P95000016676

IGLER & DOUGHERTY, P.A.
Attorneys at Law
1501 PARK AVENUE EAST
TALLAHASSEE, FLORIDA 32301

(904) 878-2411 TELEPHONE (904) 878-1230 FACSIMILE

Please file as of this date.

February 28, 1995

Hand Delivered

Secretary of State
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32301

200001417852
-03/01/95--01002--003
****122.50 ****122.50

RE: Articles of Incorporation for
FNB Subsidiary Corporation

To Whom It May Concern:

Attached hereto are two original sets of the Articles of Incorporation which are being filed on behalf of FNB Subsidiary Corporation, New Smyrna Beach, Florida. One set we ask you to certify as being filed so that we can include the same for our corporate records. Enclosed please find our check in the amount of $122.50 to cover the filing fee.

If you require any further information, please feel free to give me a call.

Sincerely,

IGLER & DOUGHERTY, P.A.

A. George Igler

FILED
95 FEB 28 PM 4:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pick-up 10:00 3/1

AGI/jak

Enclosures

Done 3/1/95

FILED

95 FEB 28 PM 4:24

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
FNB SUBSIDIARY CORPORATION

The undersigned incorporators, for the purpose of forming a corporation under the Florida Business Corporation Act, hereby adopts the following Articles of Incorporation.

ARTICLE I - NAME

The name of the Corporation is FNB Subsidiary Corporation (hereinafter sometimes referred to as the "Corporation"). The principal place of business of this corporation shall be 900 N. Dixie Freeway, New Smyrna Beach, Florida. The name of the registered agent(s) is Charles H. Byrd, 900 N. Dixie Freeway, New Smyrna Beach, Florida 32069.

ARTICLE II - NATURE OF BUSINESS

The Corporation may engage in or transact any or all lawful activities or business permitted under the laws of the State of Florida.

ARTICLE III - CAPITAL STOCK

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 5,000,000 shares of voting stock, par value one cent ($.01) per share (the "Common Stock").

ARTICLE IV - TERM OF EXISTENCE

The Corporation is to exist perpetually.

ARTICLE V - INCORPORATOR

The name and street address of the incorporator to these Articles of Incorporation is C. Talmadge Garrison, 303 Jesse Jewell Parkway, Suite 700, Gainesville, Georgia 30501.

ARTICLE VI - INITIAL DIRECTORS

The names and addresses of the initial directors of the Corporation are as follows:

Peter D. Miller
303 Jesse Jewell Parkway
Suite 700
Gainesville, Georgia 30501

Charles H. Byrd
900 North Dixie Freeway
New Smyrna Beach, Florida 32468

Tildon W. Smith
3217 Country Club Drive
Valdosta, Georgia 31602

ARTICLE VII - INDEMNIFICATION

Section 1. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or employee or in any other capacity while serving as a director,

officer, or employee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by Section 607.0850 of the Florida Business Corporation Act as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expenses, liability and loss (including attorneys' fees, judgments, fines, excise taxes, or penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking indemnity in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. Such right shall be a contract right and shall include the right to be paid by the Corporation for all expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Article or otherwise.

Section 2. If a claim under Section 1 is not paid in full by the Corporation within 90 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid

amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Florida Business Corporation Act for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Florida Business Corporation Act, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 3. The rights conferred on any person by Sections 1 and 2 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of these Articles of Incorporation, Bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. The Corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Florida Business Corporation Act.

Section 5. A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any statement, vote, decision or failure to act regarding corporate management or policy except as provided in the Florida Business Corporation Act. If the Florida Business Corporation act is amended after adoption of these Articles of Incorporation and such amendment further eliminates or limits the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Florida Business Corporation Act, as so amended.

Any repeal or modification of the foregoing paragraph by the shareholders or the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 20th day of FEBRUARY, 1995.

Signature of Incorporator

C. Talmadge Garrison

STATE OF GEORGIA

COUNTY OF HALL

THE FOREGOING instrument was acknowledged and sworn to before me this 20th day of February, 1995, by C. Talmadge Garrison of FNB Subsidiary Corporation.

Sandra K. Jones
Notary Public

My Commission Expires:

Notary Public, Hall County, Georgia
My Commission Expires July 21, 1995

FILED

95 FEB 28 PM 4:24

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

CERTIFICATE DESIGNATING
REGISTERED AGENT/REGISTERED OFFICE

Pursuant to the provisions of the Florida Business Act, the undersigned corporation organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agents, in the State of Florida.

1. The name of the corporation is FNB Subsidiary Corporation.

2. The name and address of the registered agent and office is:

Charles H. Byrd
900 N. Dixie Freeway
New Smyrna Beach, Florida 32168

SIGNATURE _____
Peter D. Miller

TITLE: President

DATE: FEBRUARY 20, 1995

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE-STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY AGREE TO ACT AS REGISTERED AGENT, AND I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I ACCEPT THE DUTIES AND OBLIGATIONS OF REGISTERED AGENT UNDER THE FLORIDA BUSINESS CORPORATION ACT.

SIGNATURE: _____
(Registered Agent)

Date: 2-23-95

P95000016676

IGLER & DOUGHERTY, P.A.
Attorneys at Law
1501 PARK AVENUE EAST
TALLAHASSEE, FLORIDA 32301
(904) 878-2411 TELEPHONE (904) 878-1230 FACSIMILE

RECEIVED
95 JUN 30 PM 4:06
DIVISION OF CORPORATION

June 30, 1995

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****122.50 ****122.50

Florida Department of State
Division of Corporations
409 East Gaines Street
Tallahassee, FL 32399

Hand Delivered

FILED
95 JUL -3 AM 8:00
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RE: Articles of Merger of FF Bancorp, Inc.
with and into FNB Subsidiary Corporation

Dear Sir or Madam:

Enclosed for filing is an original and one copy of the Articles of merger of FF Bancorp, Inc., with and into FNB Subsidiary Corporation. As noted in Article III of the Articles of Merger, the effective date of the merger is Monday, July 3, 1995. We would ask that your office officially record the Articles of Merger as being filed on Monday to coincide with the effective/closing date.

In order to process our request, attached hereto is a check number 4416 in the amount of $122.50 to cover the cost for filing, as well as a Certified Copy of the Articles of Merger. Please notify us when the Certified Copy will be available for us to have our runner pick up the document.

Should you have any questions regarding the foregoing or the enclosures, please feel free to call the undersigned at (904) 878-2411.

Sincerely,

IGLER & DOUGHERTY, P.A.

A. George Igler

AGI/jak

Enclosures

cc: Tred Syfan, Esq.

merger
SP

FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

ARTICLES OF MERGER
Merger Sheet

MERGING:

FF BANCORP, INC., a FL Corp., #V35549

INTO

FNB SUBSIDIARY CORPORATION which changed its name to

FF BANCORP, INC., a Florida corporation, P95000016676

File date: July 3, 1995

Corporate Specialist: Susan Payne

FILED
95 JUL -3 AM 8:00
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER OF FF BANCORP, INC. WITH AND INTO FNB SUBSIDIARY CORPORATION

I.

The Agreement and Plan of Merger, dated November 22, 1994, and the Amendment to Agreement and Plan of Merger (the "Plan Amendment"), dated January 23, 1995, attached hereto as Exhibit "A" and Exhibit "B", respectively, and incorporated by reference herein, were duly approved by the Board of Directors of FF Bancorp, Inc., a Florida corporation, the Board of Directors of First National Bancorp, a Georgia corporation, and the Board of Directors of FNB Subsidiary Corporation, a Florida corporation.

II.

The Agreement and Plan of Merger, as amended, provides for the merger of FF Bancorp, Inc. into FNB Subsidiary Corporation, a wholly-owned subsidiary of First National Bancorp, and the shareholders of FF Bancorp, Inc. will exchange their shares of FF Bancorp, Inc. common stock for shares of First National Bancorp common stock as a result of the merger.

III.

The merger shall be effective as of the beginning of business on July 3, 1995 (the "Effective Date").

IV.

The name of the surviving corporation is FNB Subsidiary Corporation, a Florida corporation.

V.

Pursuant to the Agreement and Plan of Merger, as amended, the Articles of Incorporation of FNB Subsidiary Corporation, the surviving corporation, shall be amended on the Effective Date to change the name of FNB Subsidiary Corporation to "FF Bancorp, Inc."

VI.

The Agreement and Plan of Merger, as amended, was duly approved by the shareholders of FF Bancorp, Inc. on May 31, 1995, and by the shareholders of FNB Subsidiary Corporation on May 31, 1995. Approval by the shareholders of First National Bancorp is not required. The Agreement and Plan of Merger was duly approved by the Board of Directors of First National Bancorp on October 19, 1994, and the Plan Amendment was duly approved by said Board on January 18, 1995. The Agreement and Plan of Merger was duly approved by the Board of Directors of FF Bancorp, Inc. on November 22, 1994, and the Plan Amendment was duly approved by said Board on January 23, 1995. The Agreement and Plan of Merger as amended by the Plan Amendment was duly ratified and approved by the Board of Directors of FNB Subsidiary Corporation on February 28, 1995.

IN WITNESS WHEREOF, the undersigned have each caused these Articles of Merger to be executed, their respective corporate seals to be affixed and the foregoing attested, all by their respective duly authorized officers, as of the 30th day of June, 1995.

FF BANCORP, INC.

By: _____
Title: Chairman and C.E.O.

Attest: _____
Title: Secretary

(CORPORATE SEAL)

FIRST NATIONAL BANCORP

By: _____
Title: President, C.A.O. and C.F.O.

Attest: _____
Title: Secretary

(CORPORATE SEAL)

FNB SUBSIDIARY CORPORATION

By: _____
Title: President

Attest: _____
Title: Secretary

(CORPORATE SEAL)

F:\DOCS\WORDPROC\FNB-FP\ARTICLES.MER

EXHIBIT "A" TO ARTICLES OF MERGER

AGREEMENT

AND

PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (hereinafter referred to as the "Agreement"), dated as of November 22, 1994, between **FIRST NATIONAL BANCORP**, a Georgia corporation (hereinafter referred to as "Bancorp"), and **FF BANCORP, INC.** (hereinafter referred to as "FF"), a Florida corporation.

W I T N E S S E T H:

WHEREAS, Bancorp is a multiple bank holding company duly organized and in good standing under the laws of the State of Georgia which as of October 31, 1994, had 30,000,000 shares of common stock, $1.00 par value per share ("Bancorp Common Stock"), with 16,489,469 shares of common stock outstanding; and

WHEREAS, FF is a multiple thrift and one bank holding company operating in the State of Florida which as of October 31, 1994, had 5,0000,000 authorized shares of common stock, $.01 par value per share, and 2,500,000 shares of preferred stock, $.,01 par value per share; 4,680,818 shares of common stock were issued and outstanding ("FF Common Stock") and no shares of preferred stock were issued and outstanding; and

WHEREAS, FF owns all of the outstanding stock of First Federal Savings Bank of New Smyrna, a federal savings bank located in New Smyrna Beach, Florida (hereinafter sometimes referred to as "New Smyrna Bank"), all of the outstanding stock of First Federal Savings Bank of Citrus County, a federal savings bank located in Citrus County, Florida (hereinafter sometimes referred to as "Citrus Bank"), and 97.3% of the outstanding stock of Key Bancshares, Inc. (hereinafter sometimes referred to as "Key Bancshares"), which owns all of the outstanding stock of The Key

Bank of Florida, a state-chartered commercial bank located in Tampa, Florida (hereinafter sometimes referred to as "Key Bank," and together with New Smyrna Bank, Citrus Bank and Key Bancshares, collectively referred to as "FF Subsidiaries"); and

WHEREAS, the respective Boards of Directors of Bancorp and FF deem it desirable to enter into this Agreement providing for FF to be merged into Bancorp, with Bancorp being the surviving corporation and with the result that the FF Subsidiaries shall thereafter be the subsidiaries of Bancorp, with shareholders of FF receiving shares of Bancorp in exchange for their FF shares; and

WHEREAS, the parties believe that the merger will broaden the capital markets available to FF Subsidiaries and Bancorp, enable the parties to compete more effectively with other banks in the FF market area, and give the shareholders of FF an interest in a more diversified enterprise and securities in a more widely held company; and

WHEREAS, in adopting this Agreement, the Board of Directors of FF has given due consideration to the relevant factors for determining what is in the best interest of FF and its shareholders, including the social and economic effect of this Agreement on FF's present and future customers and its employees and those of the FF Subsidiaries, as well as on the communities served by FF Subsidiaries. In addition to the above, the Directors of FF have considered the effect of the merger on the ability of FF to fulfill its corporate objectives as a savings and loan and one bank holding company and on the ability of the FF Subsidiaries to fulfill the objectives of federally chartered stock savings banks under applicable statutes and regulations.

NOW, THEREFORE, in consideration of their mutual promises, the parties enter into this Agreement. Paragraphs I through III herein shall constitute the "Plan of Merger" between FF and Bancorp

as contemplated by the Georgia Business Corporation Code, O.C.G.A. § 14-2-1101 et seq., (the "Georgia Code") and the Florida Business Corporation Act, Chapter 607, Florida Statutes (1993) (the "Florida Act").

I. **AGREEMENT TO MERGE.**

(A) On the date designated as such in "Articles of Merger" to be filed by Bancorp with the Georgia Secretary of State pursuant to the Georgia Code and with the Florida Secretary of State pursuant to the Florida Act, the "Merger Date", , FF shall be merged into Bancorp, which shall be the survivor (hereinafter sometimes referred to as the "Surviving Corporation"). Such merger shall be pursuant to the applicable provisions of the Georgia Code and Florida Act.

(B) The articles of incorporation of Bancorp shall be the articles of incorporation of the Surviving Corporation. The bylaws of Bancorp shall be the bylaws of the Surviving Corporation. The name "First National Bancorp" shall be the name of the Surviving Corporation.

(C) The board of directors and officers of Bancorp shall continue to be the board of directors and officers of the Surviving Corporation.

(D) Bancorp agrees to appoint Mr. Charles H. Byrd, Vice Chairman of FF, and Mr. Tildon W. Smith, Executive Vice President of FF, to the Board of Directors of Bancorp at the next scheduled Board meeting following consummation of the Merger.

(E) FF shall receive a fairness opinion and confirmation regarding the stock conversion in the Merger as contemplated by subparagraph VIII(B) hereof.

(F) The corporate existence of FF and Bancorp shall be merged into and continued in Bancorp as the Surviving Corporation. The established offices and facilities of Bancorp immediately prior to the merger shall remain the offices and facilities of the Surviving Corporation.

(G) All rights, properties and privileges of every kind or character of FF and Bancorp shall be transferred to or vested in Bancorp as the Surviving Corporation by virtue of such merger without any deed, assignment or other transfer. Bancorp, as the Surviving Corporation, shall by virtue of the merger be responsible and liable for all of the liabilities and obligations of both FF and Bancorp.

(H) The "Closing Date" shall not be later than the close of business on August 31, 1995, unless extended by the mutual consent of FF and Bancorp.

II. CONSIDERATION FOR MERGER

(A)On the Merger Date, FF Common Stock shall be converted into the following rights:

(i) At the time of the merger described in subparagraph I(A), each share of outstanding FF Common Stock shall be converted into the right to receive .825 shares of Bancorp Common Stock (the "Conversion Ratio"); provided, however, that the foregoing Conversion Ratio may be subject to adjustment pursuant to subparagraph II(B).

(ii) Fractional shares of Bancorp Common Stock will not be issued in the merger. Any FF shareholder who would be entitled to a fraction of a Bancorp share shall receive cash payment in lieu of such fractional share in an

amount determined by multiplying the fraction of a share he would otherwise be entitled to receive by $20.50; provided, however, that the foregoing amount shall be subject to adjustment pursuant to the provisions of subparagraph II(B).

(B) In the event that prior to the Merger Date, Bancorp or FF declares any stock split or stock dividend, any reverse stock split or combination, or any similar transaction where the record date for such transaction precedes the Merger Date (or such later date that the holders of record of shares of FF Common Stock would be deemed to be the holders of record of shares of Bancorp Common Stock as a result of the Merger) the number of shares of Bancorp stock to be received by shareholders of FF and the amount to be paid for fractional shares shall be proportionately adjusted.

III. MANNER OF SURRENDERING FF STOCK.

Following consummation of the Merger, each FF shareholder shall receive in exchange for his or her shares of FF Common Stock a certificate representing the number of shares of Bancorp Common Stock into which FF shares have been converted at the Conversion Ratio and a Bancorp check in settlement for a fractional share of Bancorp Common Stock, if any. After the Merger Date and until surrendered as provided herein, each FF certificate shall be deemed for all corporate purposes to evidence the number of whole shares of Bancorp Common Stock into which the FF Common Stock represented by such certificate shall have been converted as provided in Paragraph II, and such certificates, as between the holders and Bancorp, shall evidence the holder's right to receive Bancorp Common Stock certificates and cash in accordance with this Agreement; provided, however, that Bancorp stock certificates will not be issued to shareholders until their certificates have been surrendered to Mellon Securities Trust Company, as the exchange

agent. Dividends, interest or other distributions payable to shareholders in respect of Bancorp Common Stock into which FF Common Stock has been converted shall be retained, without interest, in an escrow account at Mellon Securities Trust Company, for the account of such shareholders and shall not be paid until their certificates have been surrendered in exchange for Bancorp certificates.

IV. REPRESENTATIONS AND WARRANTIES OF BANCORP.

As an inducement to FF to enter into this Agreement, Bancorp hereby represents and warrants to FF as follows:

(A) Bancorp is a Georgia corporation duly organized, validly existing and in good standing under the laws of the State of Georgia. Bancorp has the corporate power and authority to carry on its business as now conducted and to own, lease and operate its assets, properties and businesses. Bancorp has in effect all material federal, state and local governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as now conducted.

(B) Exhibit 21.1 of Bancorp's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, lists all active Bancorp subsidiaries as of the date of this Agreement(except The Community Bank, Douglasville, Georgia, which was acquired on February 28, 1994, and Barrow Bank & Trust Company, which was acquired on July 31, 1994) (together with The Community Bank and Barrow Bank & Trust Company, the "Bancorp Subsidiaries"). Each of the Bancorp Subsidiaries:

(i) is either a national banking association or a state banking corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized or incorporated;

(ii) has the corporate power and authority necessary for it to own or lease its properties and assets and to carry on its business as now being conducted; and

(iii) has all material federal, state and local governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as now conducted.

(C) Bancorp owns 100% of the issued and outstanding equity securities of each of Bancorp Subsidiaries, free and clear of any liens, encumbrances or restrictions whatsoever, except for the pledge of First National Bank of Habersham stock, Granite City Bank stock, and a portion of The First National Bank of Gainesville stock to secure a loan from Trust Company Bank. Neither Bancorp nor any of the Bancorp Subsidiaries has outstanding any subscriptions, warrants, rights, options or other agreements or commitments obligating any of the Bancorp Subsidiaries to issue any additional shares of equity securities or obligating Bancorp to sell any shares of the equity securities of any Bancorp Subsidiaries.

(D) Bancorp has 30,000,000 authorized shares of Common Stock, $1.00 par value each, of which 16,489,469 shares were outstanding as of October 31, 1994. No outstanding shares of Bancorp Common Stock have been issued in violation of the preemptive rights of any person, or in violation of any federal or state securities laws such that it would have a material adverse effect on the business, properties, operations, prospects, or assets, or on the condition, financial or otherwise, of Bancorp.

(E) As of the date of this Agreement, Bancorp does not have outstanding any subscriptions, warrants, rights, options or other

agreements or commitments obligating Bancorp to issue shares of its capital stock except the following:

(i) Any shares of Bancorp which may be issued from time to time by Bancorp pursuant to any of its employee stock option plans and incentive stock option agreements providing for the potential grant of options for selected key employees of Bancorp and/or any subsidiary thereof ;

(ii) Any shares of Bancorp which may be issued from time to time pursuant to the First National Bancorp Dividend Reinvestment Plan which allows shareholders of Bancorp to elect to receive shares of Bancorp in lieu of cash dividends; and

(iii) Any shares of Bancorp which may be issued from time to time by Bancorp pursuant to the First National Bancorp Performance-Based Restricted Stock Plan.

(F) The execution of this Agreement and the transactions contemplated hereby have been authorized by all necessary corporate action of Bancorp, and this Agreement is a valid and legally binding obligation of Bancorp enforceable in accordance with its terms, subject to any bankruptcy or moratorium laws now or hereafter in effect. Neither the execution and delivery of this Agreement, nor the consummation of the transactions provided for herein in the manner herein provided will violate any material agreement to which Bancorp or any of the Bancorp Subsidiaries is a party or is bound; nor will the actions described violate any law, order or decree or any provision of the articles of incorporation or bylaws of Bancorp or any of the Bancorp Subsidiaries. Bancorp has full power, authority and legal right to enter into this Agreement and, upon receipt of approval by the appropriate regulatory authorities governing Florida State chartered banks,

federally chartered savings associations and savings and loan and bank holding companies, to consummate the transactions provided for herein. There is no pending or, to the best of Bancorp's knowledge, threatened litigation which would in any way impair the ability of Bancorp to fulfill its obligations under this Agreement.

(G) Bancorp Common Stock is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and Bancorp has delivered to FF copies of:

(i) its Annual Report on Form 10-K for its fiscal year ended December 31, 1993 (and those portions of its 1993 Annual Report to Shareholders incorporated therein by reference), filed pursuant to Section 13 of the 1934 Act;

(ii) the Proxy Statement for its Annual Meeting of Shareholders held April 20, 1994, filed pursuant to Section 14 of the 1934 Act;

(iii) its Current Reports on Form 8-K dated January 14, 1994, February 28, 1994, March 15, 1994, July 31, 1994, and October 28, 1994 filed pursuant to Section 13 of the 1934 Act; and

(vi) its Quarterly Reports on Form 10-Q for the periods ended March 31, 1994, June 30, 1994 and September 30, 1994 filed pursuant to Section 13 of the 1934 Act. These reports and proxy statement include all regular and periodic reports and proxy statements required to be filed by Bancorp with the Securities and Exchange Commission ("SEC") since January 1, 1994 and are herein collectively called the "Bancorp SEC Reports". The Bancorp SEC Reports taken together correctly describe, among other things, the business, operations and principal

properties of Bancorp and its Subsidiaries in accordance with the requirements of the applicable report form. As of the respective dates of filing, none of the Bancorp SEC Reports contained any untrue statement of material fact or omitted to state any material fact necessary to make the statements therein not misleading. The financial statements contained in the Bancorp SEC Reports have been prepared in accordance with generally accepted accounting principles consistently applied and present fairly the consolidated financial condition of Bancorp and its Subsidiaries as of the dates thereof and the consolidated results of their operations for the periods covered thereby.

(H) Since the date of its latest published financial statements included in the Bancorp SEC Reports, there have not been any changes in the condition of Bancorp or any of the Bancorp Subsidiaries, any contracts entered into by Bancorp or any of its Subsidiaries, or other changes in the operations of Bancorp or any of its Subsidiaries which, in either case, would have a material adverse effect on the condition or results of operations of Bancorp and its Subsidiaries, taken as a whole.

(I) The shares of Bancorp Common Stock to be issued to shareholders of FF pursuant to this Agreement and the merger will, when issued according to the terms of this Agreement, be registered with the SEC and be validly issued, fully paid, and non-assessable.

V. COVENANTS OF BANCORP.

(A) From the date of this Agreement until the Merger Date or until this Agreement is terminated by the parties as herein provided, Bancorp covenants as follows:

(i) Except as otherwise provided herein or consented to in writing by FF (which consent will not be unreasonably wi .ld), Bancorp will conduct its operations and will cause each of the Bancorp Subsidiaries to conduct operations in accordance with its ordinary course of business consistent with past practice, and shall use and shall cause each of the Bancorp Subsidiaries to use, its best efforts to maintain and preserve its business, organization, employees and good relationships with its shareholders and its customers and others having business dealings with it.

(ii) Bancorp shall cause its officers and employees to furnish FF such information and operating data and other information as to Bancorp's business and properties, as FF shall from time to time reasonably request to facilitate the filing of regulatory applications, preparation of documents and investigations made necessary or appropriate by this Agreement.

(iii) Except as otherwise provided herein, Bancorp will assure that neither Bancorp nor any of the Bancorp Subsidiaries will take any of the following actions without the written consent of FF (which consent will not be unreasonably withheld):

(1) amend its articles of incorporation or bylaws to change in any manner the rights of its Common Stock or other securities or the character of its business;

(2) incur any obligation or liability, direct or indirect, absolute or

contingent, other than those incurred in the ordinary course of business on reasonable terms;

(3) issue or sell or commit to issue or sell any additional shares of Bancorp Common Stock or securities convertible into shares of Bancorp Common Stock for consideration (in the case of convertible securities on a fully converted basis) of less than $19.00 per share of Bancorp Common Stock, except pursuant to existing options issued under its employee stock option plans, or except pursuant to its existing dividend reinvestment plan, or except pursuant to its restricted stock plan, or except pursuant to a stock dividend or a stock split referred to in subparagraph II(B).

(4) except in the ordinary course of business, mortgage pledge or otherwise encumber any of its properties or assets;

(5) sell or transfer any of its properties or assets, or cancel, release or assign any indebtedness owed to it or any claim held by it, except in the ordinary course of business; or

(6) pay any dividends or make other distributions or payments in respect of capital stock of Bancorp, except for dividends at times and in amounts consistent with past practice.

(B) Bancorp agrees to promptly take such action as may reasonably be requested by FF to timely carry out the terms of this Agreement in accordance with its terms and in accordance with all

applicable laws, rules and regulations relating to banks, savings and loans, bank or savings and loan holding companies or securities regulations.

(C) Without limiting the generality of subparagraph V(B), Bancorp shall assist FF in the preparation of a proxy statement (hereinafter sometimes referred to as the "Proxy Statement") to be contained in a registration statement of Bancorp (the "Registration Statement") which shall be prepared by Bancorp, with the assistance of FF, covering the registration of Common Stock of Bancorp to be issued in the transaction contemplated by this Agreement. The Proxy Statement shall relate to the meeting of FF shareholders called to consider and vote upon this Agreement as required by the Florida Act. Such Proxy Statement and Registration Statements shall be filed on Form S-4 of the 1934 Act and shall comply with all applicable state and federal securities laws, rules or regulations, all applicable regulations of the Federal Reserve Board, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Georgia Department of Banking and Finance, and the Florida Department of Banking and Finance, and any other laws, rules or regulations applicable to the transactions contemplated by this Agreement. Bancorp covenants that all information relating to Bancorp and the Bancorp Subsidiaries furnished by it for inclusion in the Proxy Statement and the Registration Statement, taken as a whole, shall be true, complete and correct, and shall not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading. In addition, Bancorp shall promptly furnish such additional data and information as may be required for the timely preparation of the Proxy Statement.

(D) Upon the required approvals by regulatory authorities and upon the approval of this Agreement by holders of a majority of the

outstanding shares of FF Common Stock, FF will execute in duplicate and return to Bancorp for filing with the Georgia Secretary of State and the Florida Secretary of State Articles of Merger prepared by Bancorp containing such information as may be required by the Georgia Code and the Florida Act, and as may be consistent with this Agreement.

(E) Upon the required approvals by regulatory authorities and upon the approval of this Agreement by the holders of a majority of the outstanding shares of FF Common Stock, Bancorp will execute and file with the Georgia Secretary of State and the Florida Secretary of State Articles of Merger prepared by Bancorp containing such information as may be required by the Georgia Code and the Florida Act, and as may be consistent with this Agreement.

(F) Bancorp shall take such action and shall use its best efforts to cause the officers, directors and other affiliates of Bancorp to take such action, as may be necessary to assure that the transactions contemplated by this Agreement may be accounted for by Bancorp using the "pooling of interests" method of accounting.

(G) Bancorp's securities have been registered pursuant to Section 12 of the 1934 Act. Bancorp has been subject to the reporting requirements of Section 13 of the 1934 Act for a period of at least twelve (12) months, and has filed all the reports required to be filed thereunder during the twelve months preceding the date of this Agreement. Bancorp covenants that it will continue to be subject to the reporting requirements of Section 13 of the 1934 Act and file all reports required to be filed thereunder for the period beginning on the date of this Agreement and ending three years following the Merger Date.

(H) Within 30 days following the end of the first full calendar month after the Merger Date, Bancorp shall prepare and file with the SEC a Current Report on Form 8-K containing the

financial results of post-Merger combined operations of Bancorp, FF and FF Subsidiaries meeting the requirements of SEC Accounting Series Releases Nos. 130 and 135.

(I) Bancorp will use its best efforts to prepare and file all regulatory applications and securities registrations required to consummate the transaction as soon as possible.

(J) Bancorp agrees to request that Bancorp's independent accountants make available to FF all accounting and auditing workpapers of the independent accountants pertaining to Bancorp that are reasonably requested by FF. Bancorp shall use its best efforts to make such information reasonably available to FF during the pendency of the Merger.

(K) Bancorp agrees to cause substantially all of the employees of FF and FF Subsidiaries to be retained as employees of FF Subsidiaries in their present positions, subject to such terminations of employment as are necessary in the ordinary course of business, and except as otherwise provided herein.

(L) Bancorp agrees to cause FF Subsidiaries after the Merger Date to comply with the terms of the written employment agreements of FF Subsidiaries, including but not limited to those described on Exhibit "A" attached hereto. The employment agreements described on Exhibit "A" provide for termination payments to become payable upon the occurrence of certain events (including consummation of the Merger contemplated hereunder), coupled with the occurrence of a change in the employment terms for the particular officer. Bancorp specifically acknowledges and agrees that the termination payment provisions of the employment agreements described on Exhibit "A" will be triggered upon consummation of the Merger due to the Merger and the simultaneous changes which Bancorp will require to be made in the employment terms for the officers under said agreements.

(M) Bancorp agrees not to terminate or cause to be terminated any Employee Pension Benefit Plan (as that term is defined in subparagraph VI(N) hereof) until after the expiration of one year from the Merger Date, except if any such plan will no longer be qualified at an earlier date under Section 401(a) of the Internal Revenue Code. Bancorp agrees that all assets of any such Plan will be allocated to the participants upon any termination. Bancorp agrees to cause, after the Merger, FF Subsidiaries to provide to employees of FF Subsidiaries substantially similar employee benefits as presently being received by such employees, subject to such changes in benefits required in the ordinary course of business.

VI. REPRESENTATIONS AND WARRANTIES OF FF.

As an inducement to Bancorp to enter into this Agreement, FF hereby represents and warrants to Bancorp as follows:

(A) New Smyrna Bank is a federally chartered savings bank duly organized and validly existing under the laws of the United States. New Smyrna Bank has been in existence and continuously operating as a federal savings and loan association for a period in excess of five years. The authorized capital stock of New Smyrna Bank consists of 5,000,000 shares of Common Stock, $1.00 par value per share, of which 1,150,000 shares are validly issued and outstanding, fully paid and non-assessable and 2,500,000 shares of preferred stock, none of which are outstanding. New Smyrna Bank does not have any other class of equity securities outstanding nor are there any outstanding subscriptions, warrants, rights, options or other agreements or commitments obligating New Smyrna Bank to issue shares of its Common Stock or any other equity security. One hundred percent (100%) of the outstanding shares of Common Stock of New Smyrna Bank are owned by FF free and clear of any liens, encumbrances or restrictions whatsoever.

(B) Citrus Bank is a federally chartered savings bank duly organized and validly existing under the laws of the United States. Citrus Bank has been in existence and continuously operating or

incorporated as a federal savings and loan association for a period of five years or more. The authorized capital stock of Citrus Bank consists of 5,000,000 shares of common stock, $1.00 par value per share, of which 152,554 shares are validly issued and outstanding, fully paid and non-assessable and 2,500,000 shares of preferred stock, none of which are outstanding. Citrus Bank does not have any other class of equity securities outstanding nor are there any outstanding subscriptions, warrants, rights, options or other agreements or commitments obligating Citrus Bank to issue shares of its common stock or any other equity security. One hundred percent (100%) of the outstanding shares of common stock of Citrus Bank are owned by FF free and clear of any liens, encumbrances or restrictions whatsoever.

(C) Key Bank is a state commercial bank duly organized and validly existing under the laws of Florida. Key Bank has been in existence and continuously operating or incorporated as a state commercial bank for a period in excess of five (5) years. The authorized capital stock of Key Bank consists solely of 250,000 shares of common stock, $5.00 par value per share, of which 217,800 shares are validly issued and outstanding, fully paid and non-assessable. Key Bank does not have any other class of equity securities outstanding nor are there any outstanding subscriptions, warrants, rights, options or other agreements or commitments obligating Key Bank to issue shares of its common stock or any other equity security. One hundred percent (100%) of the outstanding shares of common stock of Key Bank are owned by Key Bancshares free and clear of any liens, encumbrances or restrictions whatsoever.

(D) Key Bancshares is a one-bank holding company duly organized and validly existing under the laws of Florida. Key Bancshares has been in existence and continuously duly operating as a Florida business corporation and a bank holding company for a period of five years or more. The authorized capital stock of Key Bancshares consists solely of 3,976,107 shares of common stock, $.10 par value per share, of which 550,000 shares are validly

issued and outstanding, fully paid and non-assessable. Key Bancshares does not have any other class of equity securities outstanding nor are there any outstanding subscriptions, warrants, rights, options or other agreements or commitments obligating Key Bancshares to issue shares of its common stock or any other equity security. FF owns 97.3% of the outstanding shares of common stock of Key Bancshares free and clear of any liens, encumbrances or restrictions whatsoever.

(E) FF is a Florida corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and: (i) is duly authorized by all applicable federal, state and local laws, rules and regulations; and (ii) has proper power and authority under its articles of incorporation, bylaws and other corporate documents to operate as a one-bank holding company and a multiple savings and loan holding company and to own 100% of the equity securities of the FF Subsidiaries. The authorized capital stock of FF consists of 5,000,000 shares of common stock, $.01 par value, of which 4,680,818 shares are validly issued and outstanding, fully paid and non-assessable as of October 31 , 1994, and 2,500,000 shares of preferred stock, $.01 par value, none of which are outstanding. Also, there are presently exercisable options outstanding for the purchase of 28,333.8 shares of FF Common Stock and outstanding options for the purchase of 56,063.7 shares of FF Common Stock which are not presently exercisable. No outstanding shares of FF Common Stock have been issued in violation of any federal or state securities laws such that it would have a material adverse effect on the business, properties, operations, prospects, or assets, or in the condition, financial or otherwise, of FF and FF Subsidiaries. FF does not have any outstanding subscriptions, warrants, rights, options or other agreements or commitments obligating FF to issue shares of FF Common Stock or any other equity securities, except for stock options to purchase 84,397.5 shares of FF Common Stock.

(F) The execution and delivery of this Agreement and the consummation of the Merger have been duly and validly authorized

by all necessary corporate action on the part of the board of directors of FF, having been approved by the affirmative, unanimous vote of the members of the board of directors of FF. The Merger must be submitted to the FF shareholders for their approval in order for the Merger to be consummated. This Agreement is a valid and legally binding obligation of FF, enforceable according to its terms, subject to any bankruptcy or moratorium laws now or hereafter in effect. Neither the execution and delivery of this Agreement, nor the consummation of the transactions provided for herein in the manner herein provided will violate any material agreement to which FF or any of the FF Subsidiaries is a party or is bound; nor will the actions described violate any law, order or decree or any provision of the articles of incorporation or bylaws of FF or any of the FF Subsidiaries. FF has full power, authority and legal right to enter into this Agreement and, upon the receipt of approval by the appropriate regulatory authorities governing Florida chartered commercial banks, bank holding companies, federal savings and loan associations , and multiple savings and loan holding companies and upon the affirmative vote of a majority of the total outstanding capital stock of FF, to consummate the transactions provided for herein. There is no pending or, to the best of FF's knowledge, threatened litigation which would in any way impair the ability of FF to fulfill its obligations under this Agreement.

(G) FF Common Stock is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and FF has delivered to Bancorp copies of:

(i) its Annual Report on Form 10-K for its fiscal year ended December 31, 1993 (and those portions of its 1993 Annual Report to Shareholders incorporated therein by reference), filed pursuant to Section 13 of the 1934 Act;

(ii) the Proxy Statement for its Annual Meeting of Shareholders held April 25, 1994, filed pursuant to Section 14 of the 1934 Act; (iii) its Current Reports on Form 8-K dated April 25, 1994, and October 19, 1994, filed pursuant to Section 13 of the 1934 Act; and (iv) its Quarterly Reports on Form 10-Q for the periods ended March 31, 1994, June 30, 1994 and September 30, 1994 filed pursuant to Section 13 of the 1934 Act. These reports and proxy statement include all regular and periodic reports and proxy statements required to be filed by FF with the SEC since January 1, 1994 and are herein collectively called the "FF SEC Reports". The FF SEC Reports taken together correctly describe, among other things, the business, operations and principal properties of FF and FF Subsidiaries in accordance with the requirements of the applicable report form. As of the respective dates of filing, none of the FF SEC Reports contained any untrue statement of material fact or omitted to state any material fact necessary to make the statements therein not misleading. The financial statements contained in the FF SEC Reports have been prepared in accordance with generally accepted accounting principles consistently applied and present fairly the consolidated financial condition of FF and FF Subsidiaries as of the dates thereof and the consolidated results of their operations for the periods covered thereby.

(H) Except as reflected or referred to in the consolidated financial statements of FF and FF Subsidiaries (including the notes thereto) at September 30, 1994, there were no material liabilities or obligations of FF or any of the FF Subsidiaries whether liquidated or unliquidated, accrued, absolute, contingent or otherwise, which were required to be reflected in the consolidated financial statements of FF and the FF Subsidiaries as of September 30, 1994, in accordance with generally accepted accounting principles.

(I) Since September 30, 1994, there have not been: (i) any changes in the assets, liabilities, or business of FF or the FF Subsidiaries other than changes in the ordinary course of business, none of which has been, individually or in the aggregate, materially adverse to the financial condition and results of operations of FF and FF Subsidiaries taken as a whole; (ii) any increase in the compensation payable or to become payable by FF or the FF Subsidiaries to any of its directors, officers, employees, or agents, or any bonus payment, except normal and customary increases or bonus payments made in the ordinary course of business; (iii) any labor dispute, or any event or condition of any character specific to FF and FF Subsidiaries materially adversely affecting the business or prospects of FF and the FF Subsidiaries, taken as a whole; or (iv) any redemption, purchase or other transaction involving shares of FF or FF Subsidiaries to which FF or FF Subsidiaries or, to the best of FF's knowledge, any "affiliate" of FF or any of FF Subsidiaries has been a party except in the ordinary course of business. For purposes of this Agreement, the term "affiliate" shall mean any "affiliated person" included within the definition of that term under the 1934 Act.

(J) Neither this Agreement nor any of the documents furnished pursuant to this Agreement by FF to Bancorp or any of its representatives, taken as a whole, is or will be false or

misleading, or contains or will contain any material misstatement of fact, or omits or will omit to state any material fact required to be stated to make the statements therein not misleading.

(K) FF and FF Subsidiaries have prepared and filed, or will prepare and file with the appropriate government authorities, all federal, state and local tax returns (including, without limitation, income, franchise, sales and use, property, payroll and withholding tax returns and information returns) required to be filed by them on or prior to the Closing Date. To the best of the knowledge of FF, such returns reflect all tax liabilities of FF and/or each of the FF Subsidiaries for the periods in question, and FF and/or any of the FF Subsidiaries has paid or caused to be paid all taxes shown to be due on such tax returns and on all assessments received by them to the extent that such assessments have become due.

(L) FF and FF Subsidiaries have good and marketable title to the properties (real and personal) and assets reflected in the consolidated September 30, 1994, financial statement (except as sold or otherwise disposed of in the ordinary course of business for a fair consideration since the date of said statement), free and clear of all liens, claims and encumbrances, except: (i) liens for taxes not yet due and payable; and (ii) easements, rights of way and restrictions which are of record and which do not materially affect the present use and occupancy of the property by FF and FF Subsidiaries.

(M) There is no litigation, proceeding or governmental investigation pending, or to the best of FF's knowledge, threatened, against or relating to FF or any of the FF Subsidiaries, or their properties or business, or the transactions contemplated by this Agreement, which will have any material adverse effect on the business, properties, operations, prospects,

or assets, or on the condition, financial or otherwise of FF or any of the FF Subsidiaries, taken as a whole.

(N) With respect to any "Employee Pension Benefit Plan," as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is contributed to, maintained or administered by FF or any of the FF Subsidiaries, such Employee Pension Benefit Plan complies, to the extent applicable, with the requirements of ERISA and the Internal Revenue Code of 1986, as amended (the "Code"), and has been determined by the Internal Revenue Service (the "IRS") to be qualified under Section 401(a) of the Code. Each of the Employee Pension Benefit Plans has been maintained and administered in accordance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations including, but not limited to, ERISA and the Code. There are no pending or anticipated claims against or otherwise involving any of the Employee Pension Benefit Plans, and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of plan activities) has been brought against or with respect to any of the Employee Pension Benefit Plans. All contributions, reserves or premium payments required to be made as of the date hereof have been made or are reflected in the consolidated September 30, 1994, financial statements of FF. Further, each of the Employee Pension Benefit Plans which is subject to the plan termination insurance provisions of Title IV of ERISA could be terminated as of the date hereof or as of the Merger Date as a standard termination with the Pension Benefit Guaranty Corporation.

(O) To the best of their knowledge, FF and FF Subsidiaries are in compliance with all federal, state and local laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and are not engaged in any unfair labor practice; there is no unfair labor practice complaint against FF or any of the FF Subsidiaries pending or threatened before the

National Labor Relations Board, the Equal Employment Opportunity Commission or the United States Department of Labor; and no grievance or arbitration proceedings are pending.

VII. COVENANTS OF FF.

(A) From the date of this Agreement until the Merger Date, or until this Agreement is terminated by the parties as herein provided, FF covenants as follows:

(i) Except as otherwise provided herein or consented to in writing by Bancorp (which consent will not be unreasonably withheld), FF and the FF Subsidiaries will each conduct their operations in accordance with their ordinary course of business, consistent with past practice and shall use its best efforts to maintain and preserve its business, organization, and employees. FF further agrees to maintain good relationships with its shareholders and with its customers and others having business dealings with it.

(ii) FF and FF Subsidiaries shall each cause its officers and employees to furnish to Bancorp such financial and operating data and other information as to FF's business and properties as Bancorp shall from time to time reasonably request to facilitate the filing of regulatory applications, preparation of documents and investigations made necessary or appropriate by this Agreement.

(iii) Except as otherwise provided herein, FF will assure that neither FF nor any of the FF Subsidiaries will take any of the following actions without the written consent of Bancorp

(which consent will not be unreasonably withheld) :

(1) amend its articles of incorporation or bylaws, or merge or consolidate with or into any other corporation or permit any other corporation to merge into it, or change in any manner the rights of its Common Stock or other securities or the character of its business;

(2) incur any obligation or liability, direct or indirect, absolute or contingent, other than those incurred in the ordinary course of business on reasonable terms;

(3) except in the ordinary course of business, incur any indebtedness for borrowed money or assume, guarantee, endorse or otherwise become responsible for the obligations of any other individual, firm or corporation, or make any loans or advances to any other individual, firm or corporation;

(4) issue or sell any additional shares of Common Stock (including treasury shares), securities convertible into shares of Common Stock or any other equity securities or options or other commitments for the issuance of shares of stock or such securities, except pursuant to presently outstanding stock options to purchase FF shares or except pursuant to a stock dividend or a stock split referred to in subparagraph II(B);

(5) except in the ordinary course of business, mortgage, pledge or otherwise encumber any of its properties or assets;

(6) sell or transfer any of its properties or assets, or cancel, release or assign any indebtedness owed to it or any claim held by it;,

(7) make or commit to make any investments in Building, Furniture and Equipment which individually or in the aggregate exceed $100,000;

(8) except in the ordinary course of business, enter into or terminate or amend any material contract or agreement or make any material change in any of its material leases, contracts, arrangements, plans or other legally binding arrangements;

(9) except for normal and customary actions in the ordinary course of business, increase in any manner the compensation of any of its directors, officers or employees, or pay or agree to pay any pension or retirement allowance not required by any existing plan or agreement to any such persons, or commit itself to any pension, retirement or profit-sharing plan or agreement or employment agreement with or for the benefit of any officer, employee or other person;

(10) cancel or terminate any of its current insurance policies or any of the coverage thereunder unless simultaneously with such termination or cancellation,

replacement policies substantially similar to those cancelled or terminated are in full force and effect; or

(11) pay any dividends or make other distributions or payments in respect of its stock, except FF and the FF Subsidiaries may pay their normal and customary dividends.

(iv) FF shall use its best efforts to assure that FF, the FF Subsidiaries, and the members of the boards of directors and executive officers of FF and each of the FF Subsidiaries shall actively support the Merger, shall recommend the Merger to the shareholders of FF, shall actively solicit proxies of shareholders of FF to be voted in favor of the Merger, and shall urge all shareholders of FF to vote in favor of the Merger.

(v) FF shall use its best efforts to assure that FF, each of the FF Subsidiaries, each member of the board of directors of FF and each of the FF Subsidiaries and each of the officers of FF and each of the FF Subsidiaries shall take such action as is necessary or appropriate to cause the Merger to be timely consummated in accordance with the terms of this Agreement.

(vi) Each of the FF shareholders listed on Exhibit B commits to publicly support the Merger and FF commits that it will obtain, within ten (10) days after the date of this Agreement, a Voting Agreement from each shareholder so listed substantially in the form set forth in Exhibit C.

(vii) In addition, FF will obtain an agreement from each member of the board of directors of FF and each of the FF Subsidiaries and their affiliates that such person or entity shall not sell, transfer or dispose of any FF stock from the date hereof through the date of consummation of the Merger without Bancorp's consent, which consent shall not be unreasonably withheld, and that such person or entity shall not sell, transfer or dispose of Bancorp Common Stock received in the Merger until after the date on which Bancorp publishes financial results covering at least thirty (30) days of post Merger combined operations.

(viii) FF will obtain an agreement as described below (the "Agreement of Affiliates") from each affiliated shareholder of FF (the "Affiliated Shareholders") prior to the Closing Date. The Affiliated Shareholders shall be those shareholders of FF who may, in the opinion of counsel for FF and counsel for Bancorp, be deemed to be "affiliates" of FF within the meaning of Rule 145 of the 1933 Act, and who may, in the opinion of such counsels, be deemed, pursuant to the provisions of Rule 145, to be "underwriters", as such term is defined in the 1933 Act, on resale of the Bancorp Common Stock acquired hereunder (herein referred to as the "Acquired Securities"). The Agreement of Affiliates shall be in a form satisfactory to Bancorp and its counsel and shall provide that:

(1) the Acquired Securities will not be acquired with a view to the distribution thereof except as permitted by Rule 145;

(2) the Acquired Securities will not be disposed of in such a manner as to violate Rule 145 under the 1933 Act or the Agreement of Affiliates and without Bancorp having received an opinion of counsel satisfactory to it, to the foregoing effect, or other evidence of compliance with Rule 145 and the Agreement of Affiliates satisfactory to Bancorp;

(3) Bancorp may issue appropriate stop transfer instructions to its transfer agent with respect to the Acquired Securities;

(4) each Affiliated Shareholder will obtain an agreement (a copy of which will be delivered to Bancorp) similar to that entered into by him or her from each transferee of Acquired Securities, unless such transferee may, as evidenced by an opinion of counsel or other evidence, in each case satisfactory to Bancorp, dispose of the Acquired Securities transferred to him or her without registration under the 1933 Act; and

(5) the certificates representing Acquired Securities may bear the following or a substantially similar legend:

"The securities represented by this certificate were issued in a transaction to which Rule 145 promulgated under the

Securities Act of 1933, as amended (the "1933 Act") applies, are held subject to the terms of an agreement between the holder hereof and First National Bancorp and may be sold or otherwise transferred only upon receipt by First National Bancorp of an opinion of counsel (or other evidence) satisfactory to such corporation and its counsel as to satisfactory compliance with the limitations of such Rule 145 and such agreement, or of an opinion of counsel (or other evidence) satisfactory to First National Bancorp and its counsel that some other exemption from registration under the Act is available, or pursuant to a registration statement under the 1933 Act."

(ix) Neither FF, nor any officers of FF, nor any member of the FF Board of Directors, will enter into negotiations or discussions for the purpose of selling or exchanging any shares of or a substantial portion of the assets of FF or any FF Subsidiary, or for the purpose of causing the merger or consolidation of FF or any FF Subsidiary into or with any other entity.

(x) Notwithstanding any of the foregoing, however, the directors of FF and FF Subsidiaries shall not be obligated to take or not to take any action that they shall be advised in writing by counsel may be contrary to their fiduciary duties as directors.

(B) FF has caused its independent auditors, Hacker, Johnson, Cohen & Grieb, to conduct, at its expense, certified audits of FF and the FF Subsidiaries which comply with the laws, rules or regulations applicable to the Merger as contemplated by this Agreement, including, without limitation, those necessary to complete any registration of Bancorp Common Stock under federal securities laws, and to assure pooling of interests treatment for the transaction, and agrees to cause said accountants to make such other accounting and/or credit examination of the books, records, financial statements and loan portfolio of FF and FF Subsidiaries which Bancorp reasonably deems necessary in connection with the transactions contemplated by this Agreement.

(C) In connection with the Merger, FF shall cause to be furnished to each of its shareholders the Proxy Statement as contained in the Registration Statement to be used in connection with the special meeting of FF shareholders which will be held to consider and vote on the Plan of Merger. Such Proxy Statement and Registration Statement shall contain such information as required by Section 14(a) of the 1934 Act and Form S-4 of the 1933 Act, as well as all applicable regulations of the Federal Reserve Board, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Georgia Department of Banking and Finance, and the Florida Department of Banking and Finance, and any other laws, rules or regulations applicable to the Merger transactions as contemplated by this Agreement. FF shall promptly provide to Bancorp all information relating to FF and the FF Subsidiaries as Bancorp shall request to aid in the preparation of the Registration Statement, and FF covenants that all information relating to FF and the FF Subsidiaries furnished by FF for inclusion in the Registration Statement, taken as a whole, shall be true, complete and correct, and shall not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not

misleading. In addition, FF shall promptly furnish to Bancorp such additional data and information as may be requested by Bancorp for the timely preparation of the Registration Statement.

(D) FF agrees to promptly submit this Agreement to its shareholders for adoption, at a special meeting thereof which shall be called and held at least twenty (20) business days after the delivery to its shareholders of the prospectus and Proxy Statement contained in the Registration Statement, but, unless consented to by Bancorp, not more than forty-five (45) days after the effective date of the Registration Statement. FF shall solicit proxies from its shareholders for the purpose of voting on the adoption of this Agreement and shall mail to each of its shareholders an appropriate and timely notice of such meeting, a form of proxy and a prospectus and Proxy Statement. FF consents to the use of the Proxy Statement by Bancorp in connection with the registration under the Securities Act of 1933 of the Bancorp shares to be issued in the merger. The notice, Proxy Statement, proxy and any other materials sent to shareholders shall in all respects be in form and substance reasonably satisfactory to Bancorp and FF.

(E) Upon the required approvals by regulatory authorities and upon approval of this Agreement by a majority of the holders of the outstanding shares of FF Common Stock FF will execute in duplicate and return to Bancorp for filing with the Georgia Secretary of State and the Florida Secretary of State Articles of Merger prepared by Bancorp containing such information as may be required by the Georgia Code and the Florida Act and as may be consistent with this Agreement.

(F) FF shall take such action, shall cause the FF Subsidiaries to take such action, and shall use its reasonable best efforts to cause the officers, directors and other affiliates of both FF and the FF Subsidiaries to take such action, as may be necessary to assure that the transactions contemplated by this

Agreement may be accounted for by Bancorp using the "pooling of interests" method of accounting.

(G) FF shall promptly take such action and shall cause FF Subsidiaries to take such action as may be reasonably requested by Bancorp to timely carry out the terms of this Agreement in accordance with its terms and in accordance with all applicable laws, rules and regulations.

(H) Each holder of FF stock options which are exercisable prior to the Closing Date shall agree in writing on or before December 31, 1994, that such options, if not exercised prior to the Closing Date, shall be cancelled and converted into the right to receive shares of Bancorp Common Stock, based on the Conversion Ratio and the midpoint between "bid" and "asked" price for Bancorp Common Stock as of the Closing Date ("Midpoint Value"). To determine the shares of Bancorp Common Stock to be received, the aggregate number of all such FF option shares with the same exercise price shall be multiplied by the difference between the "Conversion Value" of each such FF option share and the price of exercising such option share. The result shall then be divided by the Midpoint Value to determine the number of shares of Bancorp common stock to be received. "Conversion Value" shall be determined by multiplying the Midpoint Value by the Conversion Ratio. Further, each holder of FF stock options which are not exercisable prior to the Closing Date shall agree in writing on or before December 31, 1994, that such options, if not exercised on the Closing Date as permitted under their terms, shall be cancelled and converted into the right to receive the number of shares of Bancorp Common Stock determined in the same manner as set forth above.

(I) FF will request that FF's independent accountants make available to Bancorp all accounting and auditing workpapers of the independent accountants pertaining to FF that are reasonably requested by Bancorp. FF shall use its best efforts to make such

information reasonably available to Bancorp during the pendency of the Merger.

(J) Upon election by Bancorp or FF, FF may accrue the expense of the termination payments referred to in subparagraph V(K) herein at the time it is determined that consummation of the Merger is probable of occurrence. Any termination payments that are due may be made by FF or any FF Subsidiary on the Closing Date.

(K) FF will suspend its 1994 Stock Repurchase Program during the pendency of the Merger.

VIII. CONDITIONS TO OBLIGATIONS OF FF. The obligations of FF hereunder shall, at its option, be subject to the satisfaction of the following conditions:

(A) There shall have been issued an opinion of Stewart, Melvin & Frost, counsel to Bancorp, in form and substance reasonably satisfactory to FF, to the effect that, under applicable provisions of the Internal Revenue Code of 1986, as amended, no gain or loss will be recognized for federal income tax purposes by FF, Bancorp or the shareholders of FF to the extent they receive stock of Bancorp in connection with the proposed reorganization. Said opinion will not state that cash received in exchange for fractional shares will be non-taxable.

(B) A preliminary fairness opinion shall have been received by FF from Professional Bank Services, Inc., prior to the distribution of the Proxy Statement to the shareholders of FF, to the effect that the consideration to be received by FF's shareholders pursuant to paragraph II of this Agreement is fair to the shareholders from a financial point of view and such opinion shall not have been withdrawn or materially modified prior to the vote of the shareholders. In addition, FF shall receive a confirmation of the fairness opinion from Professional Bank

Services, Inc., dated not more than 20 days nor less than 10 days from Closing that the consideration to be received by FF's shareholders is still fair to the shareholders as of the date of the confirmation.

(C) As of the Closing Date, there shall have occurred no material adverse change in the financial condition or results of operations of Bancorp, taken as a whole, from that represented in the consolidated unaudited financial statements of Bancorp as of September 30, 1994, which have been previously provided FF, and there shall not have occurred any loss or damage to any of its properties or assets which would materially impair its ability to conduct its business after the Merger substantially as it is now being conducted.

(D) The representations and warranties of Bancorp contained in this Agreement shall be true in all material respects as of the date hereof and as of the Closing Date with the same effect as though such representations and warranties have been made on and as of the Closing Date, except for any such representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such date.

(E) Bancorp shall have performed, at or prior to the Closing Date, all agreements and covenants required by this Agreement to be performed by it.

(F) Bancorp shall have delivered to FF:

(i) a certificate executed by the Chairman or the President of Bancorp dated as of the Closing Date, and certifying in such detail as FF may reasonably request to the fulfillment of the conditions specified in subparagraphs VIII(B), VIII(C) and VIII(D) hereof; and

(ii) duly adopted resolutions of the Board of Directors of Bancorp, certified by the Secretary or an Assistant Secretary of Bancorp

as of the Closing Date, authorizing and approving the execution of this Agreement on behalf of Bancorp and the consummation of the transactions contemplated herein.

IX. CONDITIONS TO OBLIGATIONS OF BANCORP.

The obligations of Bancorp to consummate and effect the Merger contemplated by this Agreement shall, at the option of Bancorp, be subject to the satisfaction of the following conditions:

(A) The representations and warranties of FF contained in this Agreement shall be true in all material respects as of the date hereof and as of the Closing Date with the same effect as though all such representations and warranties have been made on and as of the Closing Date, except for any such representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such date.

(B) FF shall have performed, at or prior to the Closing Date, all agreements and covenants required by this Agreement to be performed by it.

(C) As of the Closing Date, there shall have occurred no material adverse change in the financial condition or results of operations of FF and the FF Subsidiaries, taken as a whole, from that presented in the consolidated financial statements of FF and the FF Subsidiaries as of September 30, 1994, which have previously been delivered to Bancorp, and there shall not have occurred any loss or damage to any of the properties, assets or business of FF and the FF Subsidiaries, taken as a whole, which would materially adversely affect their financial condition, taken as a whole, or impair the ability of either of them to conduct their business, taken as a whole, after the Merger as now being conducted. For purposes of this Agreement, changes in interest rate risk

associated with FF's operations shall not be considered a material adverse change, event or occurrence.

(D) Bancorp shall have received an opinion of KPMG Peat Marwick, in form and substance reasonably satisfactory to the board of directors of Bancorp to the effect that the transactions contemplated by this Agreement may be accounted for by Bancorp using the "pooling of interests" method of accounting.

(E) FF shall have delivered to Bancorp:
(i) a certificate executed by the Chairman or the President of FF, dated as of the Closing Date and certifying in such detail as Bancorp may reasonably request to the fulfillment of the conditions specified in subparagraphs IX(A), IX(B) and IX(C) hereof; and
(ii) duly adopted resolutions of the board of directors and the shareholders of FF, certified by the Secretary or an Assistant Secretary of FF as of the Closing Date, authorizing and approving the execution of this Agreement on behalf of FF and the consummation of the transactions contemplated herein.

X. CONDITIONS TO OBLIGATIONS OF BANCORP AND FF.

The obligations of Bancorp and FF to consummate the Merger contemplated hereby are, at the option of either of them, subject to the following conditions having been satisfied:

(A) The holders of a majority of the issued and outstanding stock of FF shall have been voted in favor of the Merger at the special meeting of the shareholders duly called and held with

respect thereto pursuant to proper notice of such meeting accompanied by proper proxy solicitation and disclosure documents.

(B) Any and all orders, permits, approvals, licenses or qualifications from authorities administering federal laws or laws of any state or other political subdivision having jurisdiction, required for the consummation of the transaction contemplated by this Agreement shall have been obtained. This Agreement and the exchange of the shares herein contemplated shall be in compliance with the regulations and directives of all governmental agencies having jurisdiction.

(C) At the time of mailing the Proxy Statement to FF shareholders and thereafter through the Closing Date, the Bancorp Common Stock to be received by FF shareholders upon the conversion of their stock shall be the subject of an effective registration statement (subject to no stop order) under the 1933 Act and shall be duly registered or qualified under the securities laws of all states in which registration or qualification is required, or shall be exempt therefrom.

XI. CLOSING; NOTICE OF CLOSING; MERGER DATE.

(A) The closing of the Merger shall be held on or before the last day of the month during which the later of the following occurs: (i) the special meeting of FF shareholders to adopt this Agreement as set forth in subparagraph VII(D) of this Agreement, or (ii) the receipt of all applicable regulatory approvals which are required prior to consummation of the reorganization (and the running of any mandatory waiting periods required by such approvals or by law), provided all conditions set forth herein have been satisfied or waived; which date is herein sometimes referred to as the "Closing Date"; provided, however, that the Closing Date shall not be later than the close of business on August 31, 1995 (the "Termination Date"). If the conditions to this Agreement have not

been satisfied or waived by the Closing Date, then this Agreement may be terminated pursuant to Paragraph XII. The closing shall be held at the offices of Bancorp or any other mutually agreeable location. At the closing, the parties shall execute and deliver such instruments, documents and certificates as are required by this Agreement and as are necessary or appropriate to close the transaction contemplated hereby.

(B) The parties contemplate that the Merger Date shall be the same day as the Closing Date.

XII. TERMINATION.

(A) This Agreement may be terminated by either Bancorp or FF upon written notice to the other party if: (i) there is a failure of any of the conditions set forth in Paragraph X hereof to be satisfied by the Closing Date; or (ii) the Closing shall not have occurred, due to no fault of the terminating party, on or before the Termination Date.

(B) This Agreement may be terminated by Bancorp upon written notice to FF if (i) there is a failure of any of the conditions set forth in Paragraph IX hereof to be satisfied by the Closing Date, or (ii) there is a material breach by FF of any representation, warranty or agreement contained herein which cannot be or has not been cured within thirty (30) days after the giving of written notice thereof to FF.

(C) This Agreement may be terminated by FF upon written notice to Bancorp if: (i) there is a failure of any of the conditions of Paragraph VIII hereof to be satisfied by the Closing Date, (ii) there is a material breach by Bancorp of any representation, warranty or agreement contained herein which cannot be or has not been cured within thirty (30) days after the giving of written notice thereof by FF to Bancorp.

(D) Any notice of termination shall state the basis for such termination. Upon termination as herein provided, this Agreement shall be void and of no further force and effect and no party hereto shall have any obligation or liability to the others hereunder, except that (i) the provisions of subparagraphs XIII(F), XIII(H), and XIII(I) shall survive any such termination, and (ii) a termination based on a material breach of this Agreement shall not relieve the breaching party from liability for an uncured breach of a representation, warranty or agreement giving rise to such termination.

XIII. MISCELLANEOUS.

(A) Any of the terms or conditions of this Agreement may be waived at any time by any party hereto for whose benefit the term or condition applies, by action of its board of directors, evidenced by a certificate signed by its Chairman or President or other duly authorized person.

(B) This Agreement may be amended (including amendments changing the Closing Date) or supplemented at any time by action taken by the boards of directors of Bancorp and FF.

(C) This Agreement, the Plan of Merger and the instruments referred to herein constitute the entire contract among the parties and supersede all other understandings with respect to the subject matter hereof.

(D) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement and shall become binding on the parties hereto when one or more counterparts has been signed by each of the parties and delivered to the other parties.

(E) This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns.

(F) FF and Bancorp each represent to the other that no business broker assisted the representing party in the negotiations leading to the execution of this Agreement. Each party agrees to indemnify the other and hold and save it harmless from any claim or demand for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of such party.

(G) This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Florida, except where federal law supersedes state law and except for the application of Florida and Georgia law to the Merger.

(H) Bancorp and FF shall each pay its own expenses in connection with the Merger, including the fees and expenses of its respective counsel and accountants. Any certified audit of FF or the FF Subsidiaries, if required, shall be the responsibility of FF or the FF Subsidiaries. Notwithstanding the foregoing, if this Agreement is terminated by either Bancorp or FF as a result of a material breach by the other party of any representation, warranty, covenant or other agreement contained in this Agreement which is not timely cured, or if the Merger is not consummated as a result of the failure of either Bancorp or FF to satisfy certain conditions set forth in this Agreement, then the breaching party or the party that failed to satisfy such conditions shall pay the other party the sum of all its out-of-pocket costs and expenses, including costs of counsel, accountants and other advisors as can be verified in writing. Nothing contained in this subparagraph XIII(H) shall constitute or be deemed to constitute liquidated damages or otherwise limit the rights of the nonbreaching party.

(I) Any and all information supplied by any party to another party in connection with the activities contemplated by this Agreement, whether obtained before or after the execution of this Agreement, shall be held in strict confidence. The party gaining access to such information shall exercise the same degree of care with respect thereto that any party uses to protect and safeguard its own confidential proprietary information. Such information shall not, directly or indirectly, be divulged, disclosed or communicated to any other person or entity or used for any purposes other than those expressly contemplated by this Agreement except for disclosure to representatives of a party (including, without limitation, legal counsel, accountants and consultants,) disclosure to regulatory authorities, or as is otherwise required by judicial or regulatory authorities. If the Merger as contemplated by this Agreement are not consummated, then all copies of all documents and other recorded materials supplied by one party to the other shall be immediately returned to the other. The obligations set forth in this subparagraph XIII(I) shall not extend to information that:

(i) can be demonstrated to have been in the public domain prior to the date of disclosure to the party;

(ii) can be demonstrated to have been in the party's possession prior to the date of disclosure to such party;

(iii) became part of the public domain prior to the date of disclosure to the party; or

(iv) is supplied to a party by a third party as a matter of right.

(J) All notices, requests and other communications shall be in writing and shall be deemed to have been duly given at the time delivered or mailed to the parties at the following addresses:

(i) FF:
Mrs. Frances Ford
Chairman and C.E.O.
FF Bancorp, Inc.
900 North Dixie Highway
New Smyrna Beach, Florida 32069

with copies to Igler & Dougherty, P.A.
Attention: A. George Igler, Esquire
Barnett Bank Building, Suite 500
315 South Calhoun Street
Tallahassee, Florida 32301

(ii) Bancorp:

Mr. C. Talmadge Garrison
Secretary and Treasurer
303 Jesse Jewell Parkway
Suite 700
P. O. Drawer 937
Gainesville, Georgia 30503

with copies to Stewart, Melvin & Frost
Attention: T. Treadwell Syfan
Hunt Tower, Suite 600
200 Main Street
Gainesville, Georgia 30501

IN WITNESS WHEREOF, the parties hereto, pursuant to the authority given by their respective Boards of Directors have caused this Agreement to be duly executed under seal as of the date first written above.

FIRST NATIONAL BANCORP

By: _____
Peter B. Miller,
President, C.A.O. & C.F.O.

(CORPORATE SEAL)

Attest: _____
C. Talmadge Garrison
Secretary and Treasurer

FF BANCORP, INC.

By: _____
Frances R. Ford
Chairman of the Board, Chief
Executive Officer, President

(CORPORATE SEAL)

Attest: _____
Charles H. Byrd
Vice Chairman

EXHIBIT "A"

1. Employment Agreement, dated July 9, 1992, between First Federal Savings Bank of New Smyrna and Frances R. Ford.

2. Employment Agreement, dated July 9, 1992, between First Federal Savings Bank of New Smyrna and Charles H. Byrd.

EXHIBIT B

Frances R. Ford
Charles H. Byrd
Fred J. Faust
Raymond H. Hester
Cyril Marchenton
J.E. Tumblin
Tildon W. Smith

EXHIBIT C

November ___, 1994

Richard A. McNeece
Chairman of the Board and
Chief Executive Officer
First National Bancorp
303 Jesse Jewell Parkway
Gainesville, GA 30503

RE: FF Bancorp, Inc.

Dear Mr. McNeece:

I am writing to confirm the following agreement between First National and me regarding the pending merger between FF Bancorp, Inc. and First National Bancorp ("Merger"). In consideration of First National Bancorp entering into the Agreement and Plan of Merger ("Agreement") dated November ___, 1994, with FF Bancorp, Inc., I agree to vote all of the shares of FF Bancorp, Inc. which I own or otherwise have the power to vote in favor of the Merger and in favor of the other transactions contemplated by the Agreement for a period of nine months from the date of this letter. Furthermore, for the same period of time, I shall vote against any business combination or other reorganization of any kind involving FF Bancorp, Inc. or its subsidiaries with any entity other than First National Bnacorp. If the Agreement is terminated, I shall have no further obligations under this letter after the date of such termination.

Sincerely,

EXHIBIT "B" TO ARTICLES OF MERGER

AMENDMENT TO AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT TO AGREEMENT AND PLAN OF MERGER, dated January 23, 1995, between **FIRST NATIONAL BANCORP**, a Georgia corporation (hereinafter referred to as "Bancorp"), **FF BANCORP, INC.**, a Florida corporation (hereinafter referred to as "FF"), and **FNB SUBSIDIARY CORPORATION**, a Florida corporation (hereinafter referred to as "FNB Subsidiary").

W I T N E S S E T H:

WHEREAS, Bancorp and FF have entered into that certain Agreement and Plan of Merger dated as of November 22, 1994 (the "Merger Agreement"), providing for the merger of FF into Bancorp; and

WHEREAS, Bancorp and FF wish to amend the Merger Agreement to provide for the merger of FF into FNB Subsidiary, a wholly owned subsidiary of Bancorp, in a forward triangular merger pursuant to which Bancorp will acquire FF in exchange for shares of common stock of Bancorp; and

WHEREAS, the parties wish to amend the Merger Agreement to make FNB Subsidiary a party to the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto hereby agree as follows:

1. Paragraph I of the Merger Agreement is hereby deleted in its entirety and the following is substituted in lieu thereof:

"I. **AGREEMENT TO MERGE.**

(a) On the date designated as the merger date in "Articles of Merger" to be filed with the Florida Secretary of State pursuant to the Florida Act (hereinafter the "Merger Date"), FF shall be merged into

FNB Subsidiary, which shall be the survivor (hereinafter sometimes referred to as the "Surviving Corporation"), in a forward triangular merger. Such merger shall be pursuant to the applicable provisions of the Florida Act.

(b) The articles of incorporation of FNB Subsidiary shall be the articles of incorporation of the Surviving Corporation. The bylaws of FNB Subsidiary shall be the bylaws of the Surviving Corporation.

(c) The name of FNB Subsidiary shall be changed to "FF Bancorp, Inc." as a result of the merger.

(d) The board of directors and officers of FNB Subsidiary shall continue to be the board of directors and officers of the Surviving Corporation.

(e) Bancorp agrees to appoint Charles H. Byrd, Vice Chairman of FF, and Tildon W. Smith, Executive Vice-President of FF, to the board of directors of Bancorp at the next scheduled board meeting following consummation of the merger.

(f) FF shall receive a fairness opinion and confirmation regarding the stock conversion in the merger as contemplated by Subparagraph VIII(B) hereof.

(g) The corporate existence of FF and FNB Subsidiary shall be merged into and continued in FNB Subsidiary as the Surviving Corporation. The established offices and facilities of FF immediately prior to the merger shall become the offices and facilities of the Surviving Corporation.

(h) All rights, properties and privileges of every kind or character of FF and FNB Subsidiary shall be transferred to or vested in FNB Subsidiary as the Surviving Corporation by virtue of such merger without any deed, assignment or other transfer. FNB Subsidiary as the Surviving Corporation shall by virtue of the merger be responsible and liable for all of the liabilities and obligations of both FF and FNB Subsidiary.

(h) The "Closing Date" shall not be later than the close of business on August 31, 1995, unless extended by the mutual consent of FF, Bancorp and FNB Subsidiary."

2. Subparagraph II(A) of the Merger Agreement shall be deleted in its entirety and the following shall be substituted in lieu thereof:

"(A) On the merger date, FF Common Stock shall be converted into the following rights:

(i) At the time of the merger described in subparagraph I(A), each share of outstanding FF Common Stock shall be converted into the right to receive .825 shares of Bancorp Common Stock (the "Conversion Ratio"); provided, however, that the foregoing Conversion Ratio may be subject to adjustment pursuant to subparagraph II(B); and

(ii) Fractional shares of Bancorp common stock will not be issued in the merger. Any FF shareholder who would be entitled to a fraction of a Bancorp share shall receive cash payment in lieu of such fractional share in an amount determined by multiplying the fraction of a share he would otherwise be entitled to receive by $20.50; provided, however, that the foregoing amount shall be subject to adjustment pursuant to the provisions of subparagraph II(B)."

3. The conditions to obligations of Bancorp to consummate and effect the merger contemplated by the Merger Agreement, which conditions are set forth in Paragraph IX of the Merger Agreement, shall also be conditions to the obligations of FNB Subsidiary to

consummate and effect the merger contemplated by the Merger Agreement as amended hereby.

4. Subparagraph VII(H) is hereby deleted in its entirety and the following substituted in lieu thereof:

"(H) Each holder of FF stock options which are exercisable prior to the Closing Date shall agree in writing on or before February 6, 1995, that such options, if not exercised prior to the closing date, shall be canceled and converted into the right to receive shares of Bancorp Common Stock, based on the Conversion Ratio and the midpoint between "bid" and "asked" price for Bancorp Common Stock as of the Closing Date ("Midpoint Value"). To determine the shares of Bancorp Common Stock to be received, the aggregate number of all such FF option shares with the same exercise price shall be multiplied by the difference between the "Conversion Value" of each such FF option share and the exercise price of such option share. The result shall then be divided by the Midpoint Value to determine the number of shares of Bancorp Common Stock to be received. "Conversion Value" shall be determined by multiplying the Midpoint Value by the Conversion Ratio. Further, each holder of FF stock options which are not exercisable prior to the Closing Date shall agree in writing on or before February 6, 1995, that such options, if not exercised on the Closing Date as permitted under their terms, shall be converted into options to purchase Bancorp Common Stock, with the number of shares of Bancorp Common Stock to be subject to such stock options to be determined by multiplying the number of such FF option shares by the Conversion Ratio and with the exercise price for such Bancorp common stock to be determined by dividing the stated exercise price set forth in such FF stock options by the Conversion Ratio."