are consolidated for financial accounting purposes, taken as a whole. “Material adverse change” or “material adverse effect” means, when used in connection with one or more entities, any change, effect, event, circumstance or occurrence that has, or is reasonably likely to have, individually or in the aggregate, a material adverse impact on the business, prospects, assets, properties, operations, results of operations or condition (financial or other) of such entity or entities and all other entities with which such entity or entities are consolidated for financial accounting purposes, taken as a whole; provided, however, that “material adverse change” and “material adverse effect” shall be deemed to exclude the impact of (i) changes in generally accepted accounting principles, (ii) the public announcement of the Merger and compliance with the provisions of this Plan of Merger, (iii) any changes resulting from any restructuring or other similar charges or write-offs taken by the Company in its consolidated financial statements with the consent of TBC, and (iv) any changes resulting from any event or circumstance affecting financial institutions generally.

9.7 Knowledge. Whenever the term “knowledge,” “best knowledge” or similar expression is used in this Plan of Merger, it shall mean knowledge of a party’s respective directors and the executive officers listed on Schedule 9.7 of each party’s respective Disclosure Schedule and to include the assurance that such knowledge is based upon reasonable investigation unless otherwise expressly provided.

9.8 Waiver or Modification. Any party to this Plan of Merger may, at any time prior to the Effective Time, by action taken by its Board of Directors or officers thereunto duly authorized, waive any of the terms or conditions of this Plan of Merger or agree to an amendment or modification to this Plan of Merger by an agreement in writing executed in the same manner (but not necessarily by the same persons) as this Plan of Merger. No amendment, modification or waiver of this Plan of Merger shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Plan of Merger shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall any waiver constitute a continuing waiver unless expressly provided. TBC's Board of Directors may authorize the amendment or supplementation of this Plan of Merger or waiver of any provision hereof or thereof, either before or after the approval of TBC's shareholders (and without seeking further shareholder approval to the extent allowed by law), so long as such amendment, supplement or waiver does not result in the reduction of the consideration given or result in an adverse tax or other effect to TBC's shareholders.

9.9 Governing Law. This Plan of Merger shall be construed in accordance with the laws of the State of Delaware, applied without giving effect to any conflicts-of-law principles.

9.10 Integration of Exhibits. All Exhibits attached to this Plan of Merger are integral parts of this Plan of Merger as if fully set forth herein, and all statements appearing therein shall be deemed disclosed for all purposes and not only in connection with the specific representation in which they are explicitly referenced.

9.11 Entire Agreement. Other than the letter dated January 28, 1999, regarding provisions to the loan allowance, the letters dated January 26, 1999 regarding the employment of Mr. Jed M.

Hiers and the director position for Mr. Jerry Smith and the Confidentiality Agreement which specifically covered the Plan of Merger, all of which are hereby incorporated by reference, this Plan of Merger contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and thereby supersedes the Letter of Intent, dated January 26, 1999, and all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations, covenants or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

9.12 Counterparts. This Plan of Merger may be executed in any number of copies, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument.

9.13 Binding Effect. This Plan of Merger shall be binding on, and shall inure to the benefit of, the parties hereto, and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Plan of Merger. No party may assign any right or obligation hereunder without the prior written consent of the other parties.

9.14 No Rule of Construction. The parties acknowledge that this Plan of Merger was initially prepared by TBC and that all parties have read and negotiated the language used in this Plan of Merger. The parties agree that, because all parties participated in negotiating and drafting this Plan of Merger, no rule of construction shall apply to this Plan of Merger which construes ambiguous language in favor of or against any party by reason of that party's role in drafting this Plan of Merger.

IN WITNESS WHEREOF, pursuant to authority duly given by the respective Boards of Directors of TBC and the Company, this Plan of Merger has been signed on behalf of said corporations by their respective duly authorized officers, all on the date, month and year first written above.

THE BANC CORPORATION

By: James A. Taylor
James A. Taylor
Chairman of the Board
and Chief Executive Officer

C&L BANKING CORPORATION

By: Jed M. Hiers
Jed M. Hiers
President and
Chief Executive Officer