

**F99000001566**

FLORIDA FILING & SEARCH SERVICES, INC.

P.O. BOX 10662 TALLAHASSEE, FL 32302

PHONE: (850) 668-4318 FAX: (850) 668-3398

FILED  
00 SEP 15 PM 1:31  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

DATE: SEPTEMBER 15, 2000

ACCOUNT: FCA000000015

*merger*

AUTHORIZATION: ABBIE/PAUL HODGE

*Abbie Hodge*

TYPE: ARTICLES OF MERGER

300003394323-18

EAST COAST BANK CORPORATION

WITH AND INTO

REGIONS FINANCIAL CORPORATION

RECEIVED  
00 SEP 15 PM 1:29  
DIVISION OF CORPORATION

PLEASE RETURN CERTIFIED COPY

*\$70.00*

*filing  
certification*

*RR  
9/18/00*

*\$52.50*

ARTICLES OF MERGER  
Merger Sheet

-----  
MERGING:

EAST COAST BANK CORPORATION, a Florida corporation F94883

INTO

**REGIONS FINANCIAL CORPORATION**, a Delaware entity, F99000001566

File date: September 15, 2000

Corporate Specialist: Annette Ramsey

Account number: FCA000000015

Amount charged: 122.50

**ARTICLES OF MERGER**  
**OF**  
**EAST COAST BANK CORPORATION**  
**WITH AND INTO**  
**REGIONS FINANCIAL CORPORATION**

FILED  
00 SEP 15 PM 1:31  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Business Corporation Act, Regions Financial Corporation ("Corporation"), a corporation organized and existing under the laws of the State of Delaware and East Coast Bank Corporation ("East Coast"), a corporation organized and existing under the laws of the State of Florida, hereby execute the following Articles of Merger:

1. The agreement and plan of merger dated April 21, 2000 (the "Plan of Merger"), providing for the merger of East Coast with and into Regions (the "Merger"), is set forth as Appendix A to these Articles of Merger. The Plan of Merger was adopted by the board of directors of Regions on March 15, 2000, and by the board of directors of East Coast on April 21, 2000.

2. Regions shall be the surviving corporation resulting from the Merger and shall continue to be a corporation organized and existing under the laws of the State of Delaware.

3. The Plan of Merger was approved by action of the unanimous written consent of the stockholders of East Coast, effective September 14, 2000, given in accordance with the provisions of Section 607.0704 of the Florida Business Corporation Act. In accordance with the applicable provisions of the Delaware General Corporation Law, the approval of the Plan of Merger by the stockholders of Regions was not required for consummation of the Merger.

4. The Merger is to become effective at 12:00 P.M. Central Time on September 15, 2000

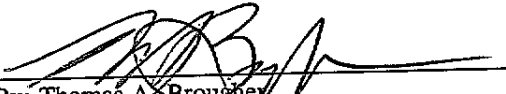
5. Each of the undersigned officers of Regions and East Coast acknowledges and certifies that he or she has read the information contained herein and the same is true and correct to the best of the undersigned's knowledge and belief.

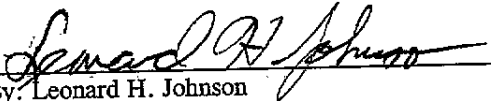
6. These Articles of Merger may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles of Merger to be executed in its name by its duly authorized officer and attested by its secretary or assistant secretary as of this 14<sup>th</sup> day of September, 2000.

ATTEST:

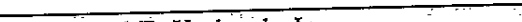
EAST COAST BANK CORPORATION


  
By: Thomas A. Brougher  
Its: Corporate Secretary

  
By: Leonard H. Johnson  
Its: President

ATTEST:

REGIONS FINANCIAL CORPORATION

  
By: Samuel E. Upchurch, Jr.  
Its: Corporate Secretary

  
By: Carl E. Jones, Jr.  
Its: President and Chief Executive Officer

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles of Merger to be executed in its name by its duly authorized officer and attested by its secretary or assistant secretary as of this 14<sup>th</sup> day of September, 2000.

ATTEST:

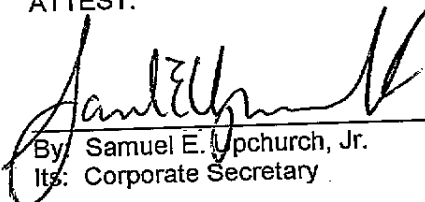
EAST COAST BANK CORPORATION

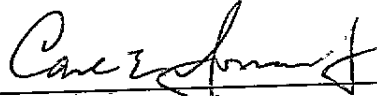
\_\_\_\_\_  
By: Thomas A. Brougher  
Its: Corporate Secretary

\_\_\_\_\_  
By: Leonard H. Johnson  
Its: President

ATTEST:

REGIONS FINANCIAL CORPORATION

  
\_\_\_\_\_  
By: Samuel E. Upchurch, Jr.  
Its: Corporate Secretary

  
\_\_\_\_\_  
By: Carl E. Jones, Jr.  
Its: President and Chief Executive Officer

---

## **APPENDIX A**

**CONFORMED COPY**

**AGREEMENT AND PLAN OF MERGER  
BY AND BETWEEN  
EAST COAST BANK CORPORATION  
AND  
REGIONS FINANCIAL CORPORATION**

**Dated as of April 21, 2000**

## AGREEMENT AND PLAN OF MERGER

**THIS AGREEMENT AND PLAN OF MERGER** (this "Agreement") is made and entered into as of April 21, 2000, by and between **EAST COAST BANK CORPORATION** ("East Coast"), a corporation organized and existing under the Laws of the State of Florida, with its principal office located in Ormond Beach, Florida; and **REGIONS FINANCIAL CORPORATION** ("Regions"), a corporation organized and existing under the Laws of the State of Delaware, with its principal office located in Birmingham, Alabama.

### Preamble

The Boards of Directors of East Coast and Regions are of the opinion that the transactions described herein are in the best interests of the parties to this Agreement and their respective stockholders. This Agreement provides for the acquisition of East Coast by Regions pursuant to the merger of East Coast with and into Regions. At the effective time of the merger, the outstanding shares of the capital stock of East Coast shall be converted into shares of the common stock of Regions (except as provided herein). As a result, stockholders of East Coast shall become stockholders of Regions, and each of the subsidiaries of East Coast shall continue to conduct its business and operations as a subsidiary of Regions. The transactions described in this Agreement are subject to the approvals of the stockholders of East Coast, the Board of Governors of the Federal Reserve System, and certain state regulatory authorities, and the satisfaction of certain other conditions described in this Agreement. It is the intention of the parties to this Agreement that the Merger for federal income tax purposes shall qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code.

As a condition and inducement to Regions' willingness to enter into this Agreement, each of East Coast's directors is executing and delivering to Regions an agreement (a "Support Agreement"), in substantially the form of Exhibit 1.

Certain terms used in this Agreement are defined in Section 11.1 of this Agreement.

**NOW, THEREFORE**, in consideration of the above and the mutual warranties, representations, covenants, and agreements set forth herein, the Parties agree as follows:

### ARTICLE 1 TRANSACTIONS AND TERMS OF MERGER

**1.1 Merger.** Subject to the terms and conditions of this Agreement, at the Effective Time, East Coast shall be merged with and into Regions in accordance with the provisions of Section 607.1107 of the FBCA and Sections 252 and 258 of the DGCL and with the effect provided in Section 607.1106 of the FBCA and Section 259 of the DGCL, respectively (the "Merger"). Regions shall be the Surviving Corporation resulting from the Merger and shall



continue to be governed by the Laws of the State of Delaware. The Merger shall be consummated pursuant to the terms of this Agreement, which has been approved and adopted by the respective Boards of Directors of East Coast and Regions.

**1.2 Time and Place of Closing.** The consummation of the Merger (the "Closing") shall take place at 9:00 A.M. on the date that the Effective Time occurs (or the immediately preceding day if the Effective Time is earlier than 9:00 A.M.), or at such other time as the Parties, acting through their duly authorized officers, may mutually agree. The place of Closing shall be at such location as may be mutually agreed upon by the Parties.

**1.3 Effective Time.** The Merger and the other transactions contemplated by this Agreement shall become effective on the date and at the time the Florida Articles of Merger reflecting the Merger shall become effective with the Secretary of State of the State of Florida and the Delaware Certificate of Merger reflecting the Merger shall become effective with the Secretary of State of the State of Delaware (the "Effective Time"). Subject to the terms and conditions hereof, unless otherwise mutually agreed upon by the duly authorized officers of each Party, the Parties shall use their reasonable efforts to cause the Effective Time to occur on the last business day of the month in which the last of the following occurs: (i) the effective date (including expiration of any applicable waiting period) of the last required Consent of any Regulatory Authority having authority over and approving or exempting the Merger; and (ii) the date on which the stockholders of East Coast approve the matters relating to this Agreement required to be approved by such stockholders by applicable Law, or such later day within 30 days thereof as may be specified by Regions.

**1.4 Execution of Support Agreements.** Immediately prior to the execution of this Agreement and as a condition hereto, each of the directors of East Coast is executing and delivering to Regions a Support Agreement.

## **ARTICLE 2**

### **TERMS OF MERGER**

**2.1 Certificate of Incorporation.** The Certificate of Incorporation of Regions in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation after the Effective Time until otherwise amended or repealed.

**2.2 Bylaws.** The Bylaws of Regions in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation after the Effective Time until otherwise amended or repealed.

**2.3 Directors and Officers.** The directors of Regions in office immediately prior to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the directors of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation. The officers of Regions in office immediately prior

to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the officers of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation.

### **ARTICLE 3** **MANNER OF CONVERTING SHARES**

**3.1 Conversion of Shares.** Subject to the provisions of this Article 3, at the Effective Time, by virtue of the Merger and without any action on the part of Regions or East Coast, or the stockholders of either of the foregoing, the shares of the constituent corporations shall be converted as follows:

(a) Each share of Regions Common Stock issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding from and after the Effective Time.

(b) Each share of East Coast Common Stock (excluding shares held by any East Coast Company or any Regions Company, in each case other than in a fiduciary capacity or as a result of debts previously contracted) issued and outstanding at the Effective Time shall be converted into 1,750 shares of Regions Common Stock (the "Exchange Ratio").

**3.2 Anti-Dilution Provisions.** In the event East Coast changes the number of shares of East Coast Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend or similar recapitalization with respect to such stock, the Exchange Ratio shall be proportionately adjusted. In the event Regions changes the number of shares of Regions Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend, or similar recapitalization with respect to such stock and the record date therefor (in the case of a stock dividend) or the effective date thereof (in the case of a stock split or similar recapitalization for which a record date is not established) shall be prior to the Effective Time, the Exchange Ratio shall be proportionately adjusted.

**3.3 Shares Held by East Coast or Regions.** Each of the shares of East Coast Common Stock held by any East Coast Company or by any Regions Company, in each case other than in a fiduciary capacity or as a result of debts previously contracted, shall be canceled and retired at the Effective Time and no consideration shall be issued in exchange therefor.

**3.4 Dissenting Stockholders.** Any holder of shares of East Coast Common Stock who perfects such holder's dissenters' rights of appraisal in accordance with and as contemplated by Sections 607.1302 and 607.1320 of the FBCA shall be entitled to receive the value of such shares in cash as determined pursuant to such provision of Law, provided, however, that no such payment shall be made to any dissenting stockholder unless and until such dissenting stockholder has complied with the applicable provisions of the FBCA and surrendered to the Surviving Corporation the certificate or certificates representing the shares for which payment is being

made. In the event that after the Effective Time a dissenting stockholder of East Coast fails to perfect, or effectively withdraws or loses, such holder's right to appraisal and of payment for such holder's shares, Regions shall issue and deliver the consideration to which such holder of shares of East Coast Common Stock is entitled under this Article 3 (without interest) upon surrender by such holder of the certificate or certificates representing shares of East Coast Common Stock held by such holder. East Coast will establish an escrow account with an amount sufficient to satisfy the maximum aggregate payment that may be required to be paid to dissenting stockholders. Upon satisfaction of all claims of dissenting stockholders, the remaining escrowed amount, reduced by payment of the fees and expenses of the escrow agent, will be returned to East Coast.

**3.5 Fractional Shares.** Notwithstanding any other provision of this Agreement, each holder of shares of East Coast Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Regions 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 a fractional part of a share of Regions Common Stock multiplied by the market value of one share of Regions Common Stock at the Effective Time. The market value of one share of Regions Common Stock at the Effective Time shall be the last sale price of Regions Common Stock at the close of regular trading on the Nasdaq NMS (as reported by *The Wall Street Journal* or, if not reported thereby, any other authoritative source selected by Regions) on the last trading day preceding the Effective Time. No such holder will be entitled to dividends, voting rights, or any other rights as a stockholder in respect of any fractional shares.

#### **ARTICLE 4** **EXCHANGE OF SHARES**

**4.1 Exchange Procedures.** Promptly after the Effective Time, Regions and East Coast shall cause the exchange agent selected by Regions (the "Exchange Agent") to mail to the former stockholders of East Coast appropriate transmittal materials (which shall specify that delivery shall be effected, and risk of loss and title to the certificates theretofore representing shares of East Coast Common Stock shall pass, only upon proper delivery of such certificates to the Exchange Agent). After the Effective Time, each holder of shares of East Coast Common Stock (other than shares to be canceled pursuant to Section 3.3 of this Agreement or as to which dissenters' rights of appraisal as contemplated by Section 3.4 of this Agreement have been perfected and not withdrawn or forfeited under Section 607.1320 of the FBCA) issued and outstanding at the Effective Time promptly upon surrender the certificate or certificates representing such shares to the Exchange Agent, shall receive in exchange therefor the consideration provided in Section 3.1 of this Agreement, together with all undelivered dividends and other distributions in respect of such shares (without interest thereon) pursuant to Section 4.2 of this Agreement. To the extent required by Section 3.5 of this Agreement, each holder of shares of East Coast Common Stock issued and outstanding at the Effective Time also shall receive, upon surrender of the certificate or certificates representing such shares, cash in lieu of any fractional share of Regions Common Stock to which such holder may be otherwise entitled

(without interest). Until so surrendered, each outstanding certificate of East Coast Common Stock shall be deemed for all purposes, other than as provided below with respect to the payment of dividends or other distributions payable to the holders of shares of Regions Common Stock, to represent the consideration into which the number of shares of East Coast Common Stock represented thereby prior to the Effective Time shall have been converted. Regions shall not be obligated to deliver the consideration to which any former holder of East Coast Common Stock is entitled as a result of the Merger until such holder surrenders such holder's certificate or certificates representing the shares of East Coast Common Stock for exchange as provided in this Section 4.1. The certificate or certificates of East Coast Common Stock so surrendered shall be duly endorsed as the Exchange Agent may require. Any other provision of this Agreement notwithstanding, neither the Surviving Corporation, East Coast, nor the Exchange Agent shall be liable to a holder of East Coast Common Stock for any amounts paid or property delivered in good faith to a public official pursuant to any applicable abandoned property Law.

**4.2 Rights of Former East Coast Stockholders.** At the Effective Time, the stock transfer books of East Coast shall be closed as to holders of East Coast Common Stock immediately prior to the Effective Time and no transfer of East Coast Common Stock by any such holder shall thereafter be made or recognized. Until surrendered for exchange in accordance with the provisions of Section 4.1 of this Agreement, each certificate theretofore representing shares of East Coast Common Stock (other than shares to be canceled pursuant to Sections 3.3 and 3.4 of this Agreement) shall from and after the Effective Time represent for all purposes only the right to receive the consideration provided in Sections 3.1 and 3.5 of this Agreement in exchange therefor, subject, however, to the Surviving Corporation's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which have been declared or made by East Coast in respect of such shares of East Coast Common Stock in accordance with the terms of this Agreement and which remain unpaid at the Effective Time. To the extent permitted by Law, former stockholders of record of East Coast shall be entitled to vote after the Effective Time at any meeting of Regions stockholders the number of whole shares of Regions Common Stock into which their respective shares of East Coast Common Stock are converted, regardless of whether such holders have exchanged their certificates representing East Coast Common Stock for certificates representing Regions Common Stock in accordance with the provisions of this Agreement. Whenever a dividend or other distribution is declared by Regions on the Regions Common Stock, the record date for which is at or after the Effective Time, the declaration shall include dividends or other distributions on all shares of Regions Common Stock issuable pursuant to this Agreement, but no dividend or other distribution payable to the holders of record of Regions Common Stock as of any time subsequent to the Effective Time shall be delivered to the holder of any certificate representing shares of East Coast Common Stock issued and outstanding at the Effective Time until such holder surrenders such certificate for exchange as provided in Section 4.1 of this Agreement. However, upon surrender of such East Coast Common Stock certificate, both the Regions Common Stock certificate (together with all such undelivered dividends or other distributions without interest) and any undelivered dividends and cash payments to be paid for fractional share interests (without interest) shall be delivered and paid with respect to each share represented by such certificate.

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES OF EAST COAST**

East Coast hereby represents and warrants to Regions as follows:

**5.1 Organization, Standing, and Power.** East Coast is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Florida, and has the corporate power and authority to carry on its business as now conducted and to own, lease, and operate its Material Assets. East Coast is duly qualified or licensed to transact business as a foreign corporation in good standing in the States of the United 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 East Coast.

**5.2 Authority; No Breach By Agreement.**

(a) East Coast has the corporate power and authority necessary to execute, deliver, and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement, and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized by all necessary corporate action in respect thereof on the part of East Coast, subject to the approval of this Agreement by the holders of a majority of the shares of East Coast Common Stock entitled to vote thereon, which is the only stockholder vote required for approval of this Agreement and consummation of the Merger by East Coast. Subject to such requisite stockholder approval, this Agreement represents a legal, valid, and binding obligation of East Coast, enforceable against East Coast in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Neither the execution and delivery of this Agreement by East Coast, nor the consummation by East Coast of the transactions contemplated hereby, nor compliance by East Coast with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of East Coast's Articles of Incorporation or Bylaws, or (ii) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of any East Coast Company under, any Contract or Permit of any East Coast Company, where such Default or Lien, or any failure to obtain such Consent, is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, or (iii) subject to receipt of the requisite Consents referred to in Section 9.1(b) of this Agreement, violate any Law or Order applicable to any East Coast Company or any of their respective Material Assets.

(c) Other than in connection or compliance with the provisions of the Securities Laws, applicable state corporate and securities Laws, and rules of the NASD, and other than Consents required from Regulatory Authorities, and other than notices to or filings with the Internal Revenue Service or the Pension Benefit Guaranty Corporation or both with respect to any employee benefit plans, or under the HSR Act, and other than Consents, filings, or notifications which, if not obtained or made, are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, no notice to, filing with, or Consent of, any public body or authority is necessary for the consummation by East Coast of the Merger and the other transactions contemplated in this Agreement.

### **5.3 Capital Stock.**

(a) The authorized capital stock of East Coast consists, as of the date of this Agreement, of 750,000 shares of East Coast Common Stock, of which 299 shares are issued and outstanding as of the date of this Agreement and not more than 299 shares will be issued and outstanding at the Effective Time. All of the issued and outstanding shares of East Coast Common Stock are duly and validly issued and outstanding and are fully paid and nonassessable under the FBCA. None of the outstanding shares of East Coast Common Stock has been issued in violation of any preemptive rights of the current or past stockholders of East Coast

(b) Except as set forth in Section 5.3(a) of this Agreement or Section 5.3(b) of the East Coast Disclosure Memorandum, there are no shares of capital stock or other equity securities of East Coast outstanding and no outstanding Rights relating to the capital stock of East Coast.

**5.4 East Coast Subsidiaries.** East Coast has disclosed in Section 5.4 of the East Coast Disclosure Memorandum all of the East Coast Subsidiaries as of the date of this Agreement. East Coast or one of its Subsidiaries owns all of the issued and outstanding shares of capital stock of each East Coast Subsidiary. No equity securities of any East Coast Subsidiary are or may become required to be issued (other than to another East Coast Company) by reason of any Rights, and there are no Contracts by which any East Coast Subsidiary is bound to issue (other than to another East Coast Company) additional shares of its capital stock or Rights or by which any East Coast Company is or may be bound to transfer any shares of the capital stock of any East Coast Subsidiary (other than to another East Coast Company). There are no Contracts relating to the rights of any East Coast Company to vote or to dispose of any shares of the capital stock of any East Coast Subsidiary. All of the shares of capital stock of each East Coast Subsidiary held by an East Coast Company are fully paid and nonassessable under the applicable corporate or banking Law of the jurisdiction in which such Subsidiary is incorporated or organized and are owned by the East Coast Company free and clear of any Lien. Each East Coast Subsidiary is either a bank or a corporation, and is duly organized, validly existing, and (as to corporations) in good standing under the Laws of the jurisdiction in which it is incorporated or organized, and has the corporate power and authority necessary for it to own, lease, and operate its Assets and to carry on its business as now conducted. Each East Coast Subsidiary is duly

qualified or licensed to transact business as a foreign corporation in good standing in the States of the United 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 East Coast. Each East Coast Subsidiary that is a depository institution is an "insured depository institution" as defined in the Federal Deposit Insurance Act and applicable regulations thereunder, and the deposits in which are insured by the Bank Insurance Fund or Savings Association Insurance Fund.

**5.5 Financial Statements.** East Coast has disclosed in Section 5.5 of the East Coast Disclosure Memorandum, and has delivered to Regions copies of, all East Coast Financial Statements prepared for periods ended prior to the date hereof and will deliver to Regions copies of all East Coast Financial Statements prepared subsequent to the date hereof. The East Coast Financial Statements (as of the dates thereof and for the periods covered thereby) (i) are or, if dated after the date of this Agreement, will be in accordance with the books and records of the East Coast Companies, which are or will be, as the case may be, complete and correct and which have been or will have been, as the case may be, maintained in accordance with past business practices, and (ii) present or will present, as the case may be, fairly the consolidated financial position of the East Coast Companies as of the dates indicated and the consolidated results of operations, changes in stockholders' equity, and cash flows of the East Coast Companies for the periods indicated, in accordance with GAAP (subject to any exceptions as to consistency specified therein or as may be indicated in the notes thereto or, in the case of interim financial statements, to normal recurring year-end adjustments which were not or are not expected to be Material in amount or effect).

**5.6 Absence of Undisclosed Liabilities.** No East Coast Company has any Liabilities that are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, except Liabilities which are accrued or reserved against in the consolidated balance sheets of East Coast, included in the East Coast Financial Statements or reflected in the notes thereto and except for Liabilities incurred in the ordinary course of business subsequent to September 30, 1999. No East Coast Company has incurred or paid any Liability since September 30, 1999, except for such Liabilities incurred or paid in the ordinary course of business consistent with past business practices and which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, and except for the fees and expenses relating to the Merger as described in Article 11 hereof.

**5.7 Absence of Certain Changes or Events.** Since September 30, 1999, except as disclosed in the East Coast Financial Statements delivered prior to the date of the Agreement or as otherwise disclosed in the East Coast Disclosure Memorandum, (i) there have been no events, changes, or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, and (ii) the East Coast Companies have not taken any action, or failed to take any action, prior to the date of this Agreement, which action or failure, if taken after the date of this Agreement, would represent or result in a Material breach or violation of any of the covenants and agreements of East Coast provided in Article 7 of this

Agreement, other than conducting the process that has led up to the execution and consummation of this Agreement.

#### **5.8 Tax Matters.**

(a) Since December 31, 1992, all Tax Returns required to be filed by or on behalf of any of the East Coast Companies have been timely filed, or requests for extensions have been timely filed, granted, and have not expired for periods ended on or before December 31, 1998, and, to the Knowledge of East Coast, all Tax Returns filed are complete and accurate in all Material respects. All Tax Returns for periods ending on or before the date of the most recent fiscal year end immediately preceding the Effective Time will be timely filed or requests for extensions will be timely filed. All Taxes shown on filed Tax Returns have been paid. There is no audit examination, deficiency, or refund Litigation with respect to any Taxes, that is reasonably likely to result in a determination that would have, individually or in the aggregate, a Material Adverse Effect on East Coast, except to the extent reserved against in the East Coast Financial Statements dated prior to the date of this Agreement. All Taxes and other Liabilities due with respect to completed and settled examinations or concluded Litigation have been paid.

(b) None of the East Coast Companies has executed an extension or waiver of any statute of limitations on the assessment or collection of any Tax due (excluding such statutes that relate to years currently under examination by the Internal Revenue Service or other applicable taxing authorities) that is currently in effect.

(c) Adequate provision for any Taxes due or to become due for any of the East Coast Companies for the period or periods through and including the date of the respective East Coast Financial Statements has been made and is reflected on such East Coast Financial Statements.

(d) Each of the East Coast Companies is in compliance with, and its records contain the information and documents (including properly completed IRS Forms W-9) necessary to comply with, in all material respects, applicable information reporting and Tax withholding requirements under federal, state, and local Tax Laws, and such records identify with specificity all accounts subject to backup withholding under Section 3406 of the Internal Revenue Code.

(e) None of the East Coast Companies has made any payments, is obligated to make any payments, or is a party to any contract, agreement, or other arrangement that could obligate it to make any payments that would be disallowed as a deduction under Section 280G or 162(m) of the Internal Revenue Code, except as set forth in Section 5.8(e) of the East Coast Disclosure Memorandum; provided that none of the contracts disclosed therein contains any "gross up" provision.

(f) There are no Material Liens with respect to Taxes upon any of the Assets of the East Coast Companies.



(g) There has not been an ownership change, as defined in Internal Revenue Code Section 382(g), of the East Coast Companies that occurred during or after any Taxable Period in which the East Coast Companies incurred a net operating loss that carries over to any Taxable Period ending after December 31, 1998.

(h) No East Coast Company has filed any consent under Section 341(f) of the Internal Revenue Code concerning collapsible corporations.

(i) After the date of this Agreement, no Material election with respect to Taxes will be made without the prior consent of Regions, which consent will not be unreasonably withheld.

(j) No East Coast Company has or has had a permanent establishment in any foreign country, as defined in any applicable tax treaty or convention between the United States and such foreign country.

**5.9 Assets.** The East Coast Companies have good and marketable title, free and clear of all Liens, to all of their respective Assets other than such defects and liens which are not reasonably likely to have a Material Adverse Effect on the East Coast Companies. All tangible properties used in the businesses of the East Coast Companies are in good condition, reasonable wear and tear excepted, and are usable in the ordinary course of business consistent with East Coast's past practices. All Assets which are Material to East Coast's business on a consolidated basis, held under leases or subleases by any of the East Coast Companies, are held under valid Contracts enforceable in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceedings may be brought), and each such Contract is in full force and effect. The East Coast Companies currently maintain insurance in amounts, scope and coverage reasonably necessary for their operations. None of the East Coast Companies has received notice from any insurance carrier that (i) such insurance will be canceled or that coverage thereunder will be reduced or eliminated, or (ii) premium costs with respect to such policies of insurance will be substantially increased. There are presently no claims pending under such policies of insurance and no notices have been given by any East Coast Company under such policies. The Assets of the East Coast Companies include all Material Assets required to operate the business of the East Coast Companies as presently conducted.

#### **5.10 Environmental Matters.**

(a) Each East Coast Company, its Participation Facilities, and its Loan Properties are, and have been, in compliance with all Environmental Laws, except those instances of non-compliance which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

(b) There is no Litigation pending or, to the Knowledge of East Coast, threatened before any court, governmental agency, or authority, or other forum in which any East Coast Company or any of its Participation Facilities has been or, with respect to threatened Litigation, may reasonably be expected to be named as a defendant (i) for alleged noncompliance (including by any predecessor) with any Environmental Law or (ii) relating to the release into the environment of any Hazardous Material, whether or not occurring at, on, under, or involving a site owned, leased, or operated by any East Coast Company or any of its Participation Facilities, except for such Litigation pending or threatened that is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

(c) There is no Litigation pending, or to the Knowledge of East Coast, threatened before any court, governmental agency, or board, or other forum in which any of its Loan Properties (or East Coast in respect of such Loan Property) has been or, with respect to threatened Litigation, may reasonably be expected to be named as a defendant or potentially responsible party (i) for alleged noncompliance (including by any predecessor) with any Environmental Law or (ii) relating to the release into the environment of any Hazardous Material, whether or not occurring at, on, under, or involving a Loan Property, except for such Litigation pending or threatened that is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

(d) To the Knowledge of East Coast, there is no reasonable basis for any Litigation of a type described in subsections (b) or (c), except such as is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

(e) To the Knowledge of East Coast, during the period of (i) any East Coast Company's ownership or operation of any of their respective current properties, (ii) any East Coast Company's participation in the management of any Participation Facility, or (iii) any East Coast Company's holding of a security interest in a Loan Property, there have been no releases of Hazardous Material in, on, under, or affecting (or potentially affecting) such properties, except such as are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. Prior to the period of (i) any East Coast Company's ownership or operation of any of their respective current properties, (ii) any East Coast Company's participation in the management of any Participation Facility, or (iii) any East Coast Company's holding of a security interest in a Loan Property, to the Knowledge of East Coast, there were no releases of Hazardous Material in, on, under, or affecting any such property, Participation Facility, or Loan Property, except such as are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

**5.11 Compliance with Laws.** East Coast is duly registered as a bank holding company under the BHC Act. Each East Coast Company has in effect all Permits necessary for it to own, lease, or operate its Material Assets and to carry on its business as now conducted, except for those Permits the absence of which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, and there has occurred no Default under

any such Permit, other than Defaults which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. None of the East Coast Companies:

(a) is in violation of any Laws, Orders, or Permits applicable to its business or employees conducting its business, except for violations which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast; and

(b) has received any notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof (i) asserting that any East Coast Company is not in compliance with any of the Laws or Orders which such governmental authority or Regulatory Authority enforces, where such noncompliance is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, (ii) threatening to revoke any Permits, the revocation of which is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, or (iii) requiring any East Coast Company (x) to enter into or consent to the issuance of a cease and desist order, formal agreement, directive, commitment, or memorandum of understanding, or (y) to adopt any Board resolution or similar undertaking, which restricts materially the conduct of its business, or in any Material manner relates to its capital adequacy, its credit or reserve policies, its management, or the payment of dividends.

**5.12 Labor Relations.** No East Coast Company is the subject of any Litigation asserting that it or any other East Coast Company has committed an unfair labor practice (within the meaning of the National Labor Relations Act or comparable state Law) or seeking to compel it or any other East Coast Company to bargain with any labor organization as to wages or conditions of employment, nor is any East Coast Company a party to or bound by any collective bargaining agreement, Contract, or other agreement or understanding with a labor union or labor organization, nor is there any strike or other labor dispute involving any East Coast Company, pending or, to the Knowledge of East Coast, threatened, or to the Knowledge of East Coast, is there any activity involving any East Coast Company's employees seeking to certify a collective bargaining unit or engaging in any other organization activity.

**5.13 Employee Benefit Plans.**

(a) East Coast has disclosed to Regions in writing prior to the execution of the Agreement and in Section 5.13 of the East Coast Disclosure Memorandum, and has delivered or made available to Regions prior to the execution of this Agreement correct and complete copies in each case of, all Material East Coast Benefit Plans. For purposes of this Agreement, "East Coast Benefit Plans" means all written pension, retirement, profit-sharing, deferred compensation, stock option, employee stock ownership, severance pay, vacation, bonus, or other incentive plan, all other written employee programs or agreements, all medical, vision, dental, or other written health plans, all life insurance plans, and all other written employee benefit plans or fringe benefit plans, including written "employee benefit plans" as that term is defined in Section 3(3) of ERISA maintained by, sponsored in whole or in part by, or contributed to by, any East Coast Company for the benefit of employees, retirees, dependents, spouses, directors, independent contractors, or

other beneficiaries and under which employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries are eligible to participate. Any of the East Coast Benefit Plans which is an "employee welfare benefit plan," as that term is defined in Section 3(1) of ERISA, or an "employee pension benefit plan," as that term is defined in Section 3(2) of ERISA, is referred to herein as an "East Coast ERISA Plan." Any East Coast ERISA Plan which is also a "defined benefit plan" (as defined in Section 414(j) of the Internal Revenue Code or Section 3(35) of ERISA) is referred to herein as an "East Coast Pension Plan." Neither East Coast nor any East Coast Company has an "obligation to contribute" (as defined in ERISA Section 4212) to a "multiemployer plan" (as defined in ERISA Sections 4001(a)(3) and 3(37)(A)). Each "employee pension benefit plan," as defined in Section 3(2) of ERISA, ever maintained by any East Coast Company, that was intended to qualify under Section 401(a) of the Internal Revenue Code is disclosed as such in Section 5.13 of the East Coast Disclosure Memorandum.

(b) East Coast has delivered or made available to Regions prior to the execution of this Agreement correct and complete copies of the following documents: (i) all trust agreements or other funding arrangements for such East Coast Benefit Plans (including insurance contracts), and all amendments thereto, (ii) with respect to any such East Coast Benefit Plans or amendments, all determination letters, Material rulings, Material opinion letters, Material information letters, or Material advisory opinions issued by the Internal Revenue Service, the United States Department of Labor, or the Pension Benefit Guaranty Corporation after December 31, 1994, (iii) annual reports or returns, audited or unaudited financial statements, actuarial valuations and reports, and summary annual reports prepared for any East Coast Benefit Plan with respect to the most recent plan year and (iv) the most recent summary plan descriptions and any Material modifications thereto.

(c) All East Coast Benefit Plans are in compliance with the applicable terms of ERISA, the Internal Revenue Code, and any other applicable Laws, the breach or violation of which is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. Each East Coast ERISA Plan which is intended to be qualified under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service, and East Coast is not aware of any circumstances likely to result in revocation of any such favorable determination letter. Each trust created under any East Coast ERISA Plan has been determined to be exempt from Tax under Section 501(a) of the Internal Revenue Code and East Coast is not aware of any circumstance which will or could reasonably result in revocation of such exemption. With respect to each East Coast Benefit Plan to the Knowledge of East Coast, no event has occurred which will or could reasonably give rise to a loss of any intended Tax consequences under the Internal Revenue Code or to any Tax under Section 511 of the Internal Revenue Code that is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect on East Coast. There is no Material pending or, to the Knowledge of East Coast, threatened Litigation relating to any East Coast ERISA Plan.

(d) No East Coast Company has engaged in a transaction with respect to any East Coast Benefit Plan that, assuming the Taxable Period of such transaction expired as of the date of this Agreement, would subject any East Coast Company to a Material tax or penalty imposed by either Section 4975 of the Internal Revenue Code or Section 502(i) of ERISA in

amounts which are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. Neither East Coast nor, any administrator or fiduciary of any East Coast Benefit Plan (or any agent of any of the foregoing) has engaged in any transaction, or acted or failed to act in any manner which could subject East Coast to any direct or indirect Liability (by indemnity or otherwise) for breach of any fiduciary, co-fiduciary, or other duty under ERISA, where such Liability, individually or in the aggregate, is reasonably likely to have a Material Adverse Effect on East Coast. No oral or written representation or communication with respect to any aspect of the East Coast Benefit Plans has been made to employees of any East Coast Company which is not in accordance with the written or otherwise preexisting terms and provisions of such plans, where any Liability with respect to such representation or disclosure is reasonably likely to have a Material Adverse Effect on East Coast.

(e) No East Coast Pension Plan has any "unfunded current liability," as that term is defined in Section 302(d)(8)(A) of ERISA, and the fair market value of the Assets of any such plan exceeds the plan's "benefit liabilities," as that term is defined in Section 4001(a)(16) of ERISA, when determined under actuarial factors that would apply if the plan terminated in accordance with all applicable legal requirements. Since the date of the most recent actuarial valuation, there has been (i) no Material change in the financial position or funded status of any East Coast Pension Plan, (ii) no change in the actuarial assumptions with respect to any East Coast Pension Plan, and (iii) no increase in benefits under any East Coast Pension Plan as a result of plan amendments or changes in applicable Law, any of which is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. Neither any East Coast Pension Plan nor any "single-employer plan," within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by any East Coast Company, or the single-employer plan of any entity which is considered one employer with East Coast under Section 4001 of ERISA or Section 414 of the Internal Revenue Code or Section 302 of ERISA (whether or not waived) (an "East Coast ERISA Affiliate") has an "accumulated funding deficiency" within the meaning of Section 412 of the Internal Revenue Code or Section 302 of ERISA. All contributions with respect to an East Coast Pension Plan or any single-employer plan of an East Coast ERISA Affiliate have or will be timely made and there is no lien or expected to be a lien under Internal Revenue Code Section 412(n) or ERISA Section 302(f) or Tax under Internal Revenue Code Section 4971. No East Coast Company has provided, or is required to provide, security to an East Coast Pension Plan or to any single-employer plan of an East Coast ERISA Affiliate pursuant to Section 401(a)(29) of the Internal Revenue Code. All premiums required to be paid under ERISA Section 4006 have been timely paid by East Coast, except to the extent any failure would not have a Material Adverse Effect on East Coast.

(f) No Liability under Title IV of ERISA has been or is expected to be incurred by any East Coast Company with respect to any defined benefit plan currently or formerly maintained by any of them or by any East Coast ERISA Affiliate that has not been satisfied in full (other than Liability for Pension Benefit Guaranty Corporation premiums, which have been paid when due, except to the extent any failure would not have a Material Adverse Effect on East Coast).

(g) No East Coast Company has any obligations for retiree health and retiree life benefits under any of the East Coast Benefit Plans other than with respect to benefit coverage mandated by applicable Law, except as set forth in Section 5.13(g) of the East Coast Disclosure Memorandum.

(h) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, by themselves, (i) result in any payment (including, without limitation, severance, unemployment compensation, golden parachute, or otherwise) becoming due to any director or any employee of any East Coast Company from any East Coast Company under any East Coast Benefit Plan or otherwise, (ii) increase any benefits otherwise payable under any East Coast Benefit Plan, or (iii) result in any acceleration of the time of payment or vesting of any such benefit, except as set forth in Section 5.13(h) of the East Coast Disclosure Memorandum.

**5.14 Material Contracts.** Except as set forth in Section 5.14 of the East Coast Disclosure Memorandum, none of the East Coast Companies, nor any of their respective Assets, businesses, or operations, is a party to, or is bound or affected by, or receives benefits under, (i) any employment, severance, termination, consulting, or retirement Contract providing for aggregate payments to any Person in any calendar year in excess of \$50,000, (ii) any Contract relating to the borrowing of money by any East Coast Company or the guarantee by any East Coast Company of any such obligation (other than Contracts evidencing deposit liabilities, purchases of federal funds, fully-secured repurchase agreements, and Federal Home Loan Bank advances of depository institution Subsidiaries, trade payables, and Contracts relating to borrowings or guarantees made in the ordinary course of business), and (iii) any other Contract or amendment thereto that would be required to be filed as an exhibit to a Form 10-KSB filed by East Coast with the SEC as of the date of this Agreement, if East Coast were so required to file a Form 10-KSB (together with all Contracts referred to in Sections 5.9 and 5.13(a) of this Agreement, the "East Coast Contracts"). With respect to each East Coast Contract: (i) the Contract is in full force and effect; (ii) no East Coast Company is in Default thereunder, other than Defaults which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast; (iii) no East Coast Company has repudiated or waived any Material provision of any such Contract; and (iv) no other party to any such Contract is, to the Knowledge of East Coast, in Default in any respect, other than Defaults which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, or has repudiated or waived any Material provision thereunder. Except for Federal Home Loan Bank advances, all of the indebtedness of any East Coast Company for money borrowed is prepayable at any time by such East Coast Company without penalty or premium.

**5.15 Legal Proceedings.**

(a) There is no Litigation instituted or pending, or, to the Knowledge of East Coast, threatened against any East Coast Company, or against any Asset, interest, or right of any of them, that is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast, nor are there any Orders of any Regulatory Authorities, other governmental

authorities, or arbitrators outstanding against any East Coast Company, that are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast.

(b) Section 5.15(b) of the East Coast Disclosure Memorandum includes a summary report of all Litigation as of the date of this Agreement to which any East Coast Company is a party and which names an East Coast Company as a defendant or cross-defendant.

**5.16 Reports.** Since December 31, 1996, or the date of organization if later, each East Coast Company has timely filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Regulatory Authorities, except failures to file which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on East Coast. As of their respective dates, each of such reports and documents, including the financial statements, exhibits, and schedules thereto, complied in all Material respects with all applicable Laws.

**5.17 Statements True and Correct.** None of the information supplied or to be supplied by any East Coast Company or any Affiliate thereof regarding East Coast or such Affiliate for inclusion in the Registration Statement to be filed by Regions with the SEC will, when the Registration Statement becomes effective, be false or misleading with respect to any Material fact, or contain any untrue statement of a Material fact, or omit to state any Material fact required to be stated thereunder or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the information supplied or to be supplied by any East Coast Company or any Affiliate thereof for inclusion in the Proxy Statement to be mailed to East Coast's stockholders in connection with the Stockholders' Meeting will, when first mailed to the stockholders of East Coast, be false or misleading with respect to any Material fact, or contain any misstatement of Material fact, or omit to state any Material fact required to be stated thereunder or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Stockholders' Meeting, be false or misleading with respect to any Material fact, or omit to state any Material fact required to be stated thereunder or necessary to correct any Material statement in any earlier communication with respect to the solicitation of any proxy for the Stockholders' Meeting. All documents that any East Coast Company or any Affiliate thereof is responsible for filing with any Regulatory Authority in connection with the transactions contemplated hereby will comply as to form in all Material respects with the provisions of applicable Law.

**5.18 Tax and Regulatory Matters.** Except as specifically contemplated by this Agreement, no East Coast Company or any Affiliate thereof has taken or agreed to take any action, and East Coast has no Knowledge of any fact or circumstance that is reasonably likely to (i) prevent the transactions contemplated hereby, including the Merger, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, or (ii) materially impede or delay receipt of any Consents of Regulatory Authorities referred to in Section 9.1(b) of this Agreement. To the Knowledge of East Coast there exists no fact, circumstance, or reason why the requisite Consents referred to in Section 9.1(b) of this

Agreement cannot be received in a timely manner without imposition of any condition of the type described in the last sentence of such Section 9.1(b).

**5.19 State Takeover Laws.** Each East Coast Company has taken all necessary action to exempt the transactions contemplated by this Agreement from any applicable "moratorium," "control share," "fair price," "business combination," or other anti-takeover laws and regulations of the State of Florida (collectively, "Takeover Laws") including Sections 607.0901 and 607.0902 of the FBCA.

**5.20 Charter Provisions.** Each East Coast Company has taken all action so that the entering into of this Agreement and the consummation of the Merger and the other transactions contemplated by this Agreement do not and will not result in the grant of any rights to any Person under the Articles of Incorporation, Bylaws, or other governing instruments of any East Coast Company or restrict or impair the ability of Regions or any of its Subsidiaries to vote, or otherwise to exercise the rights of a stockholder with respect to, shares of any East Coast Company that may be directly or indirectly acquired or controlled by it.

**5.21 Support Agreements.** Each of the directors of East Coast has executed and delivered to Regions a Support Agreement in substantially the form attached as Exhibit 1 to this Agreement.

**5.22 Derivatives.** All interest rate swaps, caps, floors, option agreements, futures and forward contracts, and other similar risk management arrangements, whether entered into for East Coast's own account, or for the account of one or more the East Coast Subsidiaries or their customers, were entered into (i) in accordance with prudent business practices and all applicable Laws, and (ii) with counterparties believed to be financially responsible.

## **ARTICLE 6**

### **REPRESENTATIONS AND WARRANTIES OF REGIONS**

Regions hereby represents and warrants to East Coast as follows:

**6.1 Organization, Standing, and Power.** Regions is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Delaware, and has the corporate power and authority to carry on its business as now conducted and to own, lease, and operate its Material Assets. Regions is duly qualified or licensed to transact business as a foreign corporation in good standing in the States of the United 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 Regions.



## **6.2 Authority; No Breach By Agreement.**

(a) Regions has the corporate power and authority necessary to execute, deliver, and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized by all necessary corporate action in respect thereof on the part of Regions. This Agreement represents a legal, valid, and binding obligation of Regions, enforceable against Regions in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Neither the execution and delivery of this Agreement by Regions, nor the consummation by Regions of the transactions contemplated hereby, nor compliance by Regions with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of Regions' Certificate of Incorporation or Bylaws, (ii) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of any Regions Company under, any Contract or Permit of any Regions Company, where such Default or Lien, or any failure to obtain such Consent, is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, or (iii) subject to receipt of the requisite Consents referred to in Section 9.1(b) of this Agreement, violate any Law or Order applicable to any Regions Company or any of their respective Material Assets.

(c) Other than in connection or compliance with the provisions of the Securities Laws, applicable state corporate and securities Laws, and rules of the NASD, and other than Consents required from Regulatory Authorities, and other than notices to or filings with the Internal Revenue Service or the Pension Benefit Guaranty Corporation with respect to any employee benefit plans, or under the HSR Act, and other than Consents, filings, or notifications which, if not obtained or made, are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, no notice to, filing with, or Consent of, any public body or authority is necessary for the consummation by Regions of the Merger and the other transactions contemplated in this Agreement.

**6.3 Capital Stock.** The authorized capital stock of Regions consists, as of the date of this Agreement, of 500,000,000 shares of Regions Common Stock, of which 220,635,661 shares were issued and outstanding as of December 31, 1999. All of the issued and outstanding shares of Regions Common Stock are, and all of the shares of Regions Common Stock to be issued in exchange for shares of East Coast Common Stock upon consummation of the Merger, when issued in accordance with the terms of this Agreement, will be, duly and validly issued and outstanding and fully paid and nonassessable under the DGCL. None of the outstanding shares of Regions Common Stock has been, and none of the shares of Regions Common Stock to be issued in exchange for shares of East Coast Common Stock upon

consummation of the Merger will be, issued in violation of any preemptive rights of the current or past stockholders of Regions.

**6.4 Regions Subsidiaries.** Regions or one of its Subsidiaries owns all of the issued and outstanding shares of capital stock of each Regions Subsidiary. No equity securities of any Regions Subsidiary are or may become required to be issued (other than to another Regions Company) by reason of any Rights, and there are no Contracts by which any Regions Subsidiary is bound to issue (other than to another Regions Company) additional shares of its capital stock or Rights or by which any Regions Company is or may be bound to transfer any shares of the capital stock of any Regions Subsidiary (other than to another Regions Company). There are no Contracts relating to the rights of any Regions Company to vote or to dispose of any shares of the capital stock of any Regions Subsidiary. All of the shares of capital stock of each Regions Subsidiary held by a Regions Company are fully paid and, except as provided in statutes pursuant to which depository institution Subsidiaries are organized, nonassessable under the applicable corporate or banking Law of the jurisdiction in which such Subsidiary is incorporated or organized and are owned by the Regions Company free and clear of any Lien. Each Regions Subsidiary is either a bank or a corporation, and is duly organized, validly existing, and (as to corporations) in good standing under the Laws of the jurisdiction in which it is incorporated or organized, and has the corporate power and authority necessary for it to own, lease, and operate its Assets and to carry on its business as now conducted. Each Regions Subsidiary is duly qualified or licensed to transact business as a foreign corporation in good standing in the States of the United 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 Regions. Each Regions Subsidiary that is a depository institution is an "insured depository institution" as defined in the Federal Deposit Insurance Act and applicable regulations thereunder, and the deposits in which are insured by the Bank Insurance Fund or Savings Association Insurance Fund.

**6.5 SEC Filings; Financial Statements.**

(a) Regions has filed and made available to East Coast all forms, reports, and documents required to be filed by Regions with the SEC since January 1 of the second fiscal year preceding the date of this Agreement (collectively, the "Regions SEC Reports"). The Regions SEC Reports (i) at the time filed, complied in all Material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a Material fact or omit to state a Material fact required to be stated in such Regions SEC Reports or necessary in order to make the statements in such Regions SEC Reports, in light of the circumstances under which they were made, not misleading. Except for Regions Subsidiaries that are registered as a broker, dealer, or investment advisor or filings required due to fiduciary holdings of the Regions Subsidiaries, none of Regions Subsidiaries is required to file any forms, reports, or other documents with the SEC.

(b) Each of the Regions Financial Statements (including, in each case, any related notes) contained in the Regions SEC Reports, including any Regions SEC Reports filed after the date of this Agreement until the Effective Time, complied or will comply as to form in all Material respects with the applicable published rules and regulations of the SEC with respect thereto, was or will be prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by Form 10-Q of the SEC), and fairly presented or will fairly present the consolidated financial position of Regions and its Subsidiaries as at the respective dates and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be Material in amount or effect.

**6.6 Absence of Undisclosed Liabilities.** No Regions Company has any Liabilities that are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, except Liabilities which are accrued or reserved against in the consolidated balance sheets of Regions as of September 30, 1999, included in the Regions Financial Statements or reflected in the notes thereto and except for Liabilities incurred in the ordinary course of business subsequent to September 30, 1999. No Regions Company has incurred or paid any Liability since September 30, 1999, except for such Liabilities incurred or paid in the ordinary course of business consistent with past business practice and which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions.

**6.7 Absence of Certain Changes or Events.** Since September 30, 1999, except as disclosed in the Regions Financial Statements delivered prior to the date of this Agreement, (i) there have been no events, changes or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, and (ii) the Regions Companies have conducted their respective businesses in the ordinary and usual course (excluding the incurrence of expenses in connection with this Agreement and the transactions contemplated hereby).

**6.8 Compliance with Laws.** Regions is duly registered as a bank holding company under the BHC Act. Each Regions Company has in effect all Permits necessary for it to own, lease, or operate its Material Assets and to carry on its business as now conducted, except for those Permits the absence of which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, and there has occurred no Default under any such Permit, other than Defaults which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions. None of the Regions Companies:

(a) is in violation of any Laws, Orders, or Permits applicable to its business or employees conducting its business, except for violations which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions; and

(b) has received any notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof (i) asserting that any Regions Company is not in compliance with any of the Laws or Orders which such governmental authority or Regulatory Authority enforces, where such noncompliance is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, (ii) threatening to revoke any Permits, the revocation of which is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, or (iii) requiring any Regions Company (x) to enter into or consent to the issuance of a cease and desist order, formal agreement, directive, commitment, or memorandum of understanding, or (y) to adopt any Board resolution or similar undertaking, which restricts materially the conduct of its business, or in any manner relates to its capital adequacy, its credit or reserve policies, its management, or the payment of dividends.

**6.9 Legal Proceedings.** There is no Litigation instituted or pending, or, to the Knowledge of Regions, threatened against any Regions Company, or against any Asset, employee benefit plan, interest, or right of any of them, that is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions, nor are there any Orders of any Regulatory Authorities, other governmental authorities, or arbitrators outstanding against any Regions Company, that are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions.

**6.10 Reports.** Since December 31, 1996, or the date of organization if later, each Regions Company has timely filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Regulatory Authorities, except failures to file which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Regions. As of their respective dates, each of such reports and documents, including the financial statements, exhibits, and schedules thereto, complied in all Material respects with all applicable Laws.

**6.11 Statements True and Correct.** None of the information supplied or to be supplied by any Regions Company or any Affiliate thereof regarding Regions or such Affiliate for inclusion in the Registration Statement to be filed by Regions with the SEC will, when the Registration Statement becomes effective, be false or misleading with respect to any Material fact, or contain any untrue statement of a Material fact, or omit to state any Material fact required to be stated thereunder or necessary to make the statements therein not misleading. None of the information supplied or to be supplied by any Regions Company or any Affiliate thereof for inclusion in the Proxy Statement to be mailed to East Coast's stockholders in connection with the Stockholders' Meeting, will, when first mailed to the stockholders of East Coast, be false or misleading with respect to any Material fact, or contain any misstatement of Material fact, or omit to state any Material fact required to be stated thereunder or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Stockholders' Meeting, be false or misleading with respect to any Material fact, or omit to state any Material fact required to be stated thereunder or necessary to correct any Material statement

in any earlier communication with respect to the solicitation of any proxy for the Stockholders' Meeting. All documents that any Regions Company or any Affiliate thereof is responsible for filing with any Regulatory Authority in connection with the transactions contemplated hereby will comply as to form in all Material respects with the provisions of applicable Law.

**6.12 Tax and Regulatory Matters.** No Regions Company or any Affiliate thereof has taken or agreed to take any action, and Regions has no Knowledge of any fact or circumstance that is reasonably likely to (i) prevent the transactions contemplated hereby, including the Merger, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, or (ii) materially impede or delay receipt of any Consents of Regulatory Authorities referred to in Section 9.1(b) of this Agreement or result in the imposition of a condition or restriction of the type referred to in the last sentence of such Section or otherwise prevent consummation of the transactions contemplated hereby or delay the Effective Time beyond the date set forth in Section 10.1(e) of this Agreement.

**6.13 Derivatives.** All interest rate swaps, caps, floors, option agreements, futures and forward contracts, and other similar risk management arrangements, whether entered into for Regions' own account, or for the account of one or more the Regions Subsidiaries or their customers, were entered into (i) in accordance with prudent business practices and all applicable Laws, and (ii) with counterparties believed to be financially responsible.

## **ARTICLE 7**

### **CONDUCT OF BUSINESS PENDING CONSUMMATION**

**7.1 Affirmative Covenants of Both Parties.** Unless the prior written consent of the other Party shall have been obtained, and except as otherwise expressly contemplated herein, each Party shall and shall cause each of its Subsidiaries to (i) operate its business only in the usual, regular, and ordinary course, (ii) preserve intact its business organization and Assets and maintain its rights and franchises, (iii) use its reasonable efforts to maintain its current employee relationships, and (iv) take no action which would (a) adversely affect the ability of any Party to obtain any Consents required for the transactions contemplated hereby without imposition of a condition or restriction of the type referred to in the last sentence of Section 9.1(b) of this Agreement, or (b) adversely affect the ability of any Party to perform its covenants and agreements under this Agreement; provided, that the foregoing shall not prevent any Regions Company from discontinuing or disposing of any of its Assets or business, or from acquiring or agreeing to acquire any other Person or any Assets thereof, if such action is, in the judgment of Regions, desirable in the conduct of the business of Regions and its Subsidiaries.

**7.2 Negative Covenants of East Coast.** From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, East Coast covenants and agrees that it will not do or agree or commit to do, or permit any of its Subsidiaries to do or agree or commit to do, any of the following without the prior written consent of Regions, which consent shall not be unreasonably withheld:

(a) amend the Articles of Incorporation, Bylaws, or other governing instruments of any East Coast Company, or

(b) incur, guarantee, or otherwise become responsible for, any additional debt obligation or other obligation for borrowed money (other than indebtedness of an East Coast Company to another East Coast Company) in excess of an aggregate of \$100,000 (for the East Coast Companies on a consolidated basis), except in the ordinary course of the business consistent with past practices (which shall include, for East Coast Subsidiaries that are depository institutions, creation of deposit liabilities, purchases of federal funds, advances from the Federal Reserve Bank or Federal Home Loan Bank, and entry into repurchase agreements fully secured by U.S. government or agency securities), or impose, or suffer the imposition, on any Asset of any East Coast Company of any Lien or permit any such Lien to exist (other than in connection with deposits, repurchase agreements, bankers acceptances, "treasury tax and loan" accounts established in the ordinary course of business, the satisfaction of legal requirements in the exercise of trust powers, and Liens in effect as of the date hereof that are disclosed in the East Coast Disclosure Memorandum); or

(c) repurchase, redeem, or otherwise acquire or exchange (other than exchanges in the ordinary course under employee benefit plans), directly or indirectly, any shares, or any securities convertible into any shares, of the capital stock of any East Coast Company, or declare or pay any dividend or make any other distribution in respect of East Coast's capital stock; or

(d) except for this Agreement or pursuant to the exercise of Rights outstanding as of the date of this Agreement and pursuant to the terms thereof in existence on the date of this Agreement, issue, sell, pledge, encumber, authorize the issuance of, enter into any Contract to issue, sell, pledge, encumber, or authorize the issuance of, or otherwise permit to become outstanding, any additional shares of East Coast Common Stock any other capital stock of any East Coast Company, or any stock appreciation rights, or any option, warrant, conversion, or other right to acquire any such stock, or any security convertible into any such stock; or

(e) adjust, split, combine, or reclassify any capital stock of any East Coast Company or issue or authorize the issuance of any other securities in respect of or in substitution for shares of East Coast Common Stock, or sell, lease, mortgage, or otherwise dispose of or otherwise encumber (i) any shares of capital stock of any East Coast Subsidiary (unless any such shares of stock are sold or otherwise transferred to another East Coast Company) or (ii) any Asset other than in the ordinary course of business for reasonable and adequate consideration and other than dispositions in the ordinary course of business of (i) investment securities, (ii) loans, including dispositions thereof through loan participation agreements, and (iii) other real estate owned by any East Coast Company; or

(f) except for purchases of U.S. Treasury securities or U.S. Government agency securities, which in either case have maturities of three years or less, purchase any securities or make any Material investment, either by purchase of stock or securities, contributions to capital, Asset transfers, or purchase of any Assets, in any Person other than a wholly-owned East Coast Subsidiary, or otherwise acquire direct or indirect control over any Person, other than in connection with (i) foreclosures in the ordinary course of business, (ii) acquisitions of control by a depository institution Subsidiary in its fiduciary capacity, or (iii) the creation of new wholly-owned Subsidiaries organized to conduct or continue activities otherwise permitted by this Agreement; or

(g) grant any increase in compensation or benefits to the employees or officers of any East Coast Company, except as required by Law, pay any severance or termination pay or any bonus other than pursuant to written policies or written Contracts in effect on the date of this Agreement; enter into or amend any severance agreements with officers of any East Coast Company; grant any increase in fees or other increases in compensation or other benefits; or

(h) enter into or amend any employment Contract between any East Coast Company and any Person (unless such amendment is required by Law) that the East Coast Company does not have the unconditional right to terminate without Liability (other than Liability for services already rendered and in accordance with the East Coast Benefit Plans), at any time on or after the Effective Time; or

(i) adopt any new employee benefit plan of any East Coast Company or make any Material change in or to any existing employee benefit plans of any East Coast Company other than any such change that is required by Law or that, in the opinion of counsel, is necessary or advisable to maintain the tax qualified status of any such plan; or

(j) make any significant change in any Tax or accounting methods or systems of internal accounting controls, except as may be appropriate to conform to changes in Tax Laws or regulatory accounting requirements or GAAP; or

(k) commence any Litigation other than as necessary for the prudent operation of its business or settle any Litigation involving any Liability of any East Coast Company for Material money damages or restrictions upon the operations of any East Coast Company; or

(l) except in the ordinary course of business, modify, amend, or terminate any Material Contract or waive, release, compromise, or assign any Material rights or claims.

**7.3 Adverse Changes in Condition.** Each Party agrees to give written notice promptly to the other Party upon becoming aware of the occurrence or impending occurrence of any event or circumstance relating to it or any of its Subsidiaries which (i) is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on it or (ii) would cause or

constitute a Material breach of any of its representations, warranties, or covenants contained herein, and to use its reasonable efforts to prevent or promptly to remedy the same.

**7.4 Reports.** Each Party and its Subsidiaries shall file all reports required to be filed by it with Regulatory Authorities between the date of this Agreement and the Effective Time and shall deliver to the other Party copies of all such reports promptly after the same are filed. If financial statements are contained in any such reports filed with the SEC, such financial statements will fairly present the consolidated financial position of the entity filing such statements as of the dates indicated and the consolidated results of operations, changes in stockholders' equity, and cash flows for the periods then ended in accordance with GAAP (subject in the case of interim financial statements to normal recurring year-end adjustments that are not Material). As of their respective dates, such reports filed with the SEC will comply in all Material respects with the Securities Laws and will not contain any untrue statement of a Material fact or omit to state a Material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Any financial statements contained in any other reports to another Regulatory Authority shall be prepared in accordance with Laws applicable to such reports.

## **ARTICLE 8**

### **ADDITIONAL AGREEMENTS**

**8.1 Registration Statement; Proxy Statement; Stockholder Approval.** As soon as reasonably practicable after execution of this Agreement, Regions shall file the Registration Statement with the SEC, and shall use its reasonable efforts to cause the Registration Statement to become effective under the 1933 Act and take any action required to be taken under the applicable state Blue Sky or securities Laws in connection with the issuance of the shares of Regions Common Stock upon consummation of the Merger. East Coast shall furnish all information concerning it and the holders of its capital stock as Regions may reasonably request for inclusion in the Registration Statement. East Coast shall call a Stockholders' Meeting, to be held as soon as reasonably practicable after the Registration Statement is declared effective by the SEC, for the purpose of voting upon approval of this Agreement and such other related matters as it deems appropriate. In connection with the Stockholders' Meeting, (i) East Coast shall prepare and file with the SEC a Proxy Statement and mail such Proxy Statement to its stockholders, (ii) the Parties shall furnish to each other all information concerning them that they may reasonably request in connection with such Proxy Statement, (iii) the Board of Directors of East Coast shall recommend to its stockholders the approval of the matters submitted for approval, and (iv) the Board of Directors and officers of East Coast shall use their reasonable efforts to obtain such stockholders' approval, provided that East Coast may withdraw, modify, or change in an adverse manner to Regions its recommendations if the Board of Directors of East Coast, after having consulted with and based upon the advice of outside counsel, determines in good faith that the failure to so withdraw, modify, or change its recommendation could reasonably constitute a breach of the fiduciary duties of East Coast's Board of Directors under applicable Law. In addition, nothing in this Section 8.1 or elsewhere in this Agreement shall prohibit accurate disclosure by East Coast of information that is



required to be disclosed in the Registration Statement or the Proxy Statement or in any other document required to be filed with the SEC (including, without limitation, a Solicitation/Recommendation Statement on Schedule 14D-9) or otherwise required to be publicly disclosed by applicable Law or regulations or rules of the NASD.

**8.2 Exchange Listing.** Regions shall use its reasonable efforts to ensure that Regions Common Stock is quoted on the Nasdaq NMS.

**8.3 Applications.** Regions shall promptly prepare and file, and East Coast shall cooperate in the preparation and, where appropriate, filing of, applications with all Regulatory Authorities having jurisdiction over the transactions contemplated by this Agreement seeking the requisite Consents necessary to consummate the transactions contemplated by this Agreement. Regions will promptly furnish to East Coast copies of applications filed with all Regulatory Authorities and copies of written communications received by Regions from any Regulatory Authorities with respect to the transactions contemplated hereby.

**8.4 Filings with State Offices.** Upon the terms and subject to the conditions of this Agreement, Regions shall execute and file the Delaware Certificate of Merger with the Secretary of State of the State of Delaware and the Florida Articles of Merger with the Secretary of State of the State of Florida in connection with the Closing.

**8.5 Agreement as to Efforts to Consummate.** Subject to the terms and conditions of this Agreement, each Party agrees to use, and to cause its Subsidiaries to use, its reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws to consummate and make effective, as soon as reasonably practicable after the date of this Agreement, the transactions contemplated by this Agreement, including, without limitation, using its reasonable efforts to lift or rescind any Order adversely affecting its ability to consummate the transactions contemplated herein and to cause to be satisfied the conditions referred to in Article 9 of this Agreement; provided, that nothing herein shall preclude either Party from exercising its rights under this Agreement. Each Party shall use, and shall cause each of its Subsidiaries to use, its reasonable efforts to obtain all Consents necessary or desirable for the consummation of the transactions contemplated by this Agreement.

**8.6 Investigation and Confidentiality.**

(a) Prior to the Effective Time, each Party shall keep the other Party advised of all Material developments relevant to its business and to consummation of the Merger and shall permit the other Party to make or cause to be made such investigation of the business and properties of it and its Subsidiaries and of their respective financial and legal conditions as the other Party reasonably requests, provided that such investigation shall be reasonably related to the transactions contemplated hereby and shall not interfere unnecessarily with normal operations. No investigation by a Party shall affect the representations and warranties of the other Party.

(b) Each Party shall, and shall cause its advisers and agents to, maintain the confidentiality of all confidential information furnished to it by the other Party concerning its and its Subsidiaries' businesses, operations, and financial positions and shall not use such information for any purpose except in furtherance of the transactions contemplated by this Agreement. If this Agreement is terminated prior to the Effective Time, each Party shall promptly return or certify the destruction of all documents and copies thereof, and all work papers containing confidential information received from the other Party.

(c) Each Party agrees to give the other Party notice as soon as practicable after any determination by it of any fact or occurrence relating to the other Party which it has discovered through the course of its investigation and which represents, or is reasonably likely to represent, either a Material breach of any representation, warranty, covenant, or agreement of the other Party or which has had or is reasonably likely to have a Material Adverse Effect on the other Party; provided, however, that the giving of such notice shall not be dispositive of the occurrence of such breach or a Material Adverse Effect.

(d) Neither Party nor any of their respective Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client or similar privilege with respect to such information or contravene any Law, rule, regulation, Order, judgment, decree, fiduciary duty, or agreement entered into prior to the date of this Agreement. The Parties will use their reasonable efforts to make appropriate substitute disclosure arrangements, to the extent practicable, in circumstances in which the restrictions of the preceding sentence apply.

**8.7 Press Releases.** Prior to the Effective Time, Regions and East Coast shall consult with each other as to the form and substance of any press release or other public disclosure materially related to this Agreement or any other transaction contemplated hereby; provided, that nothing in this Section 8.7 shall be deemed to prohibit any Party from making any disclosure which its counsel deems necessary or advisable in order to satisfy such Party's disclosure obligations imposed by Law.

**8.8 Certain Actions.** Except with respect to this Agreement and the transactions contemplated hereby, no East Coast Company nor any Affiliate thereof nor any Representative thereof retained by any East Coast Company shall, directly or indirectly, initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any Acquisition Proposal. Notwithstanding anything herein to the contrary, East Coast and its Board of Directors shall be permitted (i) to the extent applicable, to comply with Rule 14d-9 and Rule 14e-2 promulgated under the 1934 Act with regard to an Acquisition Proposal, (ii) to engage in any discussions or negotiations with, or provide any information to, any Person in response to an unsolicited bona fide written Acquisition Proposal by any such Person, if and only to the extent that (a) East Coast's Board of Directors concludes in good faith and consistent with its fiduciary duties to East Coast's stockholders under applicable Law that such Acquisition Proposal could reasonably be expected to result in a Superior Proposal, (b) prior to providing any information or data to any Person in connection with an Acquisition Proposal by any such Person,

East Coast's Board of Directors receives from such Person an executed confidentiality agreement containing confidentiality terms at least as stringent as those contained in the Confidentiality Agreement, and (c) prior to providing any information or data to any Person or entering into discussions or negotiations with any Person, East Coast's Board of Directors notifies Regions promptly of such inquiries, proposals, or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, any of its Representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any inquiries, proposals or offers. East Coast agrees that it will promptly keep Regions informed of the status and terms of any such proposals or offers and the status and terms of any such discussions or negotiations. East Coast agrees that it will, and will cause its officers, directors and Representatives to, immediately cease and cause to be terminated any activities, discussions, or negotiations existing as of the date of this Agreement with any parties conducted heretofore with respect to any Acquisition Proposal. East Coast agrees that it will use reasonable best efforts to promptly inform its directors, officers, key employees, agents, and Representatives of the obligations undertaken in this Section 8.8. Nothing in this Section 8.8 shall (i) permit East Coast to terminate this Agreement (except as specifically provided in Article 10) or (ii) affect any other obligation of Regions or East Coast under this Agreement.

**8.9 Tax Treatment.** Each of the Parties undertakes and agrees to use its reasonable efforts to cause the Merger, and to take no action which would cause the Merger not, to qualify for treatment as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code for federal income tax purposes.

**8.10 State Takeover Laws.** Each East Coast Company shall take all necessary steps to exempt the transactions contemplated by this Agreement from, or if necessary challenge the validity or applicability of, any applicable Takeover Laws.

**8.11 Charter Provisions.** Each East Coast Company shall take all necessary action to ensure that the entering into of this Agreement and the consummation of the Merger and the other transactions contemplated hereby do not and will not result in the grant of any rights to any Person under the Articles of Incorporation, Bylaws, or other governing instruments of any East Coast Company or restrict or impair the ability of Regions or any of its Subsidiaries to vote, or otherwise to exercise the rights of a stockholder with respect to, shares of any East Coast Company that may be directly or indirectly acquired or controlled by it.

**8.12 Agreement of Affiliates.** East Coast has disclosed in Section 8.12 of the East Coast Disclosure Memorandum each Person whom it reasonably believes may be deemed an "affiliate" of East Coast for purposes of Rule 145 under the 1933 Act. East Coast shall use its reasonable efforts to cause each such Person to deliver to Regions not later than 30 days prior to the Effective Time, a written agreement, in substantially the form of Exhibit 2, providing that such Person will not sell, pledge, transfer, or otherwise dispose of the shares of East Coast Common Stock held by such Person except as contemplated by such agreement or by this Agreement and will not sell, pledge, transfer, or otherwise dispose of the shares of Regions Common Stock to be received by such Person upon consummation of the Merger except in compliance with applicable

provisions of the 1933 Act and the rules and regulations thereunder. Shares of Regions Common Stock issued to such affiliates of East Coast in exchange for shares of East Coast Common Stock shall not be transferable, regardless of whether each such affiliate has provided the written agreement referred to in this Section 8.12 (and Regions shall be entitled to place restrictive legends upon certificates for shares of Regions Common Stock issued to affiliates of East Coast pursuant to this Agreement to enforce the provisions of this Section 8.12), except as provided herein. Regions shall not be required to maintain the effectiveness of the Registration Statement under the 1933 Act for the purposes of resale of Regions Common Stock by such affiliates.

**8.13 Employee Benefits and Contracts.** Following the Effective Time, Regions shall provide generally to officers and employees of the East Coast Companies, who at or after the Effective Time become employees of a Regions Company ("Continuing Employees"), employee benefits under employee benefit plans (other than stock option or other plans involving the potential issuance of Regions Common Stock except as set forth in this Section 8.13), on terms and conditions which when taken as a whole are substantially similar to those currently provided by the Regions Companies to their similarly situated officers and employees. For purposes of participation and vesting (but not accrual of benefits) under such employee benefit plans, (i) service under any qualified defined benefit plans of East Coast shall be treated as service under Regions' qualified defined benefit plans, (ii) service under any qualified defined contribution plans of East Coast shall be treated as service under Regions' qualified defined contribution plans, and (iii) service under any other employee benefit plans of East Coast shall be treated as service under any similar employee benefit plans maintained by Regions. Regions shall cause the Regions welfare benefit plans that cover the Continuing Employees after the Effective Time to (i) waive any waiting period and restrictions and limitations for preexisting conditions or insurability, and (ii) cause any deductible, co-insurance, or maximum out-of-pocket payments made by the Continuing Employees under East Coast's welfare benefit plans to be credited to such Continuing Employees under the Regions welfare benefit plans, so as to reduce the amount of any deductible, co-insurance, or maximum out-of-pocket payments payable by the Continuing Employees under the Regions welfare benefit plans. The continued coverage of the Continuing Employees under the employee benefits plans maintained by East Coast and/or any East Coast Subsidiary immediately prior to the Effective Time during a transition period shall be deemed to provide the Continuing Employees with benefits that are no less favorable than those offered to other employees of Regions and its Subsidiaries, provided that after the Effective Time there is no Material reduction (determined on an overall basis) in the benefits provided under the East Coast employee benefit plans. Regions also shall cause East Coast and its Subsidiaries to honor all employment, severance, consulting, and other compensation Contracts disclosed in Section 8.13 of the East Coast Disclosure Memorandum to Regions between any East Coast Company and any current or former director, officer, or employee thereof, and all provisions for vested benefits or other vested amounts earned or accrued through the Effective Time under the East Coast Benefit Plans. Regions shall be responsible for the fees related to the termination of the East Coast Benefit Plans.

#### **8.14 Indemnification.**

(a) Subject to the conditions set forth in paragraph (b) below, for a period of six (6) years after the Effective Time, Regions shall indemnify, defend, and hold harmless each Person entitled to indemnification from an East Coast Company (each, an "Indemnified Party") against all Liabilities arising out of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement) to the full extent permitted by Florida Law, in each case as in effect on the date hereof, including provisions relating to advances of expenses incurred in the defense of any Litigation; provided, however, that all rights to indemnification in respect of any claim asserted or made against an Indemnified Party within such six- (6) year period shall continue until the final disposition of such claim. Without limiting the foregoing, in any case in which approval by East Coast is required to effectuate any indemnification, Regions shall cause East Coast to direct, at the election of the Indemnified Party, that the determination of any such approval shall be made by independent counsel mutually agreed upon between Regions and the Indemnified Party.

(b) Any Indemnified Party wishing to claim indemnification under paragraph (a) above, upon learning of any such Liability or Litigation, shall promptly notify Regions thereof. In the event of any such Litigation (whether arising before or after the Effective Time), (i) Regions or East Coast shall have the right to assume the defense thereof and Regions shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof (employing counsel reasonably satisfactory to the Indemnified Parties), except that if Regions or East Coast elects not to assume such defense or counsel for the Indemnified Parties advises in writing that there are Material substantive issues which raise conflicts of interest between Regions or East Coast and the Indemnified Parties, the Indemnified Parties may retain counsel satisfactory to them, and Regions or East Coast shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received; provided, however, that (i) Regions shall be obligated pursuant to this paragraph (b) to pay for only one firm of counsel for all Indemnified Parties in any jurisdiction, unless counsel for any Indemnified Party advises in writing that there are Material substantive issues which raise conflicts of interest between the Indemnified Parties, (ii) the Indemnified Parties will cooperate (to the extent reasonably appropriate under the circumstances) in the defense of any such Litigation, and (iii) Regions shall not be liable for any settlement effected without its prior written consent; and provided further that Regions shall not have any obligation hereunder to any Indemnified Party when and if a court of competent jurisdiction shall determine, and such determination shall have become final, that the indemnification of such Indemnified Party in the manner contemplated hereby is prohibited by applicable Law.

(c) If Regions or any of its successors or assigns shall consolidate with or merge into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or shall transfer all or substantially all of its Assets to any Person, then and in each case, proper provision shall be made so that the successors and assigns of Regions shall assume the obligations set forth in this Section 8.14.

(d) The provisions of this Section 8.14 are intended to be for the benefit of and shall be enforceable by, each Indemnified Party, his or her heirs and representatives.

**8.15 Certain Modifications.** Regions and East Coast shall consult with respect to their loan, litigation, and real estate valuation policies and practices (including loan classifications and levels of reserves) and East Coast shall make such modifications or changes to its policies and practices, if any, prior to the Effective Time, as may be mutually agreed upon. Regions and East Coast also shall consult with respect to the character, amount, and timing of restructuring and Merger-related expense charges to be taken by each of the Parties in connection with the transactions contemplated by this Agreement and shall take such charges in accordance with GAAP as may be mutually agreed upon by the Parties. Neither Party's representations, warranties, and covenants contained in this Agreement shall be deemed to be inaccurate or breached in any respect or deemed to have a Material Adverse Effect on East Coast as a consequence of any modifications or charges undertaken solely on account of this Section 8.15.

**8.16 Private Placement.**

(a) To the extent mutually agreed upon by the Parties and to the extent it is determined that the transaction qualifies for such treatment, the Parties shall cooperate to effect the exchange of shares of Regions Common Stock for the shares of East Coast Common Stock in connection with the Merger as a private placement of shares of Regions Common Stock under the 1933 Act. In the event the Parties agree to effect the Merger in such a manner, the Parties covenant and agree that each will take all actions necessary to ensure that the issuance of the shares of Regions Common Stock in connection with the Merger qualifies for an exemption from registration under Section 4(2) of the 1933 Act.

(b) If the Merger is effected as a private placement as set forth in paragraph (a) above, Regions agrees that as soon as practicable, but in no event later than 60 days after the Effective Time, Regions shall prepare and cause to be filed with the SEC a registration statement on Form S-3 ("S-3 Registration Statement") to register the shares of Regions Common Stock issued in connection with the Merger for resale by the former holders of East Coast Common Stock. Regions shall use its reasonable efforts to cause the Registration Statement to become effective under the 1933 Act and take any action required to be taken under the applicable state Blue Sky or securities laws in connection with the issuance of the shares of Regions Common Stock in the Merger. Regions shall use its reasonable efforts to maintain the effectiveness of the S-3 Registration Statement until the earlier of (i) the date on which the shares of Regions Common Stock issued in the Merger may be sold without restriction under the 1933 Act or (ii) such time as all of the shares of Regions Common Stock issued in the Merger have been sold by the former holders of East Coast Common Stock in reliance on the S-3 Registration Statement (subject to such periods of time when Regions must suspend the use to the prospectus forming a part of the S-3 Registration Statement until such time as an amendment is filed and declared effective or an appropriate report is filed by Regions with the SEC).

(c) If the Merger is effected and the shares of Regions Common Stock issued in the Merger are to become registered with the SEC pursuant to the provisions of this Section 8.16, any provisions of this Agreement which are in conflict with this Section 8.16, including the relevant portions of Sections 8.1, 8.12, and 9.1(e), shall be deemed deleted from the Agreement and shall be of no further force and effect.

## **ARTICLE 9**

### **CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE**

**9.1 Conditions to Obligations of Each Party.** The respective obligations of each Party to perform this Agreement and to consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by both Parties pursuant to Section 11.6 of this Agreement:

(a) **Stockholder Approval.** The stockholders of East Coast shall have approved this Agreement, and the consummation of the transactions contemplated hereby, including the Merger, as and to the extent required by Law and by the provisions of any governing instruments.

(b) **Regulatory Approvals.** All Consents of, filings and registrations with, and notifications to, all Regulatory Authorities required for consummation of the Merger shall have been obtained or made and shall be in full force and effect and all waiting periods required by Law shall have expired. No Consent obtained from any Regulatory Authority which is necessary to consummate the transactions contemplated hereby shall be conditioned or restricted in a manner (excluding requirements relating to the raising of additional capital or the disposition of Assets or deposits) which in the reasonable good faith judgment of the Board of Directors of Regions would so materially adversely impact the economic or business benefits of the transactions contemplated by this Agreement so as to render inadvisable the consummation of the Merger.

(c) **Consents and Approvals.** Each Party shall have obtained any and all Consents required for consummation of the Merger (other than those referred to in Section 9.1(b) of this Agreement) or for the preventing of any Default under any Contract or Permit of such Party which, if not obtained or made, is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on such Party. No Consent obtained which is necessary to consummate the transactions contemplated hereby shall be conditioned or restricted in a manner which in the reasonable good faith judgment of the Board of Directors of Regions would so materially adversely impact the economic or business benefits of the transactions contemplated by this Agreement so as to render inadvisable the consummation of the Merger.

(d) **Legal Proceedings.** No court or governmental or Regulatory Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced, or entered any

Law or Order (whether temporary, preliminary, or permanent) or taken any other action which prohibits, restricts, or makes illegal consummation of the transactions contemplated by this Agreement.

(e) **Registration Statement.** The Registration Statement shall be effective under the 1933 Act, no stop orders suspending the effectiveness of the Registration Statement shall have been issued, no action, suit, proceeding, or investigation by the SEC to suspend the effectiveness thereof shall have been initiated and be continuing, and all necessary approvals under state securities Laws or the 1933 Act or 1934 Act relating to the issuance or trading of the shares of Regions Common Stock issuable pursuant to the Merger shall have been received.

(f) **Exchange Listing.** Regions Common Stock shall be quoted on the Nasdaq NMS or traded on a national securities exchange.

(g) **Tax Matters.** Each Party shall have received a written opinion from Alston & Bird LLP, in a form reasonably satisfactory to such Party (the "Tax Opinion"), dated the date of the Effective Time, substantially to the effect that (i) the Merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, (ii) no gain or loss will be recognized by holders of East Coast Common Stock who exchange all of their East Coast Common Stock solely for Regions Common Stock pursuant to the Merger (except with respect to any cash received in lieu of a fractional share interest in Regions Common Stock), (iii) the tax basis of the Regions Common Stock received by holders of East Coast Common Stock who exchange all of their East Coast Common Stock solely for Regions Common Stock in the Merger will be the same as the tax basis of the East Coast Common Stock surrendered in exchange for the Regions Common Stock (reduced by an amount allocable to a fractional share interest in Regions Common Stock for which cash is received), and (iv) the holding period of the Regions Common Stock received by holders who exchange all of their East Coast Common Stock solely for Regions Common Stock in the Merger will be the same as the holding period of the East Coast Common Stock surrendered in exchange therefor, provided that such East Coast Common Stock is held as a capital asset at the Effective Time. In rendering such Tax Opinion, such counsel shall be entitled to rely upon representations of officers of East Coast and Regions reasonably satisfactory in form and substance to such counsel.

**9.2 Conditions to Obligations of Regions.** The obligations of Regions to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by Regions pursuant to Section 11.6(a) of this Agreement:

(a) **Representations and Warranties.** For purposes of this Section 9.2(a), the accuracy of the representations and warranties of East Coast set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the



Effective Time (provided that representations and warranties which are confined to a specified date shall speak only as of such date). The representations and warranties of East Coast set forth in Section 5.3 of this Agreement shall be true and correct (except for inaccuracies which are *de minimis* in amount). The representations and warranties of East Coast set forth in Sections 5.18, 5.19, and 5.20 of this Agreement shall be true and correct in all Material respects. There shall not exist inaccuracies in the representations and warranties of East Coast set forth in this Agreement (including the representations and warranties set forth in Sections 5.3, 5.18, 5.19, and 5.20) such that the aggregate effect of such inaccuracies has, or is reasonably likely to have, a Material Adverse Effect on East Coast; provided that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material," "Material," "Material Adverse Effect," or variations thereof, or to the "Knowledge" of East Coast or to a matter being "known" by East Coast shall be deemed not to include such qualifications.

(b) **Performance of Agreements and Covenants.** Each and all of the agreements and covenants of East Coast to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all Material respects.

(c) **Certificates.** East Coast shall have delivered to Regions (i) a certificate, dated as of the Effective Time and signed on its behalf by its duly authorized officers, to the effect that the conditions of its obligations set forth in Section 9.2(a) and 9.2(b) of this Agreement have been satisfied, and (ii) certified copies of resolutions duly adopted by East Coast's Board of Directors and stockholders evidencing the taking of all corporate action necessary to authorize the execution, delivery, and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Regions and its counsel shall request.

(d) **Affiliate Agreements.** Regions shall have received from each affiliate of East Coast the affiliates agreement referred to in Section 8.12 of this Agreement.

(e) **Claims Letters.** Each of the directors and executive officers of East Coast shall have executed and delivered to Regions, letters in substantially the form of Exhibit 3.

(f) **Legal Opinion.** Regions shall have received a written opinion, dated as of the Effective Time, of counsel to East Coast, in substantially the form of Exhibit 4.

**9.3 Conditions to Obligations of East Coast.** The obligations of East Coast to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by East Coast pursuant to Section 11.6(b) of this Agreement:

(a) **Representations and Warranties.** For purposes of this Section 9.3(a), the accuracy of the representations and warranties of Regions set forth in this Agreement

shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided that representations and warranties which are confined to a specified date shall speak only as of such date). The representations and warranties of Regions set forth in Section 6.3 of this Agreement shall be true and correct (except for inaccuracies which are *de minimis* in amount). The representations and warranties of Regions set forth in Section 6.12 of this Agreement shall be true and correct in all Material respects. There shall not exist inaccuracies in the representations and warranties of Regions set forth in this Agreement (including the representations and warranties set forth in Sections 6.3 and 6.12) such that the aggregate effect of such inaccuracies has, or is reasonably likely to have, a Material Adverse Effect on Regions; provided that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material," "Material," "Material Adverse Effect," or variations thereof, or to the "Knowledge" of Regions or to a matter being "known" by Regions shall be deemed not to include such qualifications.

(b) **Performance of Agreements and Covenants.** Each and all of the agreements and covenants of Regions to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all Material respects.

(c) **Certificates.** Regions shall have delivered to East Coast (i) a certificate, dated as of the Effective Time and signed on its behalf by its duly authorized officers, to the effect that the conditions of its obligations set forth in Section 9.3(a) and 9.3(b) of this Agreement have been satisfied, and (ii) certified copies of resolutions duly adopted by Regions' Board of Directors evidencing the taking of all corporate action necessary to authorize the execution, delivery, and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as East Coast and its counsel shall request.

(d) **Legal Opinion.** East Coast shall have received a written opinion, dated as of the Effective Time, of counsel to Regions, in substantially the form of Exhibit 5.

## **ARTICLE 10** **TERMINATION**

**10.1 Termination.** Notwithstanding any other provision of this Agreement, and notwithstanding the approval of this Agreement by the stockholders of East Coast, this Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

(a) By mutual consent of the Board of Directors of Regions and the Board of Directors of East Coast; or

(b) By the Board of Directors of either Party (provided that the terminating Party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 9.2(a) of this Agreement in the case of East Coast and Section 9.3(a) of this Agreement in the case of Regions or in Material breach of any covenant or other agreement contained in this Agreement) in the event of an inaccuracy of any representation or warranty of the other Party contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching Party of such inaccuracy and which inaccuracy would provide the terminating Party the ability to refuse to consummate the Merger under the applicable standard set forth in Section 9.2(a) of this Agreement in the case of East Coast and Section 9.3(a) of this Agreement in the case of Regions; or

(c) By the Board of Directors of either Party (provided that the terminating Party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 9.2(a) of this Agreement in the case of East Coast and Section 9.3(a) in the case of Regions ) in the event of a Material breach by the other Party of any covenant or agreement contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching Party of such breach; or

(d) By the Board of Directors of either Party in the event (i) any Consent of any Regulatory Authority required for consummation of the Merger and the other transactions contemplated hereby shall have been denied by final nonappealable action of such authority or if any action taken by such authority is not appealed within the time limit for appeal, or (ii) the stockholders of East Coast fail to vote their approval of the matters submitted for the approval by such stockholders at the Stockholders' Meeting where the transactions were presented to such stockholders for approval and voted upon; or

(e) By the Board of Directors of either Party in the event that the Merger shall not have been consummated by December 31, 2000, if the failure to consummate the transactions contemplated hereby on or before such date is not caused by any breach of this Agreement by the Party electing to terminate pursuant to this Section 10.1(e); or

(f) By the Board of Directors of either Party (provided that the terminating Party is not then in breach of any representation or warranty contained in this Agreement under the applicable standard set forth in Section 9.2(a) of this Agreement in the case of East Coast and Section 9.3(a) of this Agreement in the case of Regions or in Material breach of any covenant or other agreement contained in this Agreement) in the event that any of the conditions precedent to the obligations of such Party to consummate the Merger cannot be satisfied or fulfilled by the date specified in Section 10.1(e) of this Agreement; or

**10.2 Effect of Termination.** In the event of the termination and abandonment of this Agreement pursuant to Section 10.1 of this Agreement, this Agreement shall become void and have no effect, except that (i) the provisions of this Section 10.2 and Article 11 and Section 8.6(b)

of this Agreement shall survive any such termination and abandonment, and (ii) a termination pursuant to Sections 10.1(b), 10.1(c), or 10.1(f) of this Agreement shall not relieve the breaching Party from Liability for an uncured willful breach of a representation, warranty, covenant, or agreement giving rise to such termination.

**10.3 Non-Survival of Representations and Covenants.** The respective representations, warranties, obligations, covenants, and agreements of the Parties shall not survive the Effective Time except this Section 10.3 and Articles 2, 3, 4, and 11 and Sections 8.12 and 8.14 of this Agreement.

## **ARTICLE 11** **MISCELLANEOUS**

### **11.1 Definitions.**

(a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

**“Acquisition Proposal”** with respect to a Party shall mean any tender offer or exchange offer or any proposal for a merger, acquisition of all of the stock or Assets of, or other business combination involving such Party or any of its Subsidiaries or the acquisition of a substantial equity interest in, or a substantial portion of the Assets of, such Party or any of its Subsidiaries.

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

**“Agreement”** shall mean this Agreement and Plan of Merger, including the Exhibits delivered pursuant hereto and incorporated herein by reference.

**“Assets”** of a Person shall mean all of the assets, properties, businesses, and rights of such Person of every kind, nature, character, and description, whether real, personal, or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person's business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.

**“BHC Act”** shall mean the federal Bank Holding Company Act of 1956, as amended.

**“Confidentiality Agreement”** shall mean that certain Confidentiality Agreement, entered into prior to the date of this Agreement, between East Coast and Regions.

**“Consent”** shall mean any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.

**“Contract”** shall mean any written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, obligation, plan, practice, restriction, understanding, or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets, or business.

**“Default”** shall mean (i) any breach or violation of or default under any Contract, Order, or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of or default under any Contract, Order, or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right to terminate or revoke, change the current terms of, or renegotiate, or to accelerate, increase, or impose any Liability under, any Contract, Order, or Permit, where, in any such event, such Default is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on a Party.

**“Delaware Certificate of Merger”** shall mean the certificate of merger to be executed by Regions and filed with the Secretary of State of the State of Delaware, relating to the Merger as contemplated by Section 1.1 of this Agreement.

**“DGCL”** shall mean the Delaware General Corporation Law.

**“East Coast Common Stock”** shall mean the \$75.80 par value common stock of East Coast.

**“East Coast Companies”** shall mean, collectively, East Coast and all East Coast Subsidiaries.

**“East Coast Disclosure Memorandum”** shall mean the written information entitled “East Coast Disclosure Memorandum” delivered within five business days after the date of this Agreement to Regions describing in reasonable detail the matters contained therein and, with respect to each disclosure made therein, specifically referencing each Section or subsection of this Agreement under which such disclosure is being made. Information disclosed with respect to one Section or subsection shall not be deemed to be disclosed for any other purpose hereunder. The inclusion of any matter in this document shall not be deemed an admission or otherwise to imply that any such matter is Material for purposes of this Agreement.

**“East Coast Financial Statements”** shall mean (i) the consolidated statements of condition (including related notes and schedules, if any) of East Coast as of September

30, 1999, and the related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) for the nine months ended September 30, 1999, (ii) the consolidated statements of condition (including related notes and schedules, if any) of East Coast for each of the three years ended December 31, 1998, 1997, and 1996, filed by East Coast in SEC documents and (iii) the consolidated statements of condition of East Coast (including related notes and schedules, if any) and related statement of income, change in stockholders equity, and cash flows (including related notes and schedules, if any) included in SEC Documents filed with respect to periods ended subsequent to September 30, 1999.

**"East Coast Stock Plans"** shall mean the existing stock option and other stock-based compensation plans of East Coast.

**"East Coast Subsidiaries"** shall mean the Subsidiaries of East Coast, which shall include the East Coast Subsidiaries described in Section 5.4 of this Agreement and any corporation, bank, savings association, or other organization acquired as a Subsidiary of East Coast in the future and owned by East Coast at the Effective Time.

**"Environmental Laws"** shall mean all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) and which are administered, interpreted, or enforced by the United States Environmental Protection Agency and state and local agencies with jurisdiction over, and including common law in respect of, pollution or protection of the environment, including the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 *et seq.* ("CERCLA"), the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.* ("RCRA"), and other Laws relating to emissions, discharges, releases, or threatened releases of any Hazardous Material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Material.

**"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended.

**"Exhibits"** 1 through 5, inclusive, shall mean the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

**"FBCA"** shall mean the Florida 1989 Business Corporation Act.

**"Florida Articles of Merger"** shall mean the Articles of Merger executed by Regions and filed with the Secretary of State of the State of Florida relating to the Merger as contemplated by Section 1.1 of this Agreement.

**“GAAP”** shall mean generally accepted accounting principles, consistently applied during the periods involved.

**“Hazardous Material”** shall mean (i) any hazardous substance, hazardous material, hazardous waste, regulated substance, or toxic substance (as those terms are defined by any applicable Environmental Laws) and (ii) any chemicals, pollutants, contaminants, petroleum, petroleum products, or oil (and specifically shall include asbestos requiring abatement, removal, or encapsulation pursuant to the requirements of governmental authorities and any polychlorinated biphenyls).

**“HSR Act”** shall mean Section 7A of the Clayton Act, as added by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

**“Internal Revenue Code”** shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

**“Knowledge”** as used with respect to a Person (including references to such Person being aware of a particular matter) shall mean the personal knowledge of the chairman, president, or chief financial officer of such Person.

**“Law”** shall mean any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities, or business, including those promulgated, interpreted, or enforced by any Regulatory Authority.

**“Liability”** shall mean any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost, or expense (including costs of investigation, collection, and defense), claim, deficiency, guaranty, or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

**“Lien”** shall mean any conditional sale agreement, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, reservation, restriction, security interest, title retention, or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any property or property interest, other than (i) Liens for property Taxes not yet due and payable, and (ii) for depository institution Subsidiaries of a Party, pledges to secure deposits, and other Liens incurred in the ordinary course of the banking business.

**“Litigation”** shall mean any action, arbitration, cause of action, claim, complaint, criminal prosecution, demand letter, governmental or other examination or investigation, hearing, inquiry, administrative or other proceeding, or notice (written or oral) by any Person alleging potential Liability or requesting information relating to or affecting a Party,

its business, its Assets (including Contracts related to it), or the transactions contemplated by this Agreement, but shall not include regular, periodic examinations of depository institutions and their Affiliates by Regulatory Authorities.

**“Loan Property”** shall mean any property owned, leased, or operated by the Party in question or by any of its Subsidiaries or in which such Party or Subsidiary holds a security or other interest (including an interest in a fiduciary capacity), and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

**“Material”** for purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.

**“Material Adverse Effect”** on a Party shall mean an event, change, or occurrence which, individually or together with any other event, change, or occurrence, has a Material adverse impact on (i) the financial condition, results of operations, or business of such Party and its Subsidiaries, taken as a whole, or (ii) the ability of such Party to perform its obligations under this Agreement or to consummate the Merger or the other transactions contemplated by this Agreement, provided that “Material Adverse Effect” shall not be deemed to include the impact of (a) changes in banking and similar Laws of general applicability or interpretations thereof by courts or governmental authorities, (b) changes in GAAP or regulatory accounting principles generally applicable to banks and their holding companies, (c) actions and omissions of a Party (or any of its Subsidiaries) taken with the prior informed consent of the other Party in contemplation of the transactions contemplated hereby, (d) any other matter affecting federally insured depository institutions generally, including, without limitation, changes in general economic conditions and changes in the prevailing interest or deposit rates and (e) the Merger and compliance with the provisions of this Agreement (including, without limitation, the fees and expenses described in this Article 11) on the operating performance of the Parties.

**“NASD”** shall mean the National Association of Securities Dealers, Inc.

**“Nasdaq NMS”** shall mean the National Market System of The Nasdaq Stock Market.

**“1933 Act”** shall mean the Securities Act of 1933, as amended.

**“1934 Act”** shall mean the Securities Exchange Act of 1934, as amended.

**“Order”** shall mean any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling, or writ of any federal, state, local, or foreign or other court, arbitrator, mediator, tribunal, administrative agency, or Regulatory Authority.



**"Participation Facility"** shall mean any facility or property in which the Party in question or any of its Subsidiaries participates in the management, as such term is defined in CERCLA (including, but not limited to, participating in a fiduciary capacity), and, where required by the context, said term means the owner or operator of such facility or property, but only with respect to such facility or property.

**"Party"** shall mean either East Coast or Regions, and **"Parties"** shall mean both East Coast and Regions.

**"Permit"** shall mean any federal, state, local, and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets, or business.

**"Person"** shall mean a natural person or any legal, commercial, or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

**"Proxy Statement"** shall mean the proxy statement used by East Coast to solicit the approval of its stockholders of the transactions contemplated by this Agreement, which shall include the prospectus of Regions relating to the issuance of the Regions Common Stock to holders of East Coast Common Stock.

**"Regions Common Stock"** shall mean the \$.625 par value common stock of Regions.

**"Regions Companies"** shall mean, collectively, Regions and all Regions Subsidiaries.

**"Regions Financial Statements"** shall mean (i) the consolidated statements of condition (including related notes and schedules, if any) of Regions as of September 30, 1999 and as of December 31, 1998 and 1997, and the related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) for the nine months ended September 30, 1999 and for each of the three years ended December 31, 1998, 1997, and 1996, as filed by Regions in SEC Documents, and (ii) the consolidated statements of condition of Regions (including related notes and schedules, if any) and related statements of income, changes in stockholders' equity, and cash flows (including related notes and schedules, if any) included in SEC Documents filed with respect to periods ended subsequent to September 30, 1999.

**“Regions Subsidiaries”** shall mean the Subsidiaries of Regions and any corporation, bank, savings association, or other organization acquired as a Subsidiary of Regions in the future and owned by Regions at the Effective Time.

**“Registration Statement”** shall mean the Registration Statement on Form S-4, or other appropriate form, including any pre-effective or post-effective amendments or supplements thereto, filed with the SEC by Regions under the 1933 Act with respect to the shares of Regions Common Stock to be issued to the stockholders of East Coast in connection with the transactions contemplated by this Agreement.

**“Regulatory Authorities”** shall mean, collectively, the Federal Trade Commission, the United States Department of Justice, the Board of the Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, all state regulatory agencies having jurisdiction over the Parties and their respective Subsidiaries, the NASD, and the SEC.

**“Representative”** shall mean any investment banker, financial advisor, attorney, accountant, consultant, or other representative of a Person.

**“Rights”** shall mean all arrangements, calls, commitments, Contracts, options, rights to subscribe to, scrip, understandings, warrants, or other binding obligations of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of a Person or by which a Person is or may be bound to issue additional shares of its capital stock or other Rights.

**“SEC”** shall mean the United States Securities and Exchange Commission.

**“SEC Documents”** shall mean all forms, proxy statements, registration statements, reports, schedules, and other documents filed, or required to be filed, by a Party or any of its Subsidiaries with any Regulatory Authority pursuant to the Securities Laws.

**“Securities Laws”** shall mean the 1933 Act, the 1934 Act, the Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, the Trust Indenture Act of 1939, as amended, and the rules and regulations of any Regulatory Authority promulgated thereunder.

**“Stockholders’ Meeting”** shall mean the meeting of the stockholders of East Coast to be held pursuant to Section 8.1 of this Agreement, including any adjournment or adjournments thereof.

**“Subsidiaries”** shall mean all those corporations, banks, associations, or other entities of which the entity in question owns or controls 50% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 50% or more of the outstanding equity securities is owned directly or indirectly by its

parent; provided, there shall not be included any such entity acquired through foreclosure or any such entity the equity securities of which are owned or controlled in a fiduciary capacity.

**“Superior Proposal”** means, with respect to East Coast, any written Acquisition Proposal made by a Person other than Regions which is for (i) (a) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution, or similar transaction involving East Coast as a result of which either (1) East Coast’s stockholders prior to such transaction (by virtue of their ownership of East Coast’s shares) in the aggregate cease to own at least 50% of the voting securities of the entity surviving or resulting from such transaction (or the ultimate parent entity thereof) or (2) the individuals comprising the Board of Directors of East Coast prior to such transaction do not constitute a majority of the board of directors of such ultimate parent entity, (b) a sale, lease, exchange, transfer, or other disposition of at least 50% of the assets of East Coast and its Subsidiaries, taken as a whole, in a single transaction or a series of related transactions, or (c) the acquisition, directly or indirectly, by a Person of beneficial ownership of 25% or more of the common stock of East Coast whether by merger, consolidation, share exchange, business combination, tender, or exchange offer or otherwise, and (ii) which is otherwise on terms which the Board of Directors of East Coast in good faith concludes (after consultation with its financial advisors and outside counsel), taking into account, among other things, all legal, financial, regulatory, and other aspects of the proposal and the Person making the proposal, (a) would, if consummated, result in a transaction that is more favorable to its stockholders (in their capacities as stockholders), from a financial point of view, than the transactions contemplated by this Agreement, and (b) is reasonably capable of being completed.

**“Surviving Corporation”** shall mean Regions as the surviving corporation resulting from the Merger.

**“Tax” or “Taxes”** shall mean all federal, state, local, and foreign taxes, charges, fees, levies, imposts, duties, or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, license, payroll, franchise, severance, stamp, occupation, windfall profits, environmental, federal highway use, commercial rent, customs duties, capital stock, paid-up capital, profits, withholding, Social Security, single business and unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by the United States or any state, local, or foreign government or subdivision or agency thereof, including any interest, penalties, or additions thereto.

**“Taxable Period”** shall mean any period prescribed by any governmental authority, including the United States or any state, local, or foreign government or subdivision or agency thereof for which a Tax Return is required to be filed or Tax is required to be paid.

“**Tax Return**” shall mean any report, return, information return, or other information required to be supplied to a taxing authority in connection with Taxes, including any return of an affiliated or combined or unitary group that includes a Party or its Subsidiaries.

(b) The terms set forth below shall have the meanings ascribed thereto in the referenced sections:

Closing.....	Section 1.2
Continuing Employees.....	Section 8.13
East Coast Benefit Plans.....	Section 5.13(a)
East Coast Contracts.....	Section 5.14
East Coast ERISA Affiliate.....	Section 5.13(e)
East Coast ERISA Plan.....	Section 5.13(a)
East Coast Pension Plan.....	Section 5.13(a)
Effective Time.....	Section 1.3
Exchange Agent.....	Section 4.1
Exchange Ratio.....	Section 3.1(b)
Indemnified Party.....	Section 8.14
Merger.....	Section 1.1
Regions SEC Reports.....	Section 6.5(a)
Takeover Laws.....	Section 5.19
Tax Opinion.....	Section 9.1(g)

(c) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.”

### **11.2 Expenses.**

(a) Except as otherwise provided in this Section 11.2, each of the Parties shall bear and pay all direct costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including filing, registration, and application fees, printing fees, and fees and expenses of its own financial or other consultants, investment bankers, accountants, and counsel, except that Regions shall bear and pay the filing fees payable in connection with the Registration Statement and the Proxy Statement and one half of the printing costs incurred in connection with the printing of the Registration Statement and the Proxy Statement.

(b) Nothing contained in this Section 11.2 shall constitute or shall be deemed to constitute liquidated damages for the willful breach by a Party of the terms of this Agreement or otherwise limit the rights of the nonbreaching Party.

**11.3 Brokers and Finders.** Each of the Parties represents and warrants that neither it nor any of its officers, directors, employees, or Affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees,

commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby. In the event of a claim by any broker or finder based upon his, her, or its representing or being retained by or allegedly representing or being retained by East Coast or Regions, each of East Coast and Regions, as the case may be, agrees to indemnify and hold the other Party harmless of and from any Liability in respect of any such claim.

**11.4 Entire Agreement.** Except as otherwise expressly provided herein, this Agreement (including the documents and instruments referred to herein) constitutes the entire agreement between the Parties with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings with respect thereto, written or oral, other than the Confidentiality Agreement, which shall remain in effect. Nothing in this Agreement expressed or implied, is intended to confer upon any Person, other than the Parties or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, other than as provided in Sections 8.12 and 8.14 of this Agreement.

**11.5 Amendments.** To the extent permitted by Law, this Agreement may be amended by a subsequent writing signed by each of the Parties upon the approval of the Boards of Directors of each of the Parties, whether before or after stockholder approval of this Agreement has been obtained; provided, that the provisions of this Agreement relating to the manner or basis in which shares of East Coast Common Stock will be exchanged for Regions Common Stock shall not be amended (except in accordance with Section 3.1(b) of this Agreement) after the Stockholders' Meeting without the requisite approval of the holders of the issued and outstanding shares of Regions Common Stock and East Coast Common Stock as the case may be, entitled to vote thereon.

**11.6 Waivers.**

(a) Prior to or at the Effective Time, Regions, acting through its Board of Directors, chief executive officer, chief financial officer, or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by East Coast, to waive or extend the time for the compliance or fulfillment by East Coast of any and all of its obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of Regions under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly authorized officer of Regions except that any unfulfilled conditions shall be deemed to have been waived at the Effective Time.

(b) Prior to or at the Effective Time, East Coast, acting through its Board of Directors, chief executive officer, chief financial officer, or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by Regions, to waive or extend the time for the compliance or fulfillment by Regions of any and all of its obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of East Coast under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly

authorized officer of East Coast except that any unfulfilled conditions shall be deemed to have been waived at the Effective Time.

(c) The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement.

**11.7 Assignment.** Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any Party hereto (whether by operation of Law or otherwise) without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns.

**11.8 Notices.** All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

East Coast:	EAST COAST BANK CORPORATION Post Office Box 4318 Ormond Beach, Florida 32175-4318 Telecopy Number: (352) 567-6813 Attention: Leonard H. Johnson President
Copy to Counsel:	SCHRADER, JOHNSON, AUVIL & BROCK, P.A. Post Office Box 2337 Dade City, Florida 33526-2337 Telecopy Number: (352) 567-6813 Attention: Leonard H. Johnson
Regions:	REGIONS FINANCIAL CORPORATION 417 North 20th Street Birmingham, Alabama 35203 Telecopy Number: (205) 326-7571 Attention: Richard D. Horsley Vice Chairman and Executive Financial Officer

Copy to Counsel:           REGIONS FINANCIAL CORPORATION  
417 North 20th Street  
Birmingham, Alabama 35203  
Telecopy Number: (205) 326-7751  
Attention: Samuel E. Upchurch, Jr.  
                  General Counsel

**11.9 Governing Law.** This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to any applicable conflicts of Laws, except to the extent that the Laws of the State of Florida relate to the consummation of the Merger.

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

**11.11 Captions.** The captions contained in this Agreement are for reference purposes only and are not part of this Agreement.

**11.12 Interpretations.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. No Party to this Agreement shall be considered the draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated, and accepted by all Parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as fairly to accomplish the purposes and intentions of the Parties.

**11.13 Enforcement of Agreement.** The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

**11.14 Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed on its behalf and its corporate seal to be hereunto affixed and attested by officers thereunto as of the day and year first above written.

ATTEST:

EAST COAST BANK CORPORATION

By: /s/ Thomas A. Brougher  
Thomas A. Brougher  
Secretary

By: /s/ Leonard H. Johnson  
Leonard H. Johnson  
President

[CORPORATE SEAL]

ATTEST:

REGIONS FINANCIAL CORPORATION

By: /s/ Samuel E. Upchurch, Jr.  
Samuel E. Upchurch, Jr.  
Corporate Secretary

By: /s/ Richard D. Horsley  
Richard D. Horsley  
Vice Chairman

[CORPORATE SEAL]



## TABLE OF CONTENTS

	<u>Page</u>
Parties.....	1
Preamble.....	1
ARTICLE 1 – TRANSACTIONS AND TERMS OF MERGER.....	1
1.1 Merger.....	1
1.2 Time and Place of Closing.....	2
1.3 Effective Time.....	2
1.4 Execution of Support Agreements.....	2
ARTICLE 2 – TERMS OF MERGER.....	2
2.1 Certificate of Incorporation.....	2
2.2 Bylaws.....	2
2.3 Directors and Officers.....	2
ARTICLE 3 – MANNER OF CONVERTING SHARES.....	3
3.1 Conversion of Shares.....	3
3.2 Anti-Dilution Provisions.....	3
3.3 Shares Held by East Coast or Regions.....	3
3.4 Dissenting Stockholders.....	3
3.5 Fractional Shares.....	4
ARTICLE 4 – EXCHANGE OF SHARES.....	4
4.1 Exchange Procedures.....	4
4.2 Rights of Former East Coast Stockholders.....	5
ARTICLE 5 – REPRESENTATIONS AND WARRANTIES OF EAST COAST.....	6
5.1 Organization, Standing, and Power.....	6
5.2 Authority, No Breach By Agreement.....	6
5.3 Capital Stock.....	7
5.4 East Coast Subsidiaries.....	7
5.5 Financial Statements.....	8
5.6 Absence of Undisclosed Liabilities.....	8
5.7 Absence of Certain Changes or Events.....	8
5.8 Tax Matters.....	9
5.9 Assets.....	10
5.10 Environmental Matters.....	10
5.11 Compliance with Laws.....	11
5.12 Labor Relations.....	12
5.13 Employee Benefit Plans.....	12
5.14 Material Contracts.....	15
5.15 Legal Proceedings.....	15
5.16 Reports.....	16
5.17 Statements True and Correct.....	16
5.18 Tax and Regulatory Matters.....	16

5.19	State Takeover Laws .....	17
5.20	Charter Provisions .....	17
5.21	Support Agreements .....	17
5.22	Derivatives.....	17
<b>ARTICLE 6 – REPRESENTATIONS AND WARRANTIES OF REGIONS.....</b>		<b>17</b>
6.1	Organization, Standing, and Power .....	17
6.2	Authority; No Breach By Agreement .....	18
6.3	Capital Stock .....	18
6.4	Regions Subsidiaries .....	19
6.5	SEC Filings; Financial Statements .....	19
6.6	Absence of Undisclosed Liabilities .....	20
6.7	Absence of Certain Changes or Events .....	20
6.8	Compliance with Laws.....	20
6.9	Legal Proceedings.....	21
6.10	Reports.....	21
6.11	Statements True and Correct.....	21
6.12	Tax and Regulatory Matters.....	22
6.13	Derivatives.....	22
<b>ARTICLE 7 – CONDUCT OF BUSINESS PENDING CONSUMMATION.....</b>		<b>22</b>
7.1	Affirmative Covenants of Both Parties .....	22
7.2	Negative Covenants of East Coast .....	22
7.3	Adverse Changes in Condition .....	24
7.4	Reports.....	25
<b>ARTICLE 8 – ADDITIONAL AGREEMENTS.....</b>		<b>25</b>
8.1	Registration Statement; Proxy Statement; Stockholder Approval.....	25
8.2	Exchange Listing .....	26
8.3	Applications.....	26
8.4	Filings with State Offices .....	26
8.5	Agreement as to Efforts to Consummate.....	26
8.6	Investigation and Confidentiality .....	26
8.7	Press Releases.....	27
8.8	Certain Actions.....	27
8.9	Tax Treatment .....	28
8.10	State Takeover Laws .....	28
8.11	Charter Provisions .....	28
8.12	Agreement of Affiliates .....	28
8.13	Employee Benefits and Contracts.....	29
8.14	Indemnification .....	30
8.15	Certain Modifications.....	31
8.16	Private Placement .....	31

ARTICLE 9 – CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE .....	32
9.1 Conditions to Obligations of Each Party .....	32
9.2 Conditions to Obligations of Regions .....	33
9.3 Conditions to Obligations of East Coast .....	34
ARTICLE 10 – TERMINATION .....	35
10.1 Termination .....	35
10.2 Effect of Termination .....	36
10.3 Non-Survival of Representations and Covenants .....	37
ARTICLE 11 – MISCELLANEOUS .....	37
11.1 Definitions .....	37
11.2 Expenses .....	45
11.3 Brokers and Finders .....	45
11.4 Entire Agreement .....	46
11.5 Amendments .....	46
11.6 Waivers .....	46
11.7 Assignment .....	47
11.8 Notices .....	47
11.9 Governing Law .....	48
11.10 Counterparts .....	48
11.11 Captions .....	48
11.12 Interpretations .....	48
11.13 Enforcement of Agreement .....	48
11.14 Severability .....	48
Signatures .....	49

**LIST OF EXHIBITS**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
1.	Form of Support Agreement. (§ 1.4).
2.	Form of Affiliate Agreement. (§§ 8.12, 9.2(d)).
3.	Form of Claims Letter. (§ 9.2(e)).
4.	Opinion of East Coast Counsel (§ 9.2(f)).
5.	Opinion of Regions Counsel (§ 9.3(d)).