

PD10000084510

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

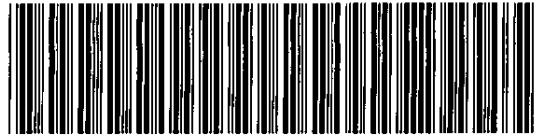
(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only



400098180024

04/26/07--01041--002 **87.50

FILED
07 APR 30 AM 10:22
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EFFECTIVE DATE
5/1/07

merged
sf

**INTEROFFICE
COMMUNICATION**



**OFFICE OF FINANCIAL
REGULATION**

DATE: April 27, 2007

TO: Karon Beyer, Department of State
Division of Corporations - Bureau of Commercial Recordings

FROM: Joe Matthews, Licensing and Chartering

SUBJ: Merger of BOT Interim Bank (Proposed Interim Bank) with and into The Bank of Tallahassee, Tallahassee, Leon County, Florida

Please file the attached "Merger Documents" for the above-referenced institutions, using May 1, 2007, as the effective date of the merger.

Please make the following distribution of certified copies:

- (1) One copy to: Joe Matthews
Office of Financial Regulation
Licensing & Chartering
200 East Gaines Street
Tallahassee, FL 32399-0371
- (2) One copy to: Mr. John P. Greeley
Smith Mackinnon, P. A.
P. O. Box 2254
Orlando, Florida 32802-2254
- (3) One copy to: Ms. Nicky Hennings
(uncertified) Federal Reserve Bank of Atlanta
1000 Peachtree Street, N. E.
Atlanta, Georgia 30309-4470

Also attached is a check that represents payment of the filing fees, charter tax and certified copies. If you have any questions, please call 410-9504.

Division of Financial Institutions
200 East Gaines Street - Tallahassee - Florida 32399-0371 - (850) 410-9800 - Fax (850) 410-9504
Affirmative Action /Equal Opportunity Employer

OFFICE OF FINANCIAL REGULATION



Having been approved by the Commissioner of the Office of Financial Regulation on March 29, 2007, to merge BOT Interim Bank, Tallahassee, Leon County, Florida, and The Bank of Tallahassee, Leon County, Florida, and being satisfied that the conditions of approval have been met, I hereby approve for filing with the Department of State, the attached "Plan of Merger" which contains the Articles of Incorporation of The Bank of Tallahassee (the resulting bank), so that effective on May 1, 2007, they shall read as stated herein.

Signed on this 26th day of
April 2007.

Lucie B. Chait
Director, Division of Financial Institutions

**WRITTEN CONSENT OF FBG HOLDING COMPANY
AS THE SOLE SHAREHOLDER OF BOT INTERIM BANK**

The undersigned, FBG Holding Company ("FBG"), as the sole shareholder of BOT Interim Bank (the "Bank"), does hereby adopt the following resolutions as the actions of the sole shareholder without a meeting and pursuant to the applicable provisions of Florida law:

I.

APPROVAL OF MERGER AGREEMENT

WHEREAS, FBG has reviewed the terms and conditions of the Plan of Merger and Merger Agreement ("Agreement") by and between FBG and The Bank of Tallahassee providing for the merger of Bank with and into The Bank of Tallahassee (the "Merger"); and

WHEREAS, it is desirable that the President and Chief Executive Officer and the other proper officers of the Bank be authorized and empowered to take action on behalf of the Bank to facilitate the orderly consummation of the Agreement, the Merger and the other transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED, that FBG, as the sole shareholder of the Bank, hereby authorizes, adopts and approves the Agreement, the Merger, and the other transactions contemplated thereby and approves the execution, delivery, and performance of the Agreement, the consummation of the Merger and the consummation of the other transactions contemplated by the foregoing; and

BE IT FURTHER RESOLVED, that the proper officers of the Bank be, and each of them acting alone hereby is, authorized and directed, in the name and on behalf of the Bank, to make all such arrangements, to do and perform all such acts and things, and to make, execute, and deliver all such agreements, certificates and such other instruments and documents as they may deem necessary, advisable, or appropriate in order to fully effectuate or to carry out the purpose and intent of the foregoing resolutions and the transactions contemplated by the Agreement.

II.

OMNIBUS RESOLUTION

BE IT RESOLVED, that the officers of the Bank are hereby authorized to take any and all other action that may be necessary in order to fulfill the intent of the foregoing resolutions.

This Written Consent has been signed as of April 18, 2007.

FBG HOLDING COMPANY

By: Robert Rothman
Robert Rothman
President and Chief Executive Officer

**The Bank of Tallahassee, Tallahassee, Florida
Certificate of the Corporate Secretary**

The undersigned duly elected and acting Secretary of The Bank of Tallahassee (the "Bank"), hereby certifies as follows:

1. On April 17, 2007, there were 900,000 shares of voting common stock of the Bank ("Bank Stock"), issued and outstanding.
2. A duly called meeting of Stockholders of the Bank ("Meeting") was convened at 5:30 p.m. April 17, 2007. There were 769,799 shares of Bank Stock present in person or by proxy.
3. At the Meeting, 768,399 shares of Bank Stock were voted in favor of the following resolution and 1,200 shares against:

RESOLVED, that the Merger Agreement dated January 3, 2007, for the merger of BOT Interim Bank with and into The Bank of Tallahassee, resulting in The Bank of Tallahassee becoming a wholly owned subsidiary of Florida Bank Group, Inc. (as more particularly described, and subject to the conditions set forth, in the joint proxy statement dated March 20, 2007) is hereby approved, and the officers and directors of The Bank of Tallahassee are hereby authorized to take such actions, and to execute and deliver such documents as may be necessary or convenient to carry out the purposes of said Merger Agreement.

4. No notices respecting the exercise of rights of dissent under Florida law have been received by the Bank as of the date hereof.

I, Sherri A. Kinsey, Secretary of the Bank, do hereby certify that as of the date hereof the Resolution set forth in paragraph 3 hereof is in full force and effect and has not been amended or revoked, and that the foregoing statements are true and accurate.

WITNESS, my hand as of this 23rd day of April, 2007.

(Seal)

The Bank of Tallahassee

By: Sherri A. Kinsey

Sherri A. Kinsey, Secretary

STATE OF FLORIDA

County of

On this 23rd day of April, 2007, before me, the undersigned notary public, personally appeared Sherri A. Kinsey, proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that she signed it voluntarily for its stated purpose.



Lucille A. Wilson
Commission # DD508083
Expires January 17, 2010
My commission expires

Lucille A. Wilson
Notary Public

EFFECTIVE DATE

5/1/07

FILED

07 APR 30 AM 10:22

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF MERGER
OF
BOT INTERIM BANK
INTO
THE BANK OF TALLAHASSEE**

BOT Interim Bank and The Bank of Tallahassee do hereby adopt the following Articles of Merger:

FIRST: The names of the corporations which are parties to the merger (the "Merger") contemplated by these Articles of Merger are BOT Interim Bank and The Bank of Tallahassee. The surviving corporation in the Merger is The Bank of Tallahassee, which shall continue to conduct its business following effectiveness of the Merger under the name "The Bank of Tallahassee."

SECOND: The Plan of Merger is set forth in the Plan of Merger and Merger Agreement dated January 3, 2007, by and among The Bank of Tallahassee and FBG Holding Company. A copy of the Plan of Merger is attached hereto as Exhibit A and made a part hereof by reference as if fully set forth herein.

THIRD: The Merger shall become effective at 12:01 a.m., Tampa, Florida time, on May 1, 2007.

FOURTH: The Merger Agreement was adopted by the shareholders of BOT Interim Bank on April 18, 2007 and by the shareholders of The Bank of Tallahassee on April 17, 2007.

FIFTH: The Articles of Incorporation of The Bank of Tallahassee shall serve as the Articles of Incorporation of the surviving corporation, until amended thereafter in accordance with applicable law.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed effective as of April 23, 2007.

BOT INTERIM BANK

By: Robert Rothman
Robert Rothman
President and Chief Executive
Officer

THE BANK OF TALLAHASSEE

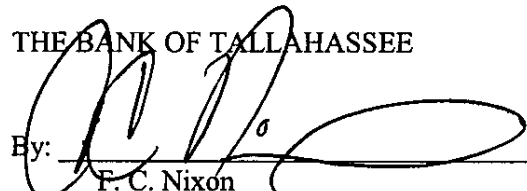
By: _____
F. C. Nixon
Vice Chairman, President and Chief
Executive Officer

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed effective as of April 23, 2007.

BOT INTERIM BANK

By: _____
Robert Rothman
President and Chief Executive
Officer

THE BANK OF TALLAHASSEE

By:  _____
F. C. Nixon
Vice Chairman, President and Chief
Executive Officer

PLAN OF MERGER AND MERGER AGREEMENT

THIS PLAN OF MERGER AND MERGER AGREEMENT, is dated this 3rd day of January, 2007 (the "Agreement"), by and among The Bank of Tallahassee, a Florida banking corporation (the "Bank") and Florida Bank Group, Inc., a Delaware corporation ("Florida Bank Group").

RECITALS:

A. **The Bank.** The Bank is a state banking association duly organized and existing in good standing under the laws of the State of Florida, with its principal executive offices located in Tallahassee, Florida. As of the date hereof, the Bank's authorized capital stock consisted of 10,000,000 shares of common stock, par value \$5.00 per share (the "Bank Common Stock"), of which 900,000 shares of the Bank Common Stock are outstanding.

B. **Florida Bank Group.** Florida Bank Group is a corporation duly organized and existing in good standing under the laws of the State of Delaware with its principal executive offices located in Tampa, Florida. As of the date hereof, Florida Bank Group's authorized capital stock consisted of 7,000,000 shares of common stock, par value \$.01 per share ("Florida Bank Group Common Stock"), of which 4,059,087 shares are outstanding. Florida Bank Group owns all of the outstanding shares of Bank of St. Petersburg, a Florida banking corporation ("Bank of St. Petersburg"). Florida Bank Group is in the process of organizing a member Florida banking corporation to be located in Jacksonville, Florida under the name Bank of North Florida ("Bank of North Florida").

C. **Holding Company Formation.** Florida Bank Group will incorporate and organize a corporation under the laws of the State of Florida under the name "Florida Bank Group, Inc." (the "BHC"). It is the intention of the parties that upon consummation of the Merger described below, the BHC will own all of the outstanding shares of the Bank and Florida Bank Group, which will be separate subsidiary of the BHC, and the shares of BHC Common Stock ("BHC Common Stock") will be owned by all of the former shareholders of Florida Bank Group and certain shareholders of the Bank, as set forth in this Agreement. The shareholders of the Bank who do not receive shares of BHC Common Stock in the Merger will be entitled to receive the cash payment set forth in this Agreement.

D. **Mergers.** Pursuant to this Agreement, the parties have agreed that BHC will form separate subsidiary corporations, and that one of such subsidiary corporations (which shall be an interim banking corporation) shall merge with and into the Bank, as a result of which the Bank will become a direct wholly-owned subsidiary of the BHC, and the other subsidiary corporation will merge with and into Florida Bank Group, as a result of which Florida Bank Group will become a direct wholly-owned subsidiary of BHC. For purposes of this Agreement, the foregoing mergers are collectively referred to as the "Merger."

E. **Intention of the Parties.** It is the intention of the parties to this Agreement that the Merger shall qualify as a tax free exchange under Section 351 of the Internal Revenue Code of 1986, as amended (the "Code").

F. **Approvals.** The Boards of Directors of each of Florida Bank Group and the Bank have determined that this Agreement and the transactions contemplated hereby are in their respective best interests and the best interests of their respective stockholders, and have approved this Agreement at meetings of each of such Boards of Directors.

G. **Stockholders Agreement.** As a condition to the signing of this Agreement, Florida Bank Group has entered into a Stockholders Agreement (the "Stockholders Agreement") with certain Bank Stockholders pursuant to which each Stockholder has agreed, among other things, to vote in favor of the approval of this Agreement all shares of Bank Common Stock beneficially owned by such Stockholder in accordance with and subject to the terms set forth in the Stockholders' Agreement.

H. **Non-Competition Agreements.** Also as a condition to the signing of this Agreement, each Non-Compete Person has entered into a Non-Competition Agreement Related to the Sale of Goodwill with Florida Bank Group (collectively, the "Non-Competition Agreements").

I. **Employment Agreements; Change in Control Agreements.** Also as a condition to the signing of this Agreement, the Executive is entering into an Employment Agreement which will become effective as of the Merger Effective Date and replace the existing employment agreement with the Executive, and each individual who is a party to a Change in Control Agreement with the Bank has entered into an agreement to terminate such Change in Control Agreement as of the Merger Effective Date. The Existing Employment Agreement and the Change in Control Agreements with the Bank will be terminated following the fulfillment by the Bank of its obligations thereunder.

NOW, THEREFORE, in consideration of their mutual promises and obligations, the parties hereto, intending to be legally bound, adopt and make this Agreement and prescribe the terms and conditions hereof and the manner and basis of carrying the Agreement into effect, as follows:

I. THE MERGER

1.1 **The Merger.** In the event that all of the conditions set forth in Article VI hereof have been satisfied or waived:

(A) **The Merger.** On the Merger Effective Date (as hereinafter defined) (a) an interim Florida banking corporation to be formed as a subsidiary of BHC shall merge into the Bank and the name of the continuing corporation following such merger shall be "The Bank of Tallahassee," and (b) a corporation to be formed as a subsidiary of BHC will merge with and into Florida Bank Group, and the name of Florida Bank Group following such merger shall be changed

to such name as the directors of Florida Bank Group shall select and the name of BHC following the closing of the Merger shall be changed to "Florida Bank Group, Inc." The Bank and Florida Bank Group following consummation of the Merger are sometimes referred to in this Agreement collectively as the "Continuing Corporation."

(B) **Rights, Etc.** On the Merger Effective Date, the Continuing Corporation shall thereupon and thereafter possess all of the rights, privileges, immunities and franchises, of a public as well as of a private nature, of Florida Bank Group and the Bank, and all property, real, personal and mixed and all debts due on whatever account, and all other causes of action, all and every other interest of or belonging to or due to each of the corporations so merged shall be deemed to be vested in the Continuing Corporation without further act or deed. The title to any real estate, or any interest therein, vested in any of such corporations, shall not revert or be in any way impaired by reason of the Merger, as provided by the laws of the State of Florida.

(C) **Liabilities.** On the Merger Effective Date, the Continuing Corporation shall thereupon and thereafter be responsible and liable for all the liabilities, obligations and penalties of each of the corporations so merged. All rights of creditors and obligors and all liens on the property of each of Florida Bank Group and the Bank shall be preserved unimpaired.

(D) **Articles of Incorporation; Bylaws; Directors; Officers; Offices.**

(i) The articles of incorporation and bylaws of Florida Bank Group following the Merger Effective Date shall be those of the subsidiary corporation of BHC into which Florida Bank Group merges, as in effect immediately prior to the Merger Effective Date and until such documents are changed in accordance with applicable law, and the articles of incorporation and bylaws of the Bank following the Merger Effective Date, shall be as set forth in Exhibit 1 to this Agreement and until such documents are changed in accordance with applicable law.

(ii) The directors of the Bank following the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified, shall consist of those persons set forth on Exhibit 2, which also sets forth the name and address of such individual. The parties intend that at least seven directors of the Bank who served as directors of the Bank immediately prior to the Merger Effective Date shall continue to serve as directors of the Bank thereafter until their successors are elected and qualified. The directors of Florida Bank Group following the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified, shall consist of those persons who were directors of Florida Bank Group immediately prior to the Merger Effective Date.

(iii) The officers of Florida Bank Group and the Bank following the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified, shall consist of those persons who were officers of Florida Bank Group and the Bank, respectively, immediately prior to the Merger Effective Date. The name and address of each executive officer of the Bank is set forth on Exhibit 3.

(iv) The banking offices of Bank of St. Petersburg, Bank of North Florida and the Bank following the Merger Effective Date shall be those banking offices of Bank of St. Petersburg, Bank of North Florida and the Bank, respectively, immediately prior to the Merger Effective Date. The name and location of the main office and each existing and proposed branch office of Bank of St. Petersburg and the Bank, and the name and location of the proposed main office of Bank of North Florida, is set forth on Exhibit 4.

1.2 **Merger Effective Date; Closing.** The Merger shall become effective at the date set forth in the certificate of merger issued by the Florida Department of Banking and Finance with respect to the Merger and in the Articles of Merger relating to the Merger filed with the Secretary of State of Florida (the "Merger Effective Date") and the parties shall utilize their best efforts to cause such certificate of merger and Articles of Merger to be issued within thirty (30) days after satisfaction of all conditions set forth in Article VI, including, without limitation, the receipt of the regulatory approvals (and the expiration of all waiting periods) referred to in Section 6.2. All documents required by the terms of this Agreement to be delivered at or prior to consummation of the Merger shall be exchanged by the parties at the closing of the Merger (the "Closing"), which shall be held on the Merger Effective Date at such location and at such time as may be mutually agreed upon.

1.3 **BHC Board of Directors and Officers.** Following the Merger, the initial Board of Directors and officers of BHC shall consist of those persons who were directors and officers of Florida Bank Group immediately prior to the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified.

1.4 **Trust Powers.** At the Merger Effective Date, neither the Bank nor Bank of St. Petersburg will exercise trust powers.

II. MERGER CONSIDERATION.

2.1 **Merger Consideration.** Subject to the provisions of this Agreement, automatically, as a result of the Merger, and without any action on the part of any party or shareholder:

(A) **Outstanding Bank and Florida Bank Group Common Stock.**

(i) As of the date of this Agreement, the Bank has delivered to Florida Bank Group signed Subscription Agreements (substantially in the form of Exhibit 5 to this Agreement) from each of the directors of the Bank, which represent that in the aggregate, the Bank directors collectively have elected that _____ shares of Bank Common Stock owned by them shall be converted into shares of BHC Common Stock on the basis of 1.106 share of BHC Common Stock for each share of Bank Common Stock, provided that each such recipient of BHC Common Stock shall (x) represent that such recipient is an "accredited investor" ("Accredited Investor") as defined under Rule 501(a) under the Securities Act of 1933, as amended ("Securities Act"), and (y) exchange no less than 2,261 shares of Bank Common Stock for shares of BHC Common Stock. The shares

of BHC Common Stock shall be valued at \$16.50 per share. The directors of the Bank receiving BHC Common Stock, and the amount of shares so received by each are set forth on Exhibit 6 to this Agreement. Following the issuance by the Bank of the Proxy Statement (as defined in Section 5.3) and prior to the Bank Meeting (as defined in Section 5.2(A)), Bank shareholders shall have the right to elect to receive shares of BHC Common Stock for shares of Bank Common Stock on the basis of 1.106 shares of BHC Common Stock for each share of Bank Common Stock, *provided that* each of the additional Bank shareholders electing to receive shares of BHC Common Stock for shares of Bank Common Stock shall (x) represent that such recipient is an Accredited Investor, and (y) exchange no less than 2,261 shares of Bank Common Stock for shares of BHC Common Stock. If the number of shares of Bank Common Stock electing to receive BHC Common Stock is less than 109,590 shares, then Florida Bank Group shall have the right to terminate this Agreement pursuant to Section 7.1(I) by delivery of written notice from Florida Bank Group to the Bank within five (5) business days following the Bank Meeting. If the number of shares of Bank Common Stock electing to receive BHC Common Stock is greater than 153,425 shares, then Florida Bank Group shall have the right to accept all of the shares of Bank Common Stock electing to receive BHC Common Stock to convert such shares into BHC Common Stock as so elected or to reduce the number of shares of Bank Common Stock electing to receive BHC Common Stock, on a pro rata basis, such that the aggregate number of shares of Bank Common Stock electing to receive BHC Common Stock equals 153,425 shares (or such other amount as Florida Bank Group shall determine) and with no individual shareholder exchanging less than 2,261 shares of Bank Common Stock for BHC Common Stock.

(ii) Subject to the provisions of this Agreement, as of the Merger Effective Date and by virtue of the Merger and without any further action on the part of the holder of any shares of the Bank Common Stock or Florida Bank Group Common Stock

(a) each share of Florida Bank Group Common Stock (excluding shares owned by Florida Bank Group, if any) issued and outstanding immediately prior to the Merger Effective Date (i) held by an individual or entity that represents that the individual or entity is an Accredited Investor shall automatically become and be converted into the right to receive two shares of BHC Common Stock, and (ii) held by a Florida Bank Group shareholder who is not Accredited Investors shall become and be converted into the right to receive \$33.00 in cash payable to the holder thereof, without interest, upon the surrender of such shares of Florida Bank Group Common Stock in the manner provided for in this Agreement, less any required withholding taxes; and

(b) each share of the Bank Common Stock (excluding shares owned by the Bank, if any) issued and outstanding immediately prior to the Merger Effective Date held by those Bank shareholders electing to receive shares of BHC Common Stock for all or a portion of the shares of Bank Common Stock owned by them shall become and be converted into the right to receive 1.106 shares of BHC Common Stock and the remaining shares held by such shareholders shall each be converted into the right to receive \$18.25 in cash payable to the holder thereof, in each case where cash is being paid to a holder, without interest, upon the surrender of

such shares of Bank Common Stock in the manner provided for in this Agreement, less any required withholding taxes.

(iii) The applicable amount of BHC Common Stock issuable in the Merger for each the Bank Common Stock and Florida Bank Group Common Stock pursuant to this Section, as may be adjusted as provided herein, shall be hereinafter referred to as the "Exchange Ratio." Any shares of the Bank Common Stock owned by the Bank, and any shares of Florida Bank Group Common Stock owned by Florida Bank Group, shall be canceled and retired upon the Merger Effective Date and no consideration shall be issued in exchange therefor. In the event that prior to the Merger Effective Date the shares of Florida Bank Group Common Stock or the Bank Common Stock shall be changed into a different number of shares or a different class of shares by reason of any recapitalization or reclassification, stock dividend, combination, stock split, or reverse stock split of such shares, an appropriate and proportionate adjustment shall be made in the number of shares of BHC Common Stock into which such shares shall be converted.

(B) **Outstanding Shares of BHC Common Stock.** The shares of BHC Common Stock issued in connection with the organization of BHC outstanding immediately prior to the Merger Effective Date shall be cancelled and no longer outstanding immediately following such date.

2.2 Shareholder Rights; Stock Transfers. On the Merger Effective Date, holders of the Bank Common Stock and Florida Bank Group Common Stock shall cease to be, and shall have no rights as stockholders of the Bank or Florida Bank Group, respectively, other than to receive the Merger consideration provided under Section 2.1 above or the amount set forth in Section 2.6 below (to the extent applicable). After the Merger Effective Date, there shall be no transfers on the stock transfer books of the Bank or Florida Bank Group of the shares of the Bank Common Stock or Florida Bank Group Common Stock which were issued and outstanding immediately prior to the Merger Effective Date.

2.3 Fractional Shares. Notwithstanding any other provision hereof, no fractional shares of BHC Common Stock, and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger. Instead, such fractional share interest shall be converted to a cash payment determined by multiplying the fraction by \$16.50.

2.4 Exchange Procedures. Promptly following the Merger Effective Date, Florida Bank Group shall dividend to BHC such amount as shall allow BHC to pay the cash consideration due for the exchange of Bank Common Stock in the Merger. Also, as promptly as practicable after the Merger Effective Date, BHC shall send or cause to be sent to each former stockholder of record of the Bank and Florida Bank Group immediately prior to the Merger Effective Date transmittal materials for use in exchanging such stockholder's certificates formerly representing the Bank Common Stock and Florida Bank Group Common Stock ("Old Certificates") for the Merger consideration set forth in Section 2.1 above. The certificates representing the shares of BHC Common Stock ("New Certificates") and cash payment issuable in exchange for the Old Certificates, will be delivered to such stockholder only upon delivery of Old Certificates representing all of such

shares (or, if any of the Old Certificates are lost, stolen or destroyed, indemnity satisfactory to BHC, in the form of the Affidavit attached as Exhibit 7). Florida Bank Group shall cause BHC to issue following delivery of Old Certificates and the properly completed letter of transmittal, stock certificates within fifteen (15) days and cash payments within one business day after the receipt of such completed documents. After the Merger Effective Date, to the extent required by law, former stockholders of record of the Bank and Florida Bank Group shall be entitled to vote at any meeting of holders of BHC Common Stock the number of whole shares of BHC Common Stock into which their respective shares of the Bank Common Stock and Florida Bank Group Common Stock are converted, regardless of whether such holders have exchanged their Old Certificates for certificates representing BHC Common Stock in accordance with the provisions of this Agreement. Notwithstanding the foregoing, BHC shall not be liable to any former holder of the Bank Common Stock and Florida Bank Group Common Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

2.5 Options. Any valid option to purchase shares of the Bank Common Stock (a "Bank Option"), outstanding and unexercised immediately prior to the Merger shall, be cancelled and only entitle the holder thereof, as soon as reasonably practicable after surrender thereof, to receive from BHC an amount in cash, without interest, equal to the product of (x) the total number of shares of Bank Common Stock subject to the Bank Option and (y) the excess, if any, of \$18.25 over the exercise price per share under such Bank Option, less any applicable taxes required to be withheld with respect to such payment. The Bank shall take all necessary action prior to the Merger Effective Date so that, as of the Merger Effective Date, each Bank Option whether or not then exercisable shall terminate and be of no further effect and any rights thereunder to purchase shares of Bank Common Stock shall also terminate and be of no further force or effect. Any valid option to purchase shares of Florida Bank Group Common Stock (a "Florida Bank Group Option"), outstanding and unexercised immediately prior to the Merger shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become converted into an option to purchase that number of shares of BHC Common Stock as shall equal two times the number of shares of the Florida Bank Group Common Stock which such option entitled the holder thereof to purchase (rounded down to the nearest whole share), and at an exercise price equal to one-half of the exercise price per share of the Florida Bank Group Option. BHC shall assume each such Florida Bank Group Option in accordance with the terms of the Agreement or agreement by which it is evidenced, subject to the foregoing. A list of all outstanding the Bank Options and the amount of cash into which such Options shall be converted is set forth in Exhibit 8 of this Agreement.

2.6 Dissenters' Rights. Any shareholder of the Bank and Florida Bank Group who shall have perfected Dissenters' Rights in accordance with the provisions of the Florida Banking Code in the case of the Bank, and the Delaware General Corporation Law in the case of Florida Bank Group (collectively, such laws are referred to as the "Dissent Provisions"), and has not effectively withdrawn or lost such holder's dissenters' rights, and shall not be converted into or represent a right to receive the BHC Common Stock and cash issuable in the Merger but the holder thereof shall be entitled only to such rights as are granted by the Dissent Provisions. If after the Merger Effective Date a dissenting shareholder of the Bank or Florida Bank Group fails to perfect, or effectively

withdraws or loses, such holder's dissenters right and payment for the shares of the Bank Common Stock or Florida Bank Group Common Stock, as the case may be, BHC shall issue and deliver the consideration to which such holder is entitled under Section 2.1 (without interest) upon surrender by such holder of the certificate or certificates representing the shares held by the holder.

2.7 Securities Act Matters. The parties intend that the BHC Common Stock issuable in the Merger will qualify for an exemption from the registration requirements of the Securities Act of 1933 (the "Securities Act") and applicable state securities laws, pursuant to the exemption therefrom contained in Section 4(2) of the Securities Act and other exemptions contained in such state securities laws, respectively. To cause the exemption from registration contained in the Securities Act and applicable state securities laws, the parties understand that the shares of BHC Common Stock issuable in the Merger will be subject to restrictions upon transfer in accordance with the Securities Act and applicable state securities laws and the certificates for such shares will bear a legend to that effect.

2.8 BHC Stock Options. Following the Merger Effective Date, BHC shall cause options exercisable for shares of BHC Common Stock to be issued to directors of the Bank who continue as Bank directors and who have received a minimum of 2,500 shares of BHC Common Stock in the Merger. The options will be issued under a stock option plan adopted by BHC. Each Bank director shall receive an option exercisable for a number of shares of BHC Common Stock equal to the number of shares of BHC Common Stock received by such director in the Merger (not to exceed 7,500 options for any director). The exercise price per share for the options shall be \$16.50. The options will vest as to one-third of the shares subject to the options on each anniversary date of the grant of the stock options; *provided, however*, that the option will be fully exercisable upon the death, disability or dismissal without cause of any director. Options must be exercised upon the earlier of 90 days following the termination of an individual's service as a director of the Bank or ten (10) years following the date of the grant of the options. The option also will be subject to the terms and conditions of the BHC stock option plan under which the options are issued.

2.9 Put and Call Option Agreement. Each shareholder of the Bank who receives shares of BHC Common Stock in the Merger shall receive such shares subject to the shareholder entering into the Put and Call Option Agreement in the form of that attached as Exhibit 9.

III. ACTIONS PENDING MERGER.

3.1 Conduct of Business Prior to the Merger Effective Date. Except as expressly contemplated or permitted by this Agreement, or as required by applicable Law, during the period from the date of this Agreement to the Merger Effective Date, the Bank shall (i) conduct its business in the usual, regular and ordinary course consistent with past practice, (ii) use reasonable best efforts to maintain and preserve intact its business organization and advantageous customer and business relationships and retain the services of its key officers and employees and (iii) take no action which would reasonably be expected to adversely affect or delay its ability to consummate the transactions contemplated hereby.

3.2 **Forbearances of the Bank.** From the date hereof until the Merger Effective Date, except as otherwise contemplated by this Agreement, without the prior written consent of Florida Bank Group, the Bank shall not:

(A) **Capital Stock.** Issue, sell, transfer, dispose of, permit to become outstanding, authorize the creation of, pledge or encumber any shares of capital stock, voting securities or other equity interest, or any options, warrants, convertible securities or other rights of any kind to acquire or receive any shares of capital stock, voting securities or other equity interests (including stock appreciation rights, phantom stock or similar instruments) of the Bank, except for the issuance of shares of Bank Common Stock upon the exercise, in accordance with the terms of any Benefit Plan, of those Bank Stock Options set forth on Schedule 2.5 of the Disclosure Schedule and outstanding on the date hereof.

(B) **Dividends, Etc.** Make, declare, pay or set aside for payment any dividend payable in cash, stock or property on or in respect of, or declare or make any distribution on, any shares of its capital stock, or directly or indirectly adjust, split, combine, reclassify, redeem, purchase or otherwise acquire any shares of its capital stock.

(C) **Compensation; Employment Agreements, Etc..** Enter into, adopt, establish, renew or allow to renew automatically, make any new grants of awards under, amend or otherwise modify or terminate any employment, consulting, transition, termination, severance, change in control, retention or similar agreements or arrangements, benefit, program, policy, trust, fund or other arrangement with any current or former director, officer, employee or independent contractor of the Bank or grant any salary or wage increase or increase any other compensation or employee benefit (including incentive or bonus payments), except (provided that Florida Bank Group is given five (5) Business Days advance written notice thereof): (i) for normal individual increases in base salary or wage rates to current employees, directors and officers in the ordinary and usual course of business consistent with past practice, provided that no such increase shall result in an annual adjustment of more than 7.5% of the aggregate base salary and wages payable in 2006; or (ii) for other changes that are required by applicable Law or any Contract disclosed to Florida Bank Group prior to the date hereof.

(D) **Hiring and Promotion.** Hire any person as an employee or promote any employee, except (provided that Florida Bank Group is given five (5) Business Days advance written notice thereof) persons hired to fill any vacancies and whose employment is terminable at the will of the Bank, as the case may be, and whose base salary or wage rate, including any guaranteed bonus or any similar bonus, does not exceed \$40,000 per annum.

(E) **Benefit Plans.** Enter into, terminate, establish, adopt or amend (except as may be required by applicable Law) any Benefit Plans, take any action to grant or approve the grant of, accelerate the vesting, accrual or exercisability of stock options (except as expressly provided by this Agreement), restricted stock or other compensation or benefits payable thereunder or increase

the participant pool of any Benefit Plan (except that the Bank may renew its health insurance policies and programs in effect as of the date of this Agreement upon terms and conditions acceptable to the Bank and Florida Bank Group). Without limiting the generality of the foregoing, the Bank shall not take any action which has the effect of increasing the Bank's obligations or liabilities pursuant to any stock option plans or any other Benefit Plan.

(F) **Dispositions.** Sell, transfer, lease, license, guarantee, mortgage, pledge, encumber or otherwise create any Lien on, dispose of or discontinue any of its assets, deposits, business or properties (other than sales of loans and loan participations made in the ordinary and usual course of business consistent with past practice and pursuant to Section 3.2(P)) except in the ordinary and usual course of business consistent with past practice and in a transaction that, together with all other such transactions, is not material to the Bank.

(G) **Acquisitions.** Acquire (other than by way of foreclosures or acquisitions of control of property other than real estate in a bona fide fiduciary capacity or in satisfaction of indebtedness previously contracted in good faith, in each case in the ordinary and usual course of business consistent with past practice) all or any portion of the assets, deposits, business or properties of any other person except in the ordinary and usual course of business consistent with past practice and in a transaction that, together with all other such transactions, is not material to the Bank, as the case may be (and, in the case of purchases of loans and loan participations, in accordance with Section 3.2(P)).

(H) **Capital Expenditures.** Make any capital expenditures other than (i) capital expenditures provided for in the capital budget furnished by the Bank to Florida Bank Group prior to the date of this Agreement, and (ii) other capital expenditures in the ordinary and usual course of business consistent with past practice in amounts not exceeding \$20,000 individually or \$100,000 in the aggregate.

(I) **Governing Documents.** Amend or otherwise change its Organizational Documents or any similar governing instruments.

(J) **Accounting Methods.** Implement or adopt any change in its book or tax accounting principles, practices or methods, other than as may be required by GAAP or regulatory accounting principles, and as concurred in by the Bank's independent public accountants.

(K) **Contracts.** Except with respect to Contracts relating to loans or loan participations made in the ordinary and usual course of business consistent with past practice and in accordance with Section 3.2(P), enter into, renew or allow to renew automatically, modify, amend or terminate, make any payment not then required under or waive, release or assign any material right or claims under, any Contract that calls for aggregate annual payments of \$20,000 or more and which is not terminable at will or with sixty (60) days or less notice without payment of any amount other than for products delivered or services performed through the date of termination.

(L) **Claims.** Enter into any settlement, compromise or similar agreement with respect to, or take any other significant action with respect to the conduct of, any litigation, claim, action, suit, hearing, investigation or other proceeding to which the Bank is or becomes a party, which settlement, compromise, agreement or action involves payment by the Bank, of an amount that exceeds \$5,000 individually or \$10,000 in the aggregate and/or would impose any material restriction on the business of Bank, or the Continuing Corporation or any of its Affiliates or create precedent for claims that are reasonably likely to be material to the Bank or any of its Subsidiaries, as the case may be.

(M) **Adverse Actions.** Take any action or omit to take any action that would result in (i) any of the Bank's representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time at or prior to the Merger Effective Date, (ii) any of the conditions to the Merger set forth in Article VI not being satisfied on a timely basis or (iii) a material violation of any provision of this Agreement, except as may be required by applicable Law

(N) **Risk Management.** Except as required by applicable Law, (i) implement or adopt any material change in its interest rate and other risk management policies, procedures or practices, (ii) fail to follow existing policies or practices of the Bank with respect to managing its exposure to interest rate and other risks or (iii) fail to use commercially reasonable efforts to avoid any material increase in its aggregate exposure to interest rate risk.

(O) **Indebtedness.** Incur or modify any indebtedness for borrowed money or other liability (other than deposits, federal funds borrowings and borrowings from the Federal Home Loan Bank) or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person (other than in connection with payments, processing and similar matters in the ordinary course of business consistent with past practices).

(P) **Loans.** (i) Make any loan or loan commitment or renewal or extension thereof to any person which would, when aggregated with all outstanding loans or loan commitments thereof made to such person and any Affiliate or immediate family member of such person, exceed \$1,500,000 (on a secured basis) and \$500,000 (on an unsecured basis) with respect to any new loan or loan commitment or any renewal or extension of any outstanding loan or loan commitment; (ii) take any action that would result in any discretionary releases of collateral or guarantees or otherwise restructure any loan or commitment for any loan with a principal balance in excess of \$250,000 (on a secured basis) and \$100,000 (on an unsecured basis) or (iii) purchase or sell any loan or loan participation exceeding \$250,000 (on a secured basis) and \$100,000 (on an unsecured basis).

(Q) **Investments.** (i) Other than in the ordinary and usual course of business consistent with past practice in amounts not to exceed \$150,000 individually and \$250,000 in the aggregate or sales of overnight federal funds (limited to 25% of the shareholders' equity of the Bank) or in securities transactions as provided in (ii) below, make any investment either by contributions to capital, property transfers or purchases of any property or assets of any person and (ii) other than purchases of direct obligations of the United States of America or obligations of U.S. government

agencies which are entitled to the full faith and credit of the United States of America, in any case with a remaining maturity at the time of purchase of one year or less, purchase or acquire securities of any type; *provided, however*, that in the case of investment securities, the Bank may purchase investment securities if, within five (5) Business Days after the Bank requests in writing (which request shall describe in detail the investment securities to be purchased and the price thereof) that Florida Bank Group consent to making of any such purchase, Florida Bank Group has approved such request in writing or has not responded in writing to such request.

(R) **Taxes.** Commence, compromise or settle any litigation or proceeding with respect to any liability for Taxes, make or change any Tax election, file any amended Tax Return, enter into any closing agreement, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Bank, take any action which is reasonably likely to have an adverse effect on any Tax position of the Bank or, after the Merger, the Continuing Corporation or any of its Affiliates, change any of its methods of reporting income or deductions for Tax purposes or take any other action with respect to Taxes that is outside the ordinary and usual course of business or inconsistent with past practice.

(S) **Operations.** Introduce any material new products or services; begin any material marketing campaigns; enter into any material new line of business; change its lending, underwriting, credit-grading or other material banking or operating policies in any material respects; or make or file any applications with any Regulatory Authority for the opening, relocation or closing of any, or open, relocate or close any, branch, servicing center or other office or facility.

(T) **Commitments.** Agree or commit to do any of the foregoing.

3.3 **Forbearances of Florida Bank Group.** From the date hereof until the Merger Effective Date, except as expressly contemplated by this Agreement, without the prior written consent of the Bank, Florida Bank Group will not take, or omit to take, or agree or commit to take or omit to take, any action that would result in (i) any of Florida Bank Group's representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time at or prior to the Merger Effective Date, (ii) any of the conditions to the Merger set forth in Article VI not being satisfied or (iii) a material violation of any provision of this Agreement, except as may be required by applicable Law.

IV. REPRESENTATIONS AND WARRANTIES.

4.1 The Bank hereby represents and warrants to Florida Bank Group, and Florida Bank Group hereby represents and warrants to the Bank as follows:

(A) **Recitals.** The facts set forth in the Recitals of this Agreement with respect to it or its subsidiary bank are true and correct. For purposes of this Agreement, any reference in Article IV to Florida Bank Group shall mean, unless otherwise indicated, Florida Bank Group on a

consolidated basis, including its ownership of Bank of St. Petersburg, and upon its opening, Bank of North Florida.

(B) Organization and Capital Shares.

(i) It is a Corporation duly organized, validly existing, in good standing under the laws of the State of Florida as to the Bank and under the laws of the State of Delaware as to Florida Bank Group.

(ii) The outstanding shares of it are duly authorized, validly issued and outstanding, fully paid and nonassessable, and subject to no preemptive rights. Except for the Bank Options and the Florida Bank Group Options, there are no outstanding options, warrants, securities, subscriptions, rights or other contractual agreements or arrangements that give any person the right to purchase or otherwise receive or be issued any capital stock of it or its subsidiary or any security of any kind convertible into or exercisable or exchangeable for any shares of capital stock of it or its subsidiary or to receive any benefits or rights similar to any rights enjoyed by or accruing to a holder of shares of capital stock (including any rights to participate in the equity, income or election of directors of it or its subsidiary).

(C) Qualification. It is duly qualified to do business and is in good standing in the State of Florida and in any other states of the United States and foreign jurisdictions where their ownership, use or leasing of property or the conduct or nature of their business requires either of them to be so qualified, licensed or admitted and in which the failure to be so qualified, licensed or admitted and in good standing could reasonably be expected to have a Material Adverse Effect (as such term is defined in Section 8.3(I)). Each has the corporate power and authority to carry on its business as it is now being conducted and to own all its material properties and assets. Each has in effect all federal, state and local authorizations, licenses and approvals necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted.

(D) Subsidiaries. The Bank has no direct or indirect subsidiaries. The sole subsidiary of Florida Bank Group is Bank of St. Petersburg, which is a Florida banking corporation, all of the outstanding shares of which are owned by Florida Bank Group. Florida Bank Group is organizing Bank of North Florida which, when opened, will be a Florida banking corporation, all of the outstanding shares of which will be owned by Florida Bank Group. Bank of St. Petersburg has the corporate power and authority to carry on its business as it is now being conducted and to own all of its material properties and assets, and has in effect all federal, state and local authorizations, licenses and approvals necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted.

(E) Authority. Subject to receipt of any necessary approval by its stockholders and the regulatory approvals referred to in Section 6.2, it has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, this Agreement has been authorized by all necessary corporate action by it, and is a valid and binding agreement of it

enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, receivership, conservatorship and other laws of general applicability relating to or affecting creditors rights and to general equity principles.

(F) **No Conflict.** The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by it will not constitute (i) a breach or violation of, or a default under, any law, rule or regulation (collectively "Laws") or any judgment, decree or order (collectively "Orders"), governmental permit or license (collectively "Licenses"), or contract, agreement, indenture or instrument (collectively "Contracts") of it or to which it or any of its properties is subject or by which any of them are bound, which breach, violation or default is reasonably likely to have, either by itself or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it; (ii) a breach or violation of, or a default under, its articles of incorporation, charter or bylaws (or other comparable corporate charter documents); (iii) result in or give any person any right of termination, cancellation, acceleration or modification in or with respect to any Orders, Licenses or Contracts, (iv) result in or give to any person any additional rights or entitlement to increased, accelerated or guaranteed payments under any Orders, Licenses or Contracts, or (v) result in the creation or imposition of any lien or encumbrance on the assets or properties of it; and the consummation of the transactions contemplated by this Agreement will not require any consent or approval under any Laws, Orders, Licenses or Contracts or, except as set forth in Schedule 4.1(F), the consent or approval of any other party to any Orders, Licenses or Contracts other than the required approvals of applicable regulatory authorities referred to in Section 6.2.

(G) **Financial Statements.** Prior to the execution of this Agreement, each party has delivered to the other true and complete copies of the following financial statements (which are attached as Schedule 4.1(G)):

(i) the audited balance sheets of it as of December 31, 2005 and 2004 and the related audited statements of operations, stockholders' equity and cash flows for the fiscal year then ended (the "Audited Financial Statements"), together with a true and correct copy of the report on such audited information by their respective independent accountants, and all letters from such accountants with respect to the results of such audits; and

(ii) the unaudited balance sheets of it as of September 30, 2006 and the related unaudited statements of operations, stockholders' equity and cash flows for the period then ended (the "Unaudited Financial Statements") (the Audited Financial Statements and the Unaudited Financial Statements are sometimes hereinafter collectively referred to as the "Financial Statements"). All such Financial Statements were prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied and fairly present its financial condition and results of operations as of the respective dates thereof and for the respective periods covered thereby.

(H) **No Undisclosed Liabilities.** Except as referred to or reserved against in its Financial Statements, there are no liabilities against, relating to or affecting it or any of its assets and

properties, other than liabilities incurred in the ordinary course of business consistent with past practice which in the aggregate are not material to its business, financial condition or results of operations.

(I) **Litigation; Regulatory Action.** Except as set forth in Schedule 4.1(I) or in its Financial Statements, no litigation, proceeding, or controversy before any court or governmental agency is pending which, either by itself or in the aggregate with one or more other events, occurrences or circumstances, is reasonably likely to have a Material Adverse Effect on it and, to the best of its knowledge, no such litigation, proceedings or controversy has been threatened; and except as set forth in Schedule 4.1(I), it is not a party to, or subject to any order, decree, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or has adopted any board resolution at the request of, any federal, state or other government, governmental agency or authority charged with the supervision or regulation of financial institutions or their holding companies or the issuance of securities or engaged in the insurance of deposits (including, without limitation, the Florida Office of Financial Regulation, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation) or the supervision or regulation of it or its properties (collectively, the “Regulatory Authorities”); and it has not been advised by any Regulatory Authority that such authority is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such order, decree, agreement, memorandum of understanding, commitment letter or similar submission or any such resolutions.

(J) **Compliance with Laws.** It is in material compliance, in the conduct of its business, with all applicable federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses, including, without limitation, the Equal Credit Opportunity Act, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act, all other applicable fair lending laws relating to discriminatory business practices, the Currency and Foreign Transaction Reporting Act, as amended (“Bank Secrecy Act”), Title III of the USA Patriot Act and all other applicable secrecy laws; and it has all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Regulatory Authorities that are required in order to permit it to conduct its business substantially as presently conducted; all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to the best of its knowledge, no suspension or cancellation of any of them is threatened; and it has not received notification or communication from any Regulatory Authority (i) asserting that it is not in material compliance with any of the statutes, regulations, or ordinances which such Regulatory Authority enforces or (ii) threatening to revoke any license, franchise, permit, or governmental authorization or (iii) threatening or contemplating revocation or limitation of, or which would have the effect of revoking or limiting, federal deposit insurance (nor, to its knowledge, do any grounds for any of the foregoing exist).

(K) **Defaults.** It is not in default under any material contract, agreement, commitment, arrangement, lease, insurance policy or other instrument to which it is a party, by

which its assets, business, or operations may be bound or affected, or under which it or its assets, business, or operations receives benefits, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default. It is not subject to, or bound by, any Contract containing covenants which (i) limit its ability to compete in any material line of business or with any person, or (ii) involve any material restriction of geographical area in which, or method by which, it may carry on its business (other than as may be required by law or any applicable Regulatory Authority).

(L) **Brokers; Advisors.** Except for the engagement by the Bank of Allen C. Ewing & Co. as described on Schedule 4.1(L) by the Bank, all negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by it and its agents directly with the other parties hereto and their agents and no action has been taken by it that would give rise to any valid claim against any party hereto for a brokerage commission, finder's fee or other like payment.

(M) **No Regulatory Impediment.** It knows of no reason why the regulatory approvals referred to in Section 6.2 should not be obtained.

(N) **Takeover Laws; Dissenters' Rights.** It has taken all necessary action to exempt the transactions contemplated by this Agreement from, or the transactions contemplated by this Agreement are otherwise exempt from, the requirements of any "moratorium," "control share," "fair price," "affiliate transaction," "control transaction," "business combination" or other anti-takeover laws and regulations (collectively, the "Takeover Laws") of the State of Florida and the State of Delaware.

(O) **Reorganization.** It is aware of no reason why the Merger will fail to qualify as a tax free exchange under Section 351 of the Code.

(P) **Articles and Bylaws.** It has previously delivered to the other party its articles of incorporation, articles of association, and bylaws (or other comparable corporate charter documents) which are true, correct and complete copies of such documents as in effect on the date of this Agreement.

(Q) **Disclosure.** All material facts to its business, financial condition or results of operations have been disclosed to the other party in connection with this Agreement. No representation or warranty contained in this Agreement, and no statement contained in the Schedules hereto or in any certificate, list or other writing furnished pursuant to any provision of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein, in the light of the circumstances under which they were made, not misleading. All information disclosed by the parties pursuant to this Agreement shall be held by such parties subject to the terms and conditions of Section 5.5(C) of this Agreement.

4.2 In addition to the representations under Section 4.1, the Bank also represents and warrants to Florida Bank Group as follows:

(A) **Absence of Changes.** Except for the execution and delivery of this Agreement and the transactions to take place pursuant hereto on the Merger Effective Date, since December 31, 2005 there has not been any change, development or event which, individually or together with other such changes, developments or events, could reasonably be expected to have a Material Adverse Effect on its business, financial condition or results of operations. Without limiting the foregoing, except as disclosed in Schedule 4.2(A) or in the Unaudited Financial Statements, there has not occurred between December 31, 2005 and the date hereof:

(i) any declaration, setting aside or payment of any dividend or other distribution in respect of its capital stock, or any direct or indirect redemption, purchase or other acquisition by it of any such capital stock of or any Option with respect to it;

(ii) any authorization, issuance, sale or other disposition by it of any shares of capital stock of or Option or any modification or amendment of any right of any holder of any outstanding shares of capital stock of or Option (except for the issuance of shares upon the exercise of Options);

(iii) (x) any increase in the salary, wages or other compensation of any officer, employee or consultant of it whose annual salary is, or after giving effect to such change would be, \$100,000 or more; (y) any establishment or modification of (A) targets, goals, pools or similar provisions in respect of any fiscal year under any benefit Agreement, employment contract or other employee compensation arrangement or (B) salary ranges, increase guidelines or similar provisions in respect of any benefit Agreement, employment contract or other employee compensation arrangement; or (z) any adoption, entering into, amendment, modification or termination (partial or complete) of any benefit Agreement except to the extent required by applicable Laws and, in the event compliance with legal requirements presented options, only to the extent the option which it reasonably believed to be the least costly was chosen;

(iv) any borrowing by it except in the ordinary course of business;

(v) with respect to any property securing any loan or other credit arrangement made by it, and to the knowledge of Florida Bank Group or the Bank, as the case may be, any physical damage, destruction or other casualty loss (whether or not covered by insurance) in an aggregate amount exceeding \$100,000;

(vi) any material change in (w) any pricing, investment, accounting, financial reporting, credit, allowance or tax practice or policy, (x) any method of calculating any bad debt, contingency or other reserve for accounting, financial reporting or tax purposes, (y) its fiscal year of it or (z) any credit policy or standard, including, without limitation, criteria relating to placement of a debtor on any credit watch or other similar list maintained by it;

(vii) with respect to any loan or other credit arrangement made by it, any write off or write down of or any determination to write off or write down any such loan or other credit arrangement in an aggregate amount exceeding \$10,000 per month;

(viii) except for the sale of foreclosed properties, or properties received in lieu of foreclosure in the ordinary course of business consistent with past practice, any acquisition or disposition of, or incurrence of a lien or other encumbrance on, any of its assets and properties;

(ix) any (x) amendment of its articles of incorporation, articles of association, or bylaws (or other comparable corporate charter documents), (y) reorganization, liquidation or dissolution of it (z) merger, consolidation or business combination involving it and any other person;

(x) any capital expenditures or commitments for additions to property, Agreement or equipment of it constituting capital assets in an aggregate amount exceeding \$100,000;

(xi) any commencement or termination by it of any line of business;

(xii) any transaction by it with any officer, director, affiliate or associate of it or any affiliate or associate of any such officer, director or affiliate (A) outside the ordinary course of business consistent with past practice or (B) other than on an arm's-length basis, other than pursuant to any Contract in effect on December 31, 2005 and disclosed in Schedule 4.2(A);

(xiii) any agreement to do or engage in any of the foregoing;

(xiv) any other transaction involving, or development affecting it outside the ordinary course of business consistent with past practice.

(B) **Material Contracts.** Except as set forth in Schedule 4.2(B) or in its Financial Statements, and except for this Agreement, it is not bound by any material contract, agreement or other arrangement to be performed after the date hereof. For purposes of this Section 4.2(B), "material" shall mean any contract, agreement or arrangement that calls for aggregate annual payments of \$20,000 or more and which is not terminable at will or with 60 days or less notice without payment of any amount other than for products delivered or services performed through the date of termination.

(C) **Real Property.** Except as set forth in Schedule 4.2(C), it does not own any real property. Schedule 4.2(C) also contains a true and correct list of each parcel of real property leased by it (as lessor or lessee).

(i) It has a valid and subsisting leasehold estate in and the right to quiet enjoyment of the real properties leased by it as lessee for the full term of the lease thereof. Each

lease referred to in this paragraph (i) is a legal, valid and binding agreement, enforceable in accordance with its terms (except 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), and there is no, and it has received no notice of any, default, or any condition or event which, after notice or lapse of time or both, would constitute a default thereunder. It does not owe any brokerage commissions with respect to any such leased space.

(ii) Except as disclosed in Schedule 4.2(C), the improvements on the real property identified therein are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, are adequate and suitable for the purposes for which they are presently being used and, to its knowledge, there are no condemnation or appropriation proceedings pending or threatened against any of such real property or the improvements thereon.

(D) **Tangible Personal Property.** It is in possession of and has good title to, or have valid leasehold interests in or valid rights under contract to use, all tangible personal property used in the conduct of its business, including all tangible personal property reflected on its Financial Statements and tangible personal property acquired subsequent to December 31, 2005, other than property disposed of since such date in the ordinary course of business consistent with past practice. All such tangible personal property is free and clear of all liens, other than liens disclosed in Schedule 4.2(D), and is in good working order and condition, ordinary wear and tear excepted, and its use complies in all material respects with all applicable laws.

(E) **Intellectual Property Rights.** Schedule 4.2(E) lists all Intellectual Property (as such term is hereinafter defined) owned by it or used in its business and operations as currently conducted. Except as set forth in Schedule 4.2(E), it has such ownership and use (free and clear of all liens) of, or rights by license, lease or other agreement to use (free and clear of all liens), such Intellectual Property as is necessary to permit it to conduct its business and operations as currently conducted, except where the failure to have any such right would not have a material adverse effect on its business, financial condition or results of operations. Except as disclosed in Schedule 4.2(E), (i) all registrations with and applications to Regulatory Authorities in respect of such Intellectual Property are valid and in full force and effect and are not subject to the payment of any taxes or maintenance fees or the taking of any other actions to maintain their validity or effectiveness, (ii) there are no restrictions on the direct or indirect transfer of any license, or any interest therein in respect of such Intellectual Property, (iii) it has taken reasonable security measures to protect the secrecy, confidentiality and value of their trade secrets, (iv) it has not received any notice that it is, in default (or with the giving of notice or lapse of time or both, would be in default) under any license to use such Intellectual Property and (v) it has no knowledge that such Intellectual Property is being infringed by any other person. It has not received notice that it is infringing any Intellectual Property of any other person, no claim is pending or, to its knowledge (after having made due inquiry), has been made to such effect that has not been resolved and, to its knowledge (after having made due inquiry), it is not infringing any Intellectual Property rights of any other person. For

purposes of this Agreement “Intellectual Property” means all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, brand names, inventions, processes, formulae, copyrights and copyright rights, trade dress, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, methodologies, computer programs (including all source codes) and related documentation, software license and sub-license agreements, end-user license agreements for software, software maintenance agreements, technical information, manufacturing, engineering and technical drawings, know-how and all pending applications for and registrations of patents, trademarks, service marks and copyrights.

(F) **Employee Benefit Plans.** Except as Previously Disclosed:

(i) Section 4.2(F) of the Disclosure Schedule contains a true and complete list of each “employee benefit plan” (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including, without limitation, “multiemployer plans” within the meaning of Section 4001(a)(3) of ERISA), and all stock purchase, stock option, severance, employment, change-in-control, fringe benefit, vacation, perquisite, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA (including any funding mechanism therefore now in effect or required in the future as a result of the transaction contemplated by this Agreement or otherwise), whether formal or informal, oral or written, legally binding or not, under which (i) any current or former employee, director or independent contractor of the Bank (the “Employees”) has any present or future right to benefits and which are contributed to, sponsored by or maintained by the Bank or (ii) the Bank has had or has any present or future liability. All such plans, agreements, programs, policies and arrangements shall be collectively referred to as the “Benefit Plans”.

(ii) With respect to each Benefit Plan, the Bank has provided to the Buyer a current, accurate and complete copy (or, to the extent no such copy exists, an accurate description) thereof and, to the extent applicable: (i) any related adoption agreement, trust agreement or other funding instrument; (ii) the most recent determination letter, if applicable; (iii) any summary plan description and other written communications (or a description of any oral communications) by the Bank to the Employees concerning the extent of the benefits provided under a Benefit Plan; (iv) a summary of any proposed amendments or changes anticipated to be made to the Benefit Plans at any time within the twelve months immediately following the date hereof, (v) for the three most recent years and as applicable, (A) the Form 5500 and attached schedules, (B) audited financial statements and (C) actuarial valuation reports; and (vi) all filings made by the Bank or with any governmental authority including but not limited to any filings under the Voluntary Compliance Resolution or Closing Agreement Program or the Department of Labor Delinquent Filer Program.

(iii) (i) Each Benefit Plan has been established, operated and administered in all material respects in accordance with its terms and in compliance with the applicable provisions of ERISA, the Code and other applicable laws, rules and regulations; (ii) each Benefit Plan which

is intended to be qualified within the meaning of Sections 401(a) or 4975(e)(7) of the Code is so qualified and has received a favorable determination or opinion letter as to its qualification, and each trust established in connection with any Benefit Plan which is intended to be exempt from federal taxation under Section 501(a) of the Code is so exempt, and nothing has occurred, whether by action or failure to act, that could reasonably be expected to cause the loss of such qualification or exempt status; (iii) no event has occurred and no condition exists that would reasonably be expected to subject the Bank, either directly or by reason of their affiliation with any member of their "Controlled Group" (defined as any organization which is a member of a controlled group of organizations within the meaning of Sections 414(b), (c), (m) or (o) of the Code), to any material tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable Laws, rules and regulations; (iv) for each Benefit Plan with respect to which a Form 5500 has been filed, no material change has occurred with respect to the matters covered by the most recent Form since the date thereof; (v) no "reportable event" (as such term is defined in Section 4043 of ERISA) that could reasonably be expected to result in material liability, no nonexempt "prohibited transaction" (as such term is defined in Section 406 of ERISA and Section 4975 of the Code) or "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA and Section 412 of the Code (whether or not waived)) has occurred with respect to any Benefit Plan; (vi) all prior employer (including pre-tax employee) contributions and payments or benefits provided pursuant to such Benefit Plans and all other compensatory payments made to any current or former director, officer, employee or consultant of the Bank have been deductible under the Code, including under Sections 162 and 404, as applicable; (vii) there is no present intention that any Benefit Plan be materially amended, suspended or terminated, or otherwise modified to change benefits (or the levels thereof) under any Benefit Plan at any time within the twelve months immediately following the date hereof; (viii) the Bank has not incurred any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance benefits for current, former or retired employees of Bank or any of its Subsidiaries, except as required to avoid an excise tax under Section 4980B of the Code or otherwise except as may be required pursuant to any other applicable Law, and the Bank does not have any liability under Part 6 of Subtitle B of Title I of ERISA with respect to unsatisfied continuation coverage obligations under a healthcare plan maintained or formerly maintained by any member of their "Controlled Group"; and (x) neither the Bank nor to its knowledge, any other Person has any express or implied commitment, whether legally enforceable or not, to modify, change or terminate any Benefit Plan, other than with respect to a modification, change or termination required by ERISA, the Code or other applicable Law.

(iv) No Benefit Plan is: (i) a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) and neither the Bank, nor any member of its Controlled Group has at any time sponsored or contributed to, or has or had any liability or obligation in respect of, any multiemployer plan; (ii) a pension plan (within the meaning of Section 3(2) of ERISA) subject to Section 412 of the Code or Title IV of ERISA; (iii) a multiple employer plan for which the Bank could incur liability under Sections 4063 or 4064 of ERISA; or (vi) a voluntary employee benefit association under 501(c)(9) of the Code.

(v) With respect to any Benefit Plan, (i) no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or, to the knowledge of the Bank, threatened; (ii) no facts or circumstances exist that could give rise to any such actions, suits or claims; (iii) no written or oral communication has been received from the Pension Benefit Guaranty Corporation (the “PBGC”) in respect of any Benefit Plan subject to Title IV of ERISA concerning the funded status of any such plan or any transfer of assets and liabilities from any such plan in connection with the transactions contemplated herein; (iv) no administrative investigation, audit or other administrative proceeding by the Department of Labor, the PBGC, the Internal Revenue Service or other governmental agencies are pending, threatened or in progress (including, without limitation, any routine requests for information from the PBGC); and (v) all tax, annual reporting and other governmental filings required by ERISA, the Code or other applicable Law with respect to the Benefit Plans have been timely filed with the appropriate Regulatory Authority and all notices and disclosures have been timely provided to participants.

(vi) There has been no amendment to, announcement by the Bank relating to, or change in Employee participation or coverage under, any Benefit Plan which would increase the expense of maintaining such plan above the level of the expense incurred therefore for the most recent fiscal year.

(vii) Except as set forth on Section 4.2(F) of the Disclosure Schedule, neither the execution of this Agreement, shareholder approval of the Merger nor the consummation of the transactions (either alone or in combination with any subsequent event) contemplated hereby will (i) entitle any Employees to severance pay or any increase in severance pay upon any termination of employment after the date hereof, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or result in any other obligation pursuant to, any of the Benefit Plans, (iii) limit or restrict the right of either the Bank or, after the consummation of the transactions contemplated hereby, Florida Bank Group or the Continuing Corporation to merge, amend or terminate any of the Benefit Plans or result in any liability on account of such merger, amendment or termination (other than liability for ordinary administrative expenses typically incurred under such Benefit Plan), (iv) cause the Bank or, after the consummation of the transactions contemplated hereby, Florida Bank Group or the Continuing Corporation to record additional compensation expense on its income statement with respect to any outstanding stock option or other equity-based award or (v) result in payments under any of the Benefit Plans or otherwise which would not be deductible under section 280G of the Code.

(G) **Labor Matters.** It is not 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 it the subject of a proceeding asserting that it has committed an unfair labor practice (within the meaning of the State Labor Relations Act) or seeking to compel it to bargain with any labor organization as to wages and conditions of employment, nor is there any strike or other labor dispute involving it, pending or, to the best of its knowledge, threatened, nor is it aware of any activity

involving its employees seeking to certify a collective bargaining unit or engaging in any other organization activity.

(H) **Insurance.** Schedule 4.2(H) contains a true and complete list (including the names and addresses of the insurers, the expiration dates thereof, the annual premiums and payment thereof and a brief description of the interests insured thereby) of all liability, property, workers' compensation, directors' and officers' liability and other insurance policies currently in effect that insure the business, operations or employees of it or affect or relate to the ownership, use or operation of any of its assets and properties and that (i) have been issued to it or (ii) have been issued to any person for their benefit. The insurance coverage provided by the policies described in clause (i) above will not terminate or lapse by reason of the transactions contemplated by this Agreement. Each policy listed in Schedule 4.2(H) is valid and binding and in full force and effect, no premiums due thereunder have not been paid and neither it nor the person to whom such policy has been issued has received any notice of cancellation or termination in respect of any such policy or is in default thereunder. The insurance policies listed in Schedule 4.2(H), in light of its business, operations and assets and properties, are in amounts and have coverages that are reasonable and customary for persons engaged in such businesses and operations and having such assets and properties. It has not received notice that any insurer under any insurance policy (x) is denying liability with respect to a claim thereunder or defending under a reservation of rights clause or (y) has filed for protection under applicable bankruptcy or insolvency laws or is otherwise in the process of liquidating or has been liquidated. Schedule 4.2(H) sets forth a complete and accurate list of all claims in excess of \$25,000 made under the policies and binders described in clause (i) above since December 31, 2004. It does not have or maintain any self-insurance arrangement.

(I) **Affiliate Transactions.** Except as disclosed in Schedule 4.2(I), in any other Schedule to this Agreement or in the Financial Statements, as of the date of this Agreement there are no intercompany liabilities between the Bank and Florida Bank Group and/or Bank of St. Petersburg. No officer, director, affiliate or associate of the Bank, nor any associate of any such officer, director or affiliate, provides or causes to be provided any assets, services or facilities to the Bank; the Bank does not provide or cause to be provided any assets, services or facilities to any such officer, director, affiliate or associate; and the Bank does not beneficially own, directly or indirectly, any assets of any such officer, director, affiliate or associate. Except as disclosed in Schedule 4.2(I), in any other Schedule to this Agreement or in the Financial Statements, each of the liabilities and transactions referred to in the previous sentence was incurred or engaged in, as the case may be, on an arm's length basis. Except as disclosed in Schedule 4.2(I), since December 31, 2005, all such settlements between the Bank and its respective officers, directors, affiliates and associates, have been made, and all allocations of intercompany expenses have been applied, in the ordinary course of business consistent with past practice.

(J) **Asset Classification.** Set forth on Schedule 4.2(J) is a list, accurate and complete in all material respects, of all loans, extensions of credit or other assets that are classified as of November 30, 2006 by it (the "Asset Classification"); and no amounts of loans, extensions of credit or other assets that are classified by the Bank as of November 30, 2006 by any regulatory

examiner as "Other Assets Especially Mentioned", "Substandard", "Doubtful," "Loss," or words of similar import are excluded from the amounts disclosed in the Asset Classification, other than amounts of loans, extensions of credit or other assets that were charged off by the Bank prior to November 30, 2006. The allowances for loan losses disclosed in the Financial Statements were, and the allowances for loan losses for periods ending after the date of this Agreement will be, adequate as of the date thereof, under generally accepted accounting principles consistently applied to banks and bank holding companies and under all other regulatory requirements, for all losses reasonably anticipated in the ordinary course of business as of the date thereof based on information available as of such date, and the assets comprising other real estate owned and in-substance foreclosures included in any of their non-performing assets are carried net of reserves at the lower of cost or market value based on current independent appraisals or current management appraisals.

(K) **Environmental Matters.** Except as set forth in Schedule 4.2(K), to the best of its knowledge:

(i) neither it, nor any properties owned or operated by it, has been or is in violation of or liable under any Environmental Law (as such term is defined in subsection (iii) below), except for such violations or liabilities that, either by themselves or in the aggregate with one or more other events, occurrences or circumstances, would not have a Material Adverse Effect on its assets, business, financial condition or results of operations taken as a whole. There are no (and there is no reasonable basis for any) actions, suits or proceedings, or demands, claims, notices or investigations including, without limitation, notices, demand letters or requests for information from any environmental agency or other person, instituted, pending or threatened relating to the liability of any property owned or operated by it under any Environmental Law.

(ii) it has not received any notice, citation, summons or order, complaint or penalty assessment by any governmental or other entity or person with respect to a property in which it holds a security interest or other lien for (i) any alleged violation of Environmental Law, (ii) any failure to have any environmental permit, certificate, license, approval, registration, and (iii) any use, possession, generation, treatment, storage, recycling, transportation or disposal of any Hazardous Material (as such term is defined in subsection (iii), below).

(iii) The following definitions apply for purposes of this Agreement: "Environmental Law" means (i) any federal, state or local law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, legal doctrine, order, judgment, decree, injunction, requirement or agreement with any governmental entity, relating to (a) the protection, preservation or restoration of the environment, (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, Agreement and animal life or any other natural resource), or to human health or safety, or (b) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Material, in each case as amended and as in effect on or prior to the date of this Agreement and includes, without limitation, the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund Amendments and

Reauthorization Act, the Federal Water Pollution Control Act of 1972, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the Federal Solid Waste Disposal and the Federal Toxic Substances Control Act, and the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Occupational Safety and Health Act of 1970, each as amended and as now in effect, and (ii) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Material; "Hazardous Material" means any substance presently listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or quantity, and includes, without limitation, any oil or other petroleum product, toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl;

(L) **Tax Matters.** Except as set forth in Schedule 4.2(L), (i) all reports and returns with respect to Taxes (as defined below) that are required to be filed by or with respect to it (collectively, the "Tax Returns"), have been duly filed, or requests for extensions have been timely filed and have not expired except to the extent any such filing is not yet due or all such failures to file, taken together, are not reasonably likely to have either by themselves or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it, and such Tax Returns were true, complete, accurate and correct in all material respects, (ii) all taxes (which shall mean federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, occupancy, license, excise, franchise, employment, withholding or similar taxes imposed on the income, properties, operations or activities of it, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties, collectively the "Taxes") shown to be due on the Tax Returns have been paid in full on or before the due date or are being contested in good faith and adequately reserved for on its consolidated balance sheet, (iii) the Tax Returns have never been examined by the Internal Revenue Service, (iv) no notice of deficiency, pending audit or assessment with respect to the Tax Returns has been received from the appropriate state, local or foreign taxing authority, or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired, (v) all Taxes due with respect to completed and settled examinations have been paid in full, (vi) no issues have been raised by the relevant taxing authority in connection with the examination of any of the Tax Returns which are reasonably likely to result in a determination that would have, either by themselves or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it, except as reserved against in its Financial Statements, and (vii) no waivers of statutes of limitations have been given by or requested with respect to any Taxes of it.

4.3 In addition to the representations under Section 4.1, Florida Bank Group also represents and warrants to the Bank that except for the execution and delivery of this Agreement and the transactions to take place pursuant hereto on the Merger Effective Date, since December 31, 2005, there has not been any change, development or event which, individually or together with such

other changes, development or events, could reasonably be expected to have a Material Adverse Effect on its business, financial condition, or results of operations.

V. COVENANTS.

5.1 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement, each party hereto agrees to cooperate with the other and use its reasonable best efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable on its part under this Agreement or under applicable Laws to consummate and make effective the Merger and the other transactions contemplated hereby as promptly as practicable, including the satisfaction of the conditions set forth in Article VI hereof.

5.2 Stockholder Approval.

(A) As soon as practicable following the date of this Agreement, the Bank, acting through its Board of Directors, shall take all action necessary to duly call and give notice of, a meeting of its stockholders (including any adjournment or postponement, the “Bank Meeting”), to be held within thirty (30) calendar days after the Proxy Statement (as defined in Section 5.3) is first sent or mailed to its stockholders, for the purpose of adopting this Agreement and considering and voting upon any other matters required to be approved by the Bank’s stockholders for consummation of the Merger. The Bank shall solicit from its stockholders proxies in favor of the adoption and approval of this Agreement and the Merger and shall take all other action necessary or advisable to secure the vote or consent of its stockholders to adopt and approve this Agreement and the Merger.

(B) The Board of Directors of the Bank shall recommend adoption of this Agreement by the stockholders of the Bank and shall not (x) withdraw, modify or qualify in any manner adverse to Florida Bank Group such recommendation or (y) take any other action or make any other public statement in connection with the Bank Meeting inconsistent with such recommendation.

5.3 Proxy Statement.

(A) The Bank shall as promptly as practicable following the date hereof in conjunction with Florida Bank Group prepare and mail to its stockholders at its own expense a notice of meeting, proxy statement and form of proxy in accordance with applicable Law (the “Proxy Statement”). Florida Bank Group shall provide an initial draft of the Proxy Statement for the parties to mutually work upon, review and finalize. Each party shall have the opportunity to review and comment on the Proxy Statement and the Bank shall not mail the Proxy Statement without Florida Bank Group’s prior written consent (such consent not to be unreasonably withheld or delayed). The Proxy Statement shall include the recommendation of the Bank’s Board of Directors in favor of adoption and approval of this Agreement and the transactions contemplated hereby.

(B) The Bank agrees that the Proxy Statement and any amendment or supplement thereto shall, at the date of mailing to stockholders and at the time of the Bank Meeting, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each of the Bank and Florida Bank Group agrees that if such party shall become aware prior to the time of the Bank Meeting of any information furnished by such party that would cause any of the statements in the Proxy Statement to be false or misleading with respect to any material fact, or to omit to state any material fact necessary to make the statements therein not false or misleading, to promptly inform the other party thereof and to take the necessary steps to correct the Proxy Statement.

5.4 **Press Release.** Except as otherwise required by Law, the parties hereto shall consult with each other before issuing any press release with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statements without the prior consent of the other parties, which consent shall not be unreasonably withheld or delayed. The parties hereto shall cooperate to develop all public announcement materials and make appropriate management available at presentations related to the transactions contemplated by this Agreement as reasonably requested by the other party.

5.5 **Access; Information.**

(A) Each party agrees that upon reasonable notice and subject to applicable Laws relating to the exchange of information, it shall afford the other party and its officers, employees, counsel, accountants and other authorized representatives reasonable access during normal business hours throughout the period prior to the Merger Effective Date to its books, records (including Tax Returns and work papers of independent auditors), Contracts, properties and personnel and to such other information as the other party may reasonably request and, during such period, it shall furnish promptly to the other party all information concerning its business, properties and personnel as the other party may reasonably request.

(B) Without limiting the generality of Section 5.5(A), prior to the Merger Effective Date, upon reasonable prior notice and subject to applicable Laws relating to the exchange of information, each party's representatives shall have the right to conduct a review to determine the accuracy of the representations and warranties of the other party and the satisfaction of the conditions to closing as provided hereunder.

(C) Each party agrees that any information obtained pursuant to this Section 5.5 (as well as any other information obtained prior to the date hereof in connection with the entering into of this Agreement) shall be subject to and governed by the Confidentiality Agreement, dated August 16, 2006, between the Bank and Florida Bank Group (the "Confidentiality Agreement").

(D) No investigation by either party of the business and affairs of the other party shall affect or be deemed to modify or waive any representation, warranty, covenant or agreement

in this Agreement, or the conditions to such party's obligation to consummate the transactions contemplated by this Agreement.

5.6 No Solicitation.

(A) None of the Bank, or any of its officers, directors, employees, agents, representatives and Affiliates (collectively, "Representatives") shall, directly or indirectly, initiate, solicit, encourage or knowingly facilitate any inquiries or proposals with respect to any Acquisition Proposal. The Bank will immediately cease and cause to be terminated any activities, discussions or negotiations it or any of its Representatives may have conducted before the date of this Agreement with any persons other than Florida Bank Group and its Affiliates with respect to any Acquisition Proposal and will use its (and will cause its Representatives to use their) reasonable best efforts to enforce any confidentiality or similar agreement relating to an Acquisition Proposal, including by requiring the other parties thereto to promptly return or destroy any confidential information previously furnished by the Bank or its Representatives thereunder and by using its reasonable best efforts to obtain injunctions or other equitable remedies to prevent or restrain any breaches of such agreements and to enforce specifically the terms thereof in a court of competent jurisdiction.

(B) The Bank agrees that any violation of the restrictions set forth in this Section 5.6 by any Representative of the Bank, at the direction or with the consent or prior knowledge or awareness of the Bank, shall be deemed to be a breach of this Section 5.6 by the Bank.

5.7 Regulatory Applications.

(A) Florida Bank Group shall use its reasonable best efforts to prepare and deliver for filing, all documentation to effect all necessary notices, reports and other filings and to obtain all permits, consents, approvals and authorizations necessary or advisable to be obtained from any third parties and/or Regulatory Authorities in order to consummate the Merger and the other transactions contemplated hereby; and any initial filings forwarded to the Regulatory Authorities shall be made by Florida Bank Group within forty-five (45) days after the execution hereof, and the Bank shall cooperate in such preparation and filing. Subject to applicable laws relating to the exchange of information, each of Florida Bank Group and the Bank shall have the right to review in advance, and to the extent practicable each shall consult with the other on, all material written information submitted to any third party and/or any Regulatory Authority in connection with the Merger and the other transactions contemplated by this Agreement. In exercising the foregoing right, each of such parties agrees to act reasonably and as promptly as practicable. Each party hereto agrees that it shall consult with the other parties hereto with respect to the obtaining of all material permits, consents, approvals and authorizations of all third parties and/or Regulatory Authorities necessary or advisable to consummate the transactions contemplated by this Agreement and each party shall keep the other parties apprised of the status of material matters relating to completion of the transactions contemplated hereby (including promptly furnishing the other with copies of applications filed with, and notices or other communications received by Florida Bank Group or the Bank, as the case may

be, from any third party and/or Regulatory Authority with respect to the Merger and the other transactions contemplated by this Agreement).

(B) Each party agrees, upon request, to furnish the other party with all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of such other party to any third party and/or Regulatory Authority.

5.8 Indemnification; Director's and Officers' Insurance.

(A) From and after the Merger Effective Date, Florida Bank Group agrees that it will cause the Surviving Bank to indemnify and hold harmless each present and former director and officer of the Bank or its Subsidiaries (each, an "Indemnified Party" and, collectively, the "Indemnified Parties") against all costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions or omissions occurring at or prior to the Merger Effective Date (including the transactions contemplated by this Agreement), whether asserted or claimed prior to, at or after the Merger Effective Date, to the fullest extent that the Bank would have been permitted under applicable law and the Organizational Documents of the Bank as in effect on the date hereof to indemnify such Person (and Florida Bank Group shall also cause the Continuing Corporation to advance expenses as incurred to the fullest extent permitted under applicable law, *provided* that the person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification). Florida Bank Group's obligations under this Section 5.8(A) shall continue in full force and effect for a period of two (2) years from the Merger Effective Date; *provided, however*, that all rights to indemnification in respect of any claim asserted or made within such period shall continue until the final disposition of such claim.

(B) Any Indemnified Party wishing to claim indemnification under paragraph (A) of this Section 5.8, upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify Florida Bank Group thereof, but the failure to so notify shall not relieve Florida Bank Group of any liability it may have to such Indemnified Party if such failure does not materially prejudice Florida Bank Group. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Merger Effective Date), (i) Florida Bank Group shall have the right to assume, or cause the Continuing Corporation to assume, the defense thereof and Florida Bank Group shall not be liable to such Indemnified Party for any legal expenses or other counsel or any other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, (ii) the Indemnified Party will cooperate in the defense of any such matter and (iii) Florida Bank Group shall not be liable for any settlement effected without its prior written consent; *provided* that Florida Bank Group shall not have any obligation hereunder to any Indemnified Party if and when a court of competent jurisdiction shall ultimately 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) For a period of two (2) years from the Merger Effective Date, Florida Bank Group shall use its commercially reasonable efforts to provide or cause the Bank to provide that portion of director's and officer's liability insurance ("D&O Insurance") that serves to reimburse the present and former officers and directors (determined as of the Merger Effective Date) of the Bank (as opposed to the portion that serves to reimburse the Bank) with respect to claims against such directors and officers arising from facts or events which occurred before the Merger Effective Date, which D&O Insurance shall contain at least the same coverage and amounts, and contain terms and conditions not materially less advantageous, as that coverage provided by the Bank as of the date hereof; *provided, however*, that in no event shall Florida Bank Group be required to expend or cause the Bank to expend on an annual basis more than 150% of the last annual premium paid prior to the date hereof (the "Insurance Cap") to maintain or procure such D&O Insurance; *provided further*, however, that if Florida Bank Group is unable to maintain or obtain the D&O Insurance called for by this Section 5.8, Florida Bank Group shall use its commercially reasonable efforts to obtain as much comparable insurance as is available for the Insurance Cap; *provided further* that officers and directors of the Bank may be required to make application and provide customary representations and warranties to Florida Bank Group's insurance carrier for the purpose of obtaining such D&O Insurance.

(D) If Florida Bank Group or any of its successors or assigns shall (i) consolidate with or merge into any other person and shall not be the continuing or surviving person of such consolidation or merger or (ii) transfer all or substantially all of its properties and assets to any other person, then, and in each case, proper provision shall be made so that the successors and assigns of Florida Bank Group shall assume the obligations set forth in this Section 5.8

(E) Notwithstanding any provisions to the contrary, the indemnification obligations of this Section 5.8 are limited by federal banking law and those obligations that violate federal banking law will be invalid and unenforceable.

5.9 Benefit Plans.

(A) For the twelve (12) month period immediately following the Merger Effective Date, Florida Bank Group agrees to cause the Bank to provide the then current employees of the Bank who continue employment with the Bank during such period with employee benefits (other than equity-based benefits or awards, including any shares granted or issued to any tax qualified retirement plan, and any special bonus arrangements) that are comparable in the aggregate to employee benefits (other than equity-based benefits or awards, including any shares granted or issued to any tax qualified retirement plan, and any special bonus arrangements) provided to such employees under the Benefit Plans immediately prior to the Merger Effective Date. Florida Bank Group will cause the employee benefit plans that such employees are or become eligible to participate in to take into account for purposes of eligibility and vesting thereunder service by such employees with the Bank as if such service were with Florida Bank Group or any of its Subsidiaries, as the case may be, to the same extent that such service was credited under any analogous Benefit

Plan of the Bank immediately prior to the Merger Effective Date. Following the Merger Effective Date, employees of the Bank will retain credit for unused vacation and sick days which were accrued with the Bank as of the Merger Effective Date. In addition, if the Merger Effective Date falls within an annual period of coverage under any group health plan of the Florida Bank Group, each employee of the Bank shall be given credit for covered expenses paid by that employee under comparable employee benefit plans of the Bank during the applicable coverage period through the Merger Effective Date toward satisfaction of any annual deductible limitation and out-of-pocket maximum that may apply under that group health plan of the Florida Bank Group and its Subsidiaries. Nothing herein shall limit the ability of Florida Bank Group to amend or terminate any of the Benefit Plans in accordance with their terms at any time. If, within six (6) months of the Merger Effective Date, any employee of the Bank is terminated by Florida Bank Group solely as a result of the Merger (*i.e.*, elimination of duplicative jobs, etc.), and not as a result of inadequate performance or other good cause, Florida Bank Group shall pay severance to each such employee in an amount equal to one week's pay for each year of such employee's prior employment; provided, however, that in no event will the total amount of severance for any single employee be less than two weeks or greater than eight weeks.

(B) Florida Bank Group and Bank agree to cooperate in good faith to mitigate the effects of Section 280G of the Code on the Bank and its employees.

(C) The provisions of this Section 5.9 are for the sole benefit of the parties to this Agreement and nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any person (including for the avoidance of doubt any current or former employees, directors, officers, consultants or independent contractors of any of the Bank or their beneficiaries, other than the parties hereto and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (with respect to the matters provided for in this Section 5.9) under or by reason of any provision of this Agreement.

5.10 Non-Competition Agreements. The Bank shall use its reasonable best efforts, on behalf of Florida Bank Group and pursuant to the request of Florida Bank Group, to cause each of the Non-Compete Persons to comply with such person's Non-Competition Agreement.

5.11 Notification of Certain Matters. Each of the Bank and Florida Bank Group shall give prompt notice to the other (i) of the occurrence, or non-occurrence, of any event that, individually or in the aggregate, would make the timely satisfaction of any of the conditions set forth in Article VI impossible or unlikely or otherwise prevent, materially delay or materially impair the ability of the Bank or Florida Bank Group, as the case may be, to consummate the transactions contemplated by this Agreement, or (ii) of any fact, event or circumstance known to it that would cause or constitute a material breach of any of its representations, warranties, covenants or agreements contained herein.

5.12 Human Resources Issues. The Bank will consult in good faith with Florida Bank Group regarding the nature and content of any formal presentation of the transactions contemplated

by this Agreement to employees of the Bank and will include a Florida Bank Group representative in any such presentation or any formal group meeting at which the transaction is explained or discussed, under an arrangement that is mutually satisfactory to both parties. The Bank agrees to work in good faith with Florida Bank Group to facilitate the timely and accurate dissemination of information to employees regarding matters related to the transactions contemplated by this Agreement in such a manner as to cause minimal disruption of the business of the Bank and its relationships with its and their employees and to facilitate the transition of such relationships to Florida Bank Group.

5.13 Third-Party Agreements, Etc.

(A) The Bank shall use its best efforts to obtain (i) within forty-five (45) calendar days after the date hereof, all consents or waivers required to be obtained from any third parties in connection with the Merger and the other transactions contemplated hereby (in such form and content as is approved in writing by Florida Bank Group) and (ii) the cooperation of such third parties to effect a smooth transition in accordance with Florida Bank Group's timetable at or after the Merger Effective Date. The Bank shall cooperate with Florida Bank Group in minimizing the extent to which any Contracts will continue in effect following the Merger Effective Date, in addition to complying with the prohibitions in Section 3.2(K)

(B) Florida Bank Group agrees that all actions taken pursuant to this Section 5.13 shall be taken in a manner intended to minimize disruption to the customary business activities of the Bank.

5.14 Stockholders Agreements. The Bank shall use its reasonable best efforts, on behalf of Florida Bank Group and pursuant to the request of Florida Bank Group, to cause each Stockholder who is a party to the Stockholders Agreement to comply with such Stockholders Agreement. The Bank acknowledges and agrees to be bound by and comply with the provisions of the Stockholders Agreement with respect to transfers of record ownership of shares of the Bank Common Stock, and agrees to notify the transfer agent for any Bank Common Stock and provide such documentation and do such other things as may be necessary to effectuate the provisions of such Stockholders Agreement.

5.15 Additional Agreements. In case at any time after the Merger Effective Date of the Merger any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Bank with full title to all properties, assets, rights, powers, approvals, privileges, immunities and franchises of the Bank, the proper officers and directors of each party to this Agreement shall take all necessary or appropriate action.

5.16 Pre-Closing Adjustments. On or before the Closing Date, the Bank shall make such accounting entries or adjustments, including additions to its ALL and charge-offs of loans, as Florida Bank Group shall reasonably and customarily direct as a result of its ongoing review of the Bank and each of its Subsidiaries (including its review of the information provided to it pursuant to Sections

5.5 and 5.11) or in order to implement its plans following the Merger Effective Date or to reflect expenses and costs related to the Merger; provided, however, that unless the adjustment would otherwise be required by applicable Law or by regulatory accounting principles or GAAP applied on a basis consistent with the financial statements of the Bank, (a) the Bank shall not be required to take such actions more than one day prior to the Merger Effective Date or prior to the time Florida Bank Group agrees in writing that all of the conditions to its obligation to close as set forth in Section 6.6 have been satisfied or waived and each of the approvals in Section 6.2(B) have been received, and (b) no such adjustment shall (i) require any filing with any Regulatory Authority, (ii) violate any Law applicable to the Bank, or (iii) constitute or be deemed to be a breach, violation of or failure to satisfy any representation, warranty, covenant, condition or other provision of this Agreement or otherwise be considered in determining whether any such breach, violation or failure to satisfy shall have occurred.

5.17 Bank Stock Options. Prior to the Merger Effective Date, the Bank shall take such actions as may be necessary, including obtaining the written consent of each optionholder, such that immediately prior to the Merger Effective Date each vested Bank Stock Option, whether or not then exercisable, shall be cancelled and only entitle the holder thereof, as soon as reasonably practicable after surrender thereof, to the Option consideration set forth in Section 2.5. The intent of the parties is that each Bank Stock Option shall receive the payment to which the holders thereof is entitled pursuant to this Agreement on the Merger Effective Date, assuming the surrender by the holder of the agreement evidencing such Option. At the Merger Effective Date, each Bank Stock Option whether or not then exercisable shall terminate and be of no further effect and any rights thereunder to purchase shares of Bank Common Stock shall also terminate and be of no further force or effect.

5.18 Subsequent Interim and Financial Statements. As soon as reasonably practicable and as soon as they are available, but in no event more than 15 days, after the end of each calendar month ending after the date of this Agreement, the Bank shall furnish to Florida Bank Group (i) financial statements (including balance sheet, income statement and statement of changes in shareholders' equity) of the Bank as of and for such month then ended and (ii) copies of any internal management reports prepared by the Bank relating to the foregoing. All information furnished by the Bank to Florida Bank Group pursuant to this Section 5.18 shall be held in confidence by Florida Bank Group to the extent required by, and in accordance with, the provisions of the Confidentiality Agreement.

VI. CONDITIONS TO CONSUMMATION OF THE MERGER.

Consummation of the Merger is conditioned upon:

6.1 Stockholder Vote. Approval of the Merger and the other transactions contemplated hereby by the required vote of the stockholders of the Bank and Florida Bank Group as and to the extent required by law, and (a) the number of dissenting the Bank shares shall not exceed 5% of the number of the Bank Common Stock issued and outstanding immediately prior to the Merger Effective Date, and (b) the number of dissenting Florida Bank Group shares shall not exceed 5% of

the number of Florida Bank Group Common Stock issued and outstanding immediately prior to the Merger Effective Date.

6.2 Regulatory Approvals. Procurement by Florida Bank Group and the Bank of all requisite approvals and consents of Regulatory Authorities, and the expiration of applicable statutory waiting periods relating thereto, provided, however, that no such approval or consent shall have imposed any condition or requirement (other than conditions or requirements set forth in any Schedule hereto) which would so materially and adversely impact the economic or business benefits to Florida Bank Group or the Bank, or their respective stockholders, of the transactions contemplated by this Agreement that, had such condition or required been known, such party would not, in its reasonable judgment, have entered into this Agreement.

6.3 Third Party Consents. All consents or approvals of all persons (other than Regulatory Authorities) required for the consummation of the Merger shall have been obtained and shall be in full force and effect, unless the failure to obtain any such consent or approval is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the Bank or Florida Bank Group.

6.4 No Prohibition. There not being in effect any law, order, decree or injunction of any court or agency of competent jurisdiction that restrains, enjoins or otherwise prohibits or makes illegal consummation of the Merger or which could be reasonably expected to result in a material diminution of the benefits of the transaction to Florida Bank Group or the Bank, and there shall not be pending or threatened on the Merger Effective Date any action or proceeding which could reasonably be expected to result in the enactment or issuance of any such law, order, decree or injunction.

6.5 Litigation. No action, suit, or proceeding shall be pending or threatened before any court or administrative agency of any federal, state, local or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction or charge could (a) prevent consummation of any of the transactions contemplated by the Agreement, (b) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (c) affect adversely the right after the Merger Effective Date of the BHC to own, operate, or control substantially all of the assets and operations of the Bank and Florida Bank Group.

6.6 Representations, Warranties and Covenants. (i) Each of the representations and warranties contained herein of any party being true and correct as of the date of this Agreement and upon the Merger Effective Date with the same effect as though all such representations and warranties had been made on the Merger Effective Date, except (x) for any such representations and warranties made as of a specified date, which shall be true and correct as of such date, (y) as expressly contemplated by this Agreement, or (z) for representations and warranties (other than the representations and warranties set forth in Paragraph (A) of Article IV, which shall be true and correct in all material respects) the inaccuracies of which relate to matters that, individually or in the aggregate, do not materially adversely affect the Merger and the other transactions contemplated by

this Agreement; (ii) each and all of the agreements and covenants contained herein of any party to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Merger Effective Date shall have been duly performed and complied with in all material respects, and (iii) each of the Bank and Florida Bank Group shall have received a certificate signed by the Chief Executive Officer and the Chief Financial Officer of the other party dated the Merger Effective Date, to such effect.

6.7 Tax Opinion. Prior to the date of this Agreement, Florida Bank Group and the Bank have received an opinion from PricewaterhouseCoopers, to the effect that the Merger constitutes a tax free exchange under Section 351 of the Code and that no gain or loss will be recognized by the shareholders of the Bank and Florida Bank Group who receive shares of BHC Common Stock in the Merger, which such opinion has relied upon factual representations contained in certificates of officers of Florida Bank Group, the Bank and others. The foregoing tax opinion shall not have been withdrawn as of the Merger Effective Date.

6.8 Certificates. The parties shall have delivered to the other a certificate (without qualification as to knowledge or materiality or otherwise) to the effect that each of the conditions set forth above in this Section has been satisfied in all respects.

6.9 Additional Florida Bank Group Conditions. In addition, the obligation of Florida Bank Group to consummate the Merger is subject to the fulfillment or written waiver by Florida Bank Group prior to the Merger Effective Date of each of the following conditions:

(A) **Securities Agreements.** BHC shall have received a completed and executed securities agreement from each of the Bank's and Florida Bank Group's shareholders receiving shares of BHC Common Stock in the Merger acknowledging that such shares were not registered under the applicable provisions of the Securities Act, or any state securities laws, and are subject to the restrictions on transferability set forth in such laws.

(B) **Shareholders' Equity.** The shareholders' equity on the last day of the calendar month immediately preceding the Merger Effective Date, as determined in accordance with GAAP of the Bank shall not be less than \$8.45 million, without regard to the Conforming Adjustments and any unrealized gains or losses of securities classified as "available for sale."

(C) **Allowance for Loan Losses.** The allowance for loan losses on the last day of the calendar month immediately preceding the Merger Effective Date, as determined in accordance with GAAP of the Bank shall not be less than .96% of its total loans.

(D) **Non-Competition Agreements.** Each of the Non-Competition Agreements shall be in full force and effect as of the Merger Effective Date.

(E) **Transaction Expenses.** The Bank shall have used its reasonable best efforts to cause its Advisors to submit final bills or estimates of final bills for all Professional Fees to the

Bank at least two (2) Business Days prior to the Closing Date. Based upon such final bills or estimates of such final bills, the Bank shall have paid all Professional Fees in full prior to the Merger Effective Date, and Florida Bank Group shall have received written evidence from the Bank to such effect prior to the Merger Effective Date; *provided* that Florida Bank Group shall have been given a reasonable opportunity to review all invoices, bills and estimates relating to such Professional Fees prior to their payment; further provided that the aggregate amount of such Professional Fees shall be reasonable and shall in no event exceed \$100,000. In no event shall Florida Bank Group be liable for any such Professional Fees or for any amounts payable to the Bank's Advisors.

(F) **Employment Agreements; Change in Control Agreements.** Concurrently with the Closing, each of the existing employment agreements and Change in Control Agreements between the Bank and any of its employees shall be terminated, and the Executive shall be employed by the Bank pursuant to the terms of the Employment Agreement and the Executive shall not have expressed any intention of terminating his or her employment.

(G) **FIRPTA.** The Bank shall deliver to Florida Bank Group at the Closing a duly executed and acknowledged certificate, in form and substance acceptable to Florida Bank Group and in compliance with the Code and Treasury Regulations, certifying such facts as to establish that the sale of the Shares and any other transactions contemplated hereby are exempt from withholding pursuant to Section 1445 of the Code.

VII. TERMINATION.

7.1 **Termination.** This Agreement may be terminated and the Merger may be abandoned at any time prior to the Merger Effective Date, notwithstanding adoption thereof by the stockholders of the Bank:

(A) by the mutual written consent of the Bank and Florida Bank Group;

(B) by Florida Bank Group or the Bank if the Merger is not consummated by the 120th day subsequent to the date of this Agreement, except to the extent that the failure of the Merger then to be consummated arises out of or results from the knowing action or inaction of (i) the party seeking to terminate pursuant to this Section 7.1(B) or (ii) any of the Stockholders (if the Bank is the party seeking to terminate), which action or inaction is in violation of its obligations under this Agreement or, in the case of any of the Stockholders, such Stockholder's obligations under the Stockholders Agreement; *provided, however*, that the foregoing date shall be extended if by the 120th day subsequent to the date of this Agreement all of such regulatory approvals have not been received or applicable waiting periods for consummation of the Merger have not expired and, *provided further*, that the extension shall be for a period following such 120th day equal to the lesser of (x) 90 days, or (y) 30 days after satisfaction of all conditions set forth in Article VI, including, without limitation, the receipt of the regulatory approvals (and the expiration of all waiting periods) referred to in Section 6.2;

(C) by Florida Bank Group or the Bank if the approval of any Regulatory Authority required for consummation of the Merger and the other transactions contemplated by this Agreement shall have been denied by final and nonappealable action of such Regulatory Authority or an application therefore shall have been permanently withdrawn at the invitation, request or suggestion of a Regulatory Authority;

(D) by Florida Bank Group or the Bank (so long as, in the case of the Bank, the Stockholders have complied in all material respects with the Stockholders Agreement) if the approval of the stockholders of the Bank contemplated by this Agreement shall not have been obtained by reason of the failure to obtain the required vote at the Bank Meeting or at any adjournment or postponement thereof;

(E) by the Bank if there shall have been a breach of any representation, warranty, covenant or agreement on the part of Florida Bank Group contained in this Agreement such that the conditions set forth in Section 6.6 would not be satisfied and, in either such case, such breach is not capable of being cured or, if capable of being cured, is not cured within thirty (30) days after written notice thereof is given by the Bank to Florida Bank Group;

(F) by Florida Bank Group if there shall have been a breach of any representation, warranty, covenant or agreement on the part of the Bank contained in this Agreement such that the conditions set forth in Section 6.6 would not be satisfied and, in either such case, such breach is not capable of being cured or, if capable of being cured, is not cured within thirty (30) days after written notice thereof is given by Florida Bank Group to the Bank;

(G) by Florida Bank Group if there is a material breach by one or more Stockholders of any of the representations, warranties, covenants or agreements contained in the Stockholders Agreement, and, in any such case, such breach is not capable of being cured or, if capable of being cured, is not cured within thirty (30) days after written notice thereof is given by Florida Bank Group to the breaching party;

(H) by Florida Bank Group if (i) the Board of Directors of the Bank shall have (x) failed to recommend the Merger, or shall have withdrawn, modified or changed in a manner adverse to Florida Bank Group its recommendation of the Merger (or shall have disclosed its intention to withdraw, modify or adversely change such recommendation) or (y) failed to reconfirm its recommendation of this Agreement within five (5) Business Days after a written request by Florida Bank Group to do so, (ii) the Bank or any of its Representatives shall have breached the terms of Section 5.6 hereof in any respect adverse to Florida Bank Group or the Bank, or (iii) the Bank shall have breached its obligations under Section 5.2 by failing to call, give notice of, convene and hold the Bank Meeting in accordance with Section 5.2; or

(I) by Florida Bank Group pursuant to Section 2.1(A) of this Agreement.

7.2 **Effect of Termination.** In the event of the termination of this Agreement pursuant to Section 7.1, this Agreement (other than as set forth in Section 8.1) shall forthwith become void and there shall be no liability or obligation on the part of any party hereto except no such termination shall relieve any party hereto of any liability or damages resulting from any willful breach of this Agreement.

7.3 **Amendment.** This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Merger Effective Date, whether before or after adoption of this Agreement by the stockholders of the Bank; provided, however, that, after adoption of this Agreement by the stockholders of the Bank, no amendment may be made which by Law requires the further approval of the stockholders of the Bank without such further approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

VIII. MISCELLANEOUS.

8.1 **Survival.** This Article VIII and the agreements of the Bank and Florida Bank Group contained in Sections 5.8, 5.9 and 5.15 shall survive the consummation of the Merger. This Article VIII and the agreements of the Bank and Florida Bank Group contained in the Confidentiality Agreement and Section 7.2 shall survive the termination of this Agreement. All other representations, warranties, covenants and agreements in this Agreement shall not survive the consummation of the Merger or the termination of this Agreement.

8.2 **Expenses.**

(A) Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement, the Merger and other transactions contemplated by this Agreement shall be paid by the party incurring such expense.

(B) Notwithstanding Section 8.2(A) hereof, in the event of any Action arising out of or resulting from this Agreement, the prevailing party shall be entitled to recover its costs and expenses (including reasonable attorneys fees and expenses) incurred in connection therewith.

8.3 **Certain Definitions.** For purposes of this Agreement, the term:

(A) **"Affiliate"** means, as to any person, any other person which, directly or indirectly, is in control of, is controlled by or is under common control with such person. For purposes of this definition, "control" of a person shall mean the power, directly or indirectly, either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors or other management of such person or (ii) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

(B) “Business Day” means Monday through Friday of each week, except a legal holiday recognized as such by the United States federal government or any day on which banking institutions in the State of Florida are authorized or obligated by Law to close.

(C) “Change in Control Agreements” means those certain agreements, dated as of December 27, 2005, between the Bank and William M. McDowell and Sherri A. Kinsey.

(D) “Code” means the Internal Revenue Code of 1986, as amended

(E) “Employment Agreement” means the agreement in the form of Exhibit C-1 hereto.

(F) “Executive” means F. C. Nixon.

(G) “GAAP” means generally accepted accounting principles in the United States, consistently applied over the period involved.

(H) “Knowledge” when used with respect to a party shall mean the knowledge, after due inquiry, of any “Executive Officer” of such party as such term is defined in Regulation O of the Federal Reserve Board.

(I) “Material Adverse Effect” shall mean (a) an event, occurrence or circumstance, which individually or in the aggregate, results, or is reasonably likely to result, in a decrease in the shareholders’ equity account, or results of operations, of a party, as determined in accordance with GAAP and as measured from its Unaudited Financial Statements in an amount equal to or greater than \$100,000, including, without limitation, (i) the making of any provisions for possible loan and lease losses, write-downs of other real estate and taxes, (ii) operating losses and (iii) a breach of a representation or warranty, or (b) a breach of a representation or warranty which would materially impair the party’s ability to perform its obligations under this Agreement or the consummation of the Merger and the other transactions contemplated by this Agreement; provided, however, that the term 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; and (b) changes in generally accepted accounting principles or regulatory accounting requirements applicable to banks and bank holding companies generally.

(J) “Non-Compete Person” means each of the following persons: William Scott Lindsey, F. C. Nixon, Robert K. Bacon, Karen K. Bass, John L. Conlin, Kenneth Gordon Fish, Kirk J. Mauro, Paul H. Morgan, W. Bradley Munroe, Vann E. Streety, William Harvey Suber, Aaron Taylor, and Ben H. Wilkinson.

(K) “Organizational Documents” means, with respect to any person, such person’s charter, by-laws, articles or certificate of incorporation, limited liability Bank agreement, partnership agreement or other similar organizational or constituent documents.

(L) “Person” means an individual, corporation, partnership, limited liability Bank, association, trust, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

(M) “Professional Fees” means all fees and expenses of all attorneys, accountants, and other advisors and agents for the Bank, except investment bankers (collectively “Advisors”) for services rendered in connection with this Agreement and the transactions contemplated hereby, regardless of which party paid such fees, including fees and expenses of Advisors arising out of, relating to or incidental to the discussion, evaluation, financing, negotiation and documentation of the transactions contemplated hereby.

(N) “Stockholders” means the collective reference to each of the following persons who are or may become party to the Stockholders Agreement: the Executives and Non-Compete Persons.

8.4 **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(A) if to the Bank: The Bank of Tallahassee
3425-23 Thomasville Road
Tallahassee, FL 32309
Attention: William Scott Lindsey and F. C. Nixon
Facsimile: (850) 668-9994

With a copy to: Laraja and Kanaga, P.C.
46 South Orleans Road
Orleans, MA 02653
Attention: Christopher W. Kanaga, Esquire
Facsimile: (508) 255-8844

(B) if to Florida Bank Group:

Florida Bank Group, Inc.
201 N. Franklin Street
One Tampa City, Suite 2800
Tampa, Florida 33602
Attention: Robert Rothman
Facsimile: (813) 277-0546

with additional copies (which shall not constitute notice) to:

Smith Mackinnon, PA
255 South Orange Avenue, Suite 800
Orlando, Florida 32801
Attention: John P. Greeley, Esquire
Facsimile: (407) 843-2448

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

8.6 Governing Law; Waiver of Jury Trial.

(A) This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of the State of Florida, without regard to the conflict of law principles thereof.

(B) (b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.07.

8.7 Entire Understanding; No Third Party Beneficiaries. This Agreement (including the Disclosure Schedule attached hereto and incorporated herein), the Confidentiality Agreement, the Stockholders Agreements and the Non-Competition Agreements constitute the entire agreement of the parties hereto and thereto with reference to the transactions contemplated hereby and thereby and supersede all other prior agreements, understandings, representations and warranties, both written and oral, between the parties or their officers, directors, agents, employees or representatives, with respect to the subject matter hereof. Except for Section 5.8, nothing in this Agreement, expressed or implied, is intended to confer upon any Person, other than the parties hereto or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

8.8 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

8.9 **Enforcement of the Agreement.** The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were 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.


8.10 **Interpretation.** When reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein," "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" shall not be exclusive. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

8.11 **Assignment.** This Agreement shall not be assignable by operation of law or otherwise without the prior written consent of each of the other parties; provided, however, that Florida Bank Group may assign all or any of its rights and obligations hereunder to any direct or indirect wholly-owned Subsidiary of Florida Bank Group.

8.12 **Effect.** No provision of this Agreement shall be construed to require the Bank or Florida Bank Group or any Affiliates or directors of any of them to take any action or omit to take any action which action or omission would violate applicable Law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

The Bank of Tallahassee

By: 
Aaron Taylor
Chairman of the Board

Florida Bank Group, Inc.

By: 
Robert Rothman
Chairman of the Board

**ARTICLES OF INCORPORATION OF
THE BANK OF TALLAHASSEE**

FILED

01 AUG 27 PM 2:00

**SECRETARY OF STATE
TALLAHASSEE, FLORIDA**

The undersigned, acting as directors for the purpose of forming a corporation under the laws of the State of Florida, adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation shall be THE BANK OF TALLAHASSEE and its initial place of business shall be at 3425-23 Thomasville Road, in the City of Tallahassee, in the County of Leon and State of Florida.

ARTICLE II

The general nature of the business to be transacted by this corporation shall be: That of a general commercial banking business with all the rights, powers, and privileges granted and conferred by the Florida Financial Institutions Codes, regulating the organization, powers, and management of bank corporations.

ARTICLE III

The total number of shares authorized to be issued by the corporation shall be ten million (10,000,000). Such shares shall be of single class and shall have a par value of \$5.00 per share. The corporation shall begin business with at least \$3,150,000.00 in paid-in common capital stock to be divided into 630,000 shares. The amount of surplus with which the corporation shall begin business will not be less than \$1,850,000.00 and the amount of undivided profits not less than \$1,000,000.00, all of which (capital stock, surplus, and undivided profits) shall be paid in cash.

ARTICLE IV

The term for which said corporation shall exist shall be perpetual unless terminated pursuant to the Florida Financial Institutions Codes.

ARTICLE V

The number of directors shall not be fewer than five. A majority of the full board of directors may, at any time during the years following the annual meeting of shareholders in which such action shall be authorized, increase the number of directors by not more than two and appoint persons to fill resulting vacancies. The names and street addresses of the first directors of the corporation are:

NAME

STREET ADDRESS



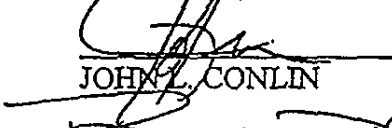
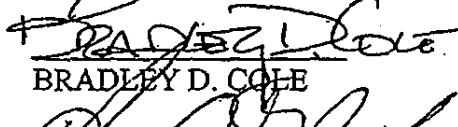
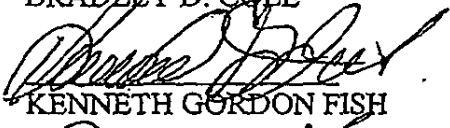
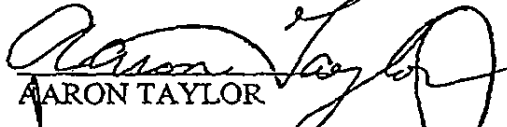
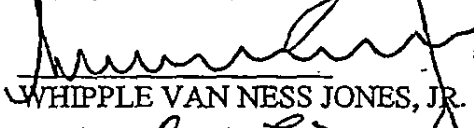
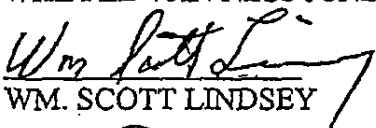
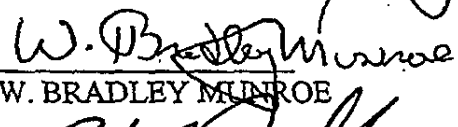

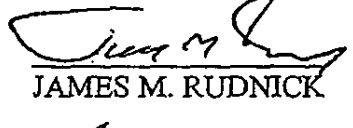
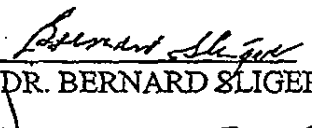
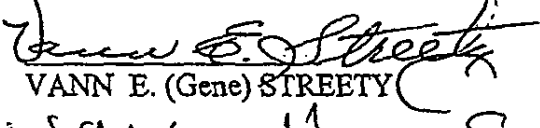
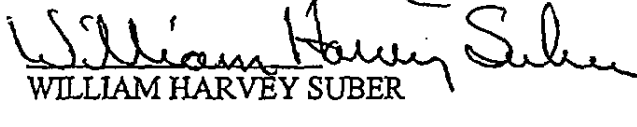
ROBERT L. MCCLOUD

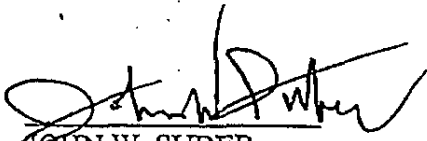
3673 Barbary Drive

	Tallahassee, FL 32308
ROBERT K. BACON	7984 Briarcreek Road Tallahassee, FL 32312
JOHN L. CONLIN	4924 Lester Road Tallahassee, FL 32311
BRADLEY D. COLE	3863 West Millers Bridge Rd Tallahassee, FL 32312
KENNETH GORDON FISH	517 East Private Road St. George Island, FL 32328
AARON TAYLOR	2103 West Randolph Circle Tallahassee, FL 32312
WHIPPLE VAN NESS JONES, JR.	1553 Hickory Avenue Tallahassee, FL 32303
WM. SCOTT LINDSEY	6518 Saylers Creek Road Tallahassee, FL 32308
W. BRADLEY MUNROE	239 East Virginia Street Tallahassee, FL 32301
ROBERT R. PARRISH	6110 Thomasville Road Tallahassee, FL 32312
JAMES M. RUDNICK	3280 Longleaf Court Tallahassee, FL 32310
DR. BERNARD SLIGER	3341 East Lakeshore Drive Tallahassee, FL 32312
VANN E. (Gene) STREETY	1904 Miccosukee Road Tallahassee, FL 32308
WILLIAM HARVEY SUBER	216 Lake Talquin Avenue Tallahassee, FL 32310
JOHN W. SUBER	118 E. King Street Quincy, FL 32351

In Witness of the foregoing, the undersigned directors have executed these Articles of

Incorporation this 13th day of August, 2001.

NAME	STREET ADDRESS
 ROBERT L. MC CLOUD	3673 Barbary Drive Tallahassee, FL 32308
 ROBERT K. BACON	7984 Briarcreek Road Tallahassee, FL 32312
 JOHN L. CONLIN	4924 Lester Road Tallahassee, FL 32311
 BRADLEY D. COLE	3863 West Millers Bridge Rd Tallahassee, FL 32312
 KENNETH GORDON FISH	517 East Private Road St. George Island, FL 32328
 AARON TAYLOR	2103 West Randolph Circle Tallahassee, FL 32312
 WHIPPLE VAN NESS JONES, JR.	1553 Hickory Avenue Tallahassee, FL 32303
 WM. SCOTT LINDSEY	6518 Saylers Creek Road Tallahassee, FL 32308
 W. BRADLEY MUNROE	239 East Virginia Street Tallahassee, FL 32301
 ROBERT R. PARRISH	6110 Thomasville Road Tallahassee, FL 32312
 JAMES M. RUDNICK	3280 Longleaf Court Tallahassee, FL 32310
 DR. BERNARD SLIGER	3341 East Lakeshore Drive Tallahassee, FL 32312
 VANN E. (Gene) STREETY	1904 Miccosukee Road Tallahassee, FL 32308
 WILLIAM HARVEY SUBER	216 Lake Talquin Avenue Tallahassee, FL 32310


JOHN W. SUBER

118 E. King Street
Quincy, FL 32351

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 15th day of August, 2001, by ROBERT L. MCCLOUD, ROBERT K. BACON, JOHN L. CONLIN, BRADLEY D. COLE KENNETH GORDON FISH, AARON TAYLOR, WHIPPLE VANNESS JONES, JR., WM SCOTT LINDSEY, W. BRADLEY MUNROE, ROBERT R. PARRISH, JAMES M. RUDNICK, DR. BERNARD SLIGER, VANNE. (Gene) STREETY, WILLIAM HARVEY SUBER and JOHN W. SUBER, who are personally known to me or who have produced a drivers license as identification and who did not take an oath.

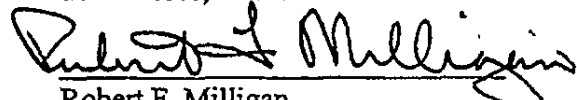


Solo Strickland
MY COMMISSION # CC962961 EXPIRES
August 23, 2004
BONDED THROUGH TROY FAIR INSURANCE, INC.


Notary Public
State of Florida at Large

Approved by the Department of Banking and Finance this 17th day of AUGUST, 2001.

Tallahassee, Florida


Robert F. Milligan
Comptroller of the State of Florida
and Head of the Department of
Banking and Finance