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DEPARTMENT OF CORPORATIONS
TALLAHASSEE, FLORIDA

*ADR
7/22/05*

July 22, 2005

CT

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

Re: Order #: 6413174 SO
Customer Reference 1:
Customer Reference 2:

Dear Department of State, Florida:

Please obtain the following:

United Bank of the Gulf Coast (FL)
Merger (Discontinuing Company)
Florida

Bank of Alabama (AL)
Merger (Survivor)
Florida

Enclosed please find a check for the requisite fees. Please return document(s) to the attention of the undersigned.

If for any reason the enclosed cannot be processed upon receipt, please contact the undersigned immediately at (850) 222-1092. Thank you very much for your help.

ARTICLES OF MERGER
OF
UNITED BANK OF THE GULF COAST
WITH AND INTO
BANK OF ALABAMA

FILED
05 JUL 22 PM 4: 32
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

In accordance with the provisions of Sections 607.1105 and 607.1107 of the Florida General Corporation Act, Bank of Alabama, an Alabama banking corporation ("Bank of Alabama"), does hereby adopt and deliver for filing the following Articles of Merger for the purpose of merging United Bank of the Gulf Coast, a Florida banking corporation ("United"), with and into Bank of Alabama:

1. United is hereby merged with and into Bank of Alabama pursuant to the Stock Purchase Agreement and Plan of Merger attached hereto as Exhibit A and made a part hereof (the "Plan of Merger").

2. The effective date and time of the merger is July 22, 2005 at 8:41 p.m. Eastern Daylight Time.

3. The laws of the State of Florida and the State of Alabama permit such merger. The Plan of Merger was duly approved by the Board of Directors and sole shareholder of Bank of Alabama in the manner prescribed by the laws of the State of Alabama and was duly approved by the Board of Directors and sole shareholder of United in the manner prescribed by the laws of the State of Florida.

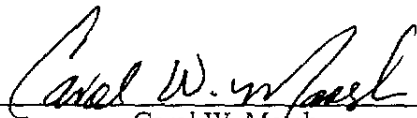
4. The date of the approval of the Plan of Merger by the Board of Directors of Bank of Alabama was April 18, 2005, and the date of the approval of the Plan of Merger by the sole shareholder of Bank of Alabama was May 9, 2005.

5. The date of the approval of the Plan of Merger by the Board of Directors of United was May 5, 2005, and the date of the approval of the Plan of Merger by the sole shareholder of United was May 5, 2005.

6. The name of the surviving corporation is Bank of Alabama and it will be governed by the laws of the State of Alabama.

IN WITNESS WHEREOF, each of the undersigned corporations has duly caused these Articles of Merger to be executed by its duly authorized officer as of this 22nd day of July, 2005.

BANK OF ALABAMA

By: 
Carol W. Marsh
Its Secretary and Chief Financial Officer

Its Chairman and President

United bank of the gulf coast

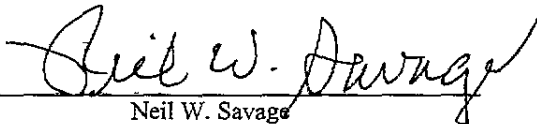
By: 
Neil W. Savage
Its Chairman and Chief Executive Officer

Exhibit A

Plan of Merger

STOCK PURCHASE AGREEMENT

and

PLAN OF MERGER

by and among

FINANCIAL INVESTORS OF THE SOUTH, INC.,

BANK OF ALABAMA,

SYNOVUS FINANCIAL CORP.,

UNITED BANK OF THE GULF COAST

and

PEOPLES BANK

dated as of

MAY 6, 2005

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
THE STOCK PURCHASE AND MERGER	
Section 1.1	Consummation of Stock Purchase and Merger; Closing Date.....1
Section 1.2	Effect of Merger.....2
Section 1.3	Directors and Officers.....3
Section 1.4	Name of Surviving Bank3
Section 1.5	Peoples Transaction3
Section 1.6	Main Office.....4
Section 1.7	Tender of Stock Certificate(s).....4
Section 1.8	Purchase Price.....4
ARTICLE II	
REPRESENTATIONS AND WARRANTIES OF BANK AND FINANCIAL	
Section 2.1	Representations and Warranties of BANK and Financial5
ARTICLE III	
REPRESENTATIONS AND WARRANTIES OF PEOPLES AND NEW UNITED	
Section 3.1	Representations and Warranties of Peoples and New United.....8
ARTICLE IV	
TAX MATTERS	
Section 4.1	Tax Indemnity14
Section 4.2	Miscellaneous15
ARTICLE V	
COVENANTS AND AGREEMENTS	
Section 5.1	Covenants.....16
ARTICLE VI	
CONDITIONS TO THE OBLIGATIONS OF BANK, PEOPLES AND NEW UNITED	
Section 6.1	Conditions to Obligation to Close.....20
ARTICLE VII	
TERMINATION	
Section 7.1	Termination.....22
ARTICLE VIII	
MISCELLANEOUS	
Section 8.1	Miscellaneous23

SCHEDULES

Schedule 1.5(a) Form of New United's Balance Sheet

STOCK PURCHASE AGREEMENT AND PLAN OF MERGER

This Stock Purchase Agreement and Plan of Merger (the "Agreement") is dated as of the 6th day of May, 2005, by and among Financial Investors of the South, Inc., a Delaware corporation and a registered bank holding company headquartered in Birmingham, Alabama ("Financial"), Bank of Alabama, an Alabama-chartered banking corporation headquartered in Birmingham, Alabama ("BANK"), Synovus Financial Corp., a Georgia corporation and a registered financial holding company headquartered in Columbus, Georgia ("Synovus"), United Bank of the Gulf Coast, a Florida-chartered banking corporation headquartered in Sarasota, Florida ("United"), and Peoples Bank, a Florida-chartered banking corporation headquartered in Palm Harbor, Florida ("Peoples"). Financial, BANK, Synovus, United, and Peoples are individually referred to in this Agreement as a "Party" and collectively as the "Parties."

WITNESSETH THAT:

WHEREAS, the respective Boards of Directors of Financial, BANK, United, and Peoples deem it in their best interest, and in the interest of their respective shareholders, that the transactions contemplated hereby be undertaken in accordance with the terms hereof; and

WHEREAS, the Boards of Directors of Financial, BANK, United, and Peoples have authorized the Agreement and the transactions contemplated by the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations, warranties, and agreements herein contained, the Parties agree as follows:

ARTICLE I THE STOCK PURCHASE AND MERGER

Section 1.1 Consummation of Stock Purchase and Merger; Closing Date.

(a) On the terms and subject to the provisions hereof, Peoples agrees to sell to Financial, and Financial agrees to purchase from Peoples, all of the Shares (which shall hereinafter be referred to as the "Stock Purchase"). Immediately after the Stock Purchase, United shall be merged with and into BANK (which shall hereinafter be referred to as the "Merger") pursuant to the banking laws of the State of Alabama and the State of Florida, and BANK shall be the surviving corporation (sometimes hereinafter referred to as "Surviving Bank" when reference is made to it after the Effective Time of the Merger (as defined below)).

(b) The closing of the Merger (the "Closing") shall take place at 6:00 p.m. Eastern Time on the day that the Effective Time of the Merger occurs (the "Closing Date"), at the offices of Miller, Hamilton, Snider & Odom, L.L.C., One Commerce Street, Suite 305, Montgomery, Alabama, 36104, or such other time and place as the Parties may agree. Subject to the provisions of this Agreement, at the Closing there shall be delivered to each of the Parties hereto the opinions, certificates and other documents and instruments required to be so delivered pursuant to this Agreement. The Closing Date shall be selected by Peoples in Peoples' sole discretion with 10 days' notice to the other Parties. The Merger shall take place immediately following the Stock Purchase if all of the following have occurred: (i) the Stock Purchase has been consummated; (ii) all required Consents (as defined below) of any Regulatory Authority (as

defined below) having authority over the transactions contemplated pursuant to this Agreement have been received and any applicable waiting period has expired; (iii) BANK's shareholder has approved the transactions contemplated by this Agreement, if necessary; (iv) United's shareholder has approved the transactions contemplated by this Agreement; and (v) all other conditions precedent to the transactions contemplated by this Agreement have been satisfied or waived. As used in this Agreement, "Consent" shall mean a consent, approval, authorization, waiver, clearance, exemption or similar affirmation by any person pursuant to any contract, permit, law, regulation or order, and "Regulatory Authorities" shall mean, collectively, the Florida Office of Financial Regulation, the Alabama State Banking Department, the Federal Trade Commission (the "FTC"), the United States Department of Justice (the "Justice Department"), the Board of Governors of the Federal Reserve System (the "FRB"), the Federal Deposit Insurance Corporation (the "FDIC") and any other state and federal regulatory agencies having jurisdiction over the Parties (each a "Regulatory Authority").

(c) The effective time of the Merger shall occur at the time of the filing of the articles of merger with the Alabama Secretary of State or at such later time as may be specified therein (the "Effective Time of the Merger").

(d) Immediately after the Effective Time of the Merger, the Florida branch office(s) of the Surviving Bank shall be (i) the Subject Office (as defined below) and (ii) such location as may be designated by BANK prior to the Closing (the "Branch Office").

Section 1.2 Effect of Merger.

(a) At the Effective Time of the Merger, United shall be merged with and into BANK and the separate existence of United shall cease. The Certificate of Incorporation and Bylaws of BANK, as in effect on the date hereof and as otherwise amended prior to the Effective Time of the Merger, shall be the Certificate of Incorporation and Bylaws of the Surviving Bank until further amended as provided therein and in accordance with applicable law. The Surviving Bank shall continue to be an Alabama-chartered banking corporation. Except as otherwise provided in this Agreement, the Surviving Bank shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a banking corporation organized under the laws of the State of Alabama and shall thereupon and thereafter possess all other privileges, immunities and franchises of a private, as well as of a public nature, of each of the constituent corporations. All property (real, personal and mixed) and all debts on whatever account, including subscriptions to shares, and all choses in action, all and every other interest, of or belonging to or due to each of the constituent corporations so merged shall be taken and deemed to be transferred to and vested in the Surviving Bank without further act or deed. The title to any real estate, or any interest therein, vested in any of the constituent corporations shall not revert or be in any way impaired by reason of the Merger.

(b) Subject to the provisions hereof, as of the Effective Time of the Merger and by virtue of the Merger and without any further action on the part of any Party, the shares of the constituent corporations shall be converted as follows:

(i) Each share of capital stock of BANK outstanding immediately prior to the Effective Time of the Merger shall, after the Effective Time of the Merger, remain outstanding and unchanged and thereafter shall constitute all of the issued and outstanding shares of capital stock of the Surviving Bank; and

(ii) Each share of common stock of United shall be canceled and retired and no consideration shall be paid or delivered in exchange therefor.

Section 1.3 Directors and Officers.

From and after the Effective Time of the Merger, the directors of the Surviving Bank and the officers of the Surviving Bank shall consist of the individuals serving as directors and officers of BANK immediately prior to the Effective Time of the Merger.

Section 1.4 Name of Surviving Bank.

The name of the Surviving Bank shall be Bank of Alabama.

Section 1.5 Peoples Transaction.

(a) BANK acknowledges that prior to the Effective Time of the Merger:

(i) Synovus will make a capital contribution to Peoples of 100% of the outstanding shares of United common stock (the "Shares").

(ii) United will transfer to Peoples, by dividend or otherwise, all assets, except those assets that will be set forth on the balance sheet of United in Schedule 1.5(a) hereto, as amended or adjusted by mutual agreement of the Parties, reduced to writing, prior to closing (the "New United Balance Sheet"), and will assign to Peoples, and Peoples will assume, all liabilities of United other than those set forth on the New United Balance Sheet. The Parties acknowledge that the New United Balance Sheet as initially attached hereto as Schedule 1.5(a) is merely an approximation and will be amended and adjusted by the Parties prior to the Closing, but the Parties do not anticipate that it will change materially. The assets transferred to Peoples shall include, without limitation, all of United's rights to the name "United Bank of the Gulf Coast," United's ABA routing numbers, United's goodwill, and United's federal wire numbers. United and BANK will deliver to Peoples limited powers of attorney, in form acceptable to BANK in its sole discretion, authorizing Peoples to perform such acts and execute and deliver such documents as may be necessary or helpful in transferring such property, interests, assets, rights, privileges, immunities, powers, franchises and authority of United (excluding the assets set forth on the New United Balance Sheet) to Peoples or to pay such taxes or fees that Peoples has agreed to pay on behalf of United pursuant to this Agreement after the Closing.

The transactions described in (i) – (ii) above will hereinafter collectively be referred to as the "Peoples Transaction." United, as its assets and liabilities are structured following the Peoples Transaction (sometimes hereinafter referred to as "New United"), will be the entity the stock of which will be sold to Financial, which will then consummate the Merger with BANK. The Parties acknowledge that the terms "United" and "New United" refer to the same corporate entity. The Parties acknowledge that the New United Balance Sheet as initially attached hereto is intended as a reasonable approximation of the financial condition of New United as of the Effective Time of the Merger. All references in this Agreement to United in the context of the Effective Time of the Merger shall be deemed to be references to New United.

(b) BANK and United acknowledge and agree that the only assets and liabilities that shall remain in New United after the Peoples Transaction are those that will be set forth in the New United Balance Sheet, such assets and liabilities contained therein being

referred to as "Included Assets" and "Retained Liabilities" and, in the event that assets or liabilities other than the Included Assets or Retained Liabilities inadvertently remain in the possession or title of New United at the Effective Time of the Merger, BANK shall execute and deliver to Peoples any and all such further instruments of conveyance, assignment and transfer and take such other actions as Peoples may reasonably request to deliver title and possession to Peoples of such assets, and for Peoples to assume such liabilities, as were inadvertently retained by New United. At the Closing, BANK and United will execute and deliver to Peoples a limited power of Attorney, in form acceptable to BANK in its sole discretion, granting Peoples the authority to make such conveyances, assignments and transfers as contemplated by this paragraph.

Section 1.6 Main Office.

Immediately prior to the Effective Time of the Merger, the principal office of New United shall be its main office located at 1400 State Street, Sarasota, Florida (the "Subject Office").

Section 1.7 Tender of Stock Certificate(s).

In connection with the Stock Purchase, Peoples shall tender to Financial the stock certificate(s) representing its ownership of the Shares previously held by Synovus and then contributed to Peoples. Such certificates shall be endorsed in blank, or shall be tendered with an appropriate stock power.

Section 1.8 Purchase Price.

(a) Upon the purchase of the Shares as contemplated in Section 1.7 hereof, Financial shall make a cash payment to Peoples equal to the sum of (1) the Book Value of New United (as defined below), plus (2) One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Purchase Price").

(b) For purposes of this Agreement, Book Value shall be determined as follows: Book Value shall be equal to Stockholders' Equity as set forth on the New United Balance Sheet, as of the Closing Date.

(c) At the Closing, Financial shall deliver to Peoples the Purchase Price in immediately available funds, net of the payments owed by Peoples to Financial pursuant to the Branch Purchase and Deposit Assumption Agreement between BANK and Peoples of even date herewith (the "P&A Agreement"). The Parties acknowledge that the actual funds to be transferred will be the net sum of One Million Two Hundred Thousand Dollars (\$1,200,000).

**ARTICLE II
REPRESENTATIONS AND WARRANTIES OF BANK AND FINANCIAL**

Section 2.1 Representations and Warranties of BANK and Financial.

BANK and Financial, respectively, represent and warrant to United that the statements contained in this Article II are correct and complete as of the date of this Agreement and shall be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article II), except

representations and warranties which are confined to a specified date shall speak (i) only as of such date or (ii) as expressly provided for in this Agreement. "Material Adverse Effect" on a Party shall mean an event, change, or occurrence which, individually or together with any other event, change, or occurrence, has a material adverse impact on (i) the financial position, business, or results of operations of such Party and its subsidiaries, taken as a whole, or (ii) the ability of such Party to perform its obligations under this Agreement or to consummate the Merger or the other transactions contemplated by this Agreement ((i) and (ii) together, as to such Party, its "Condition"), provided that "Material Adverse Effect" shall not be deemed to include the impact of (a) changes in banking and similar laws of general applicability or interpretations thereof by courts or governmental authorities, (b) changes in GAAP or regulatory accounting principles generally applicable to banks, savings associations, and their holding companies, (c) actions and omissions of a Party (or any of its subsidiaries) taken with the prior informed written consent of the other Party in contemplation of the transactions contemplated hereby and (d) changes attributable to or resulting from changes in general economic conditions generally affecting financial institutions including changes in interest rates. For purposes of this Agreement, the term "Knowledge" when used with respect to any Party means the actual knowledge of the Chairman, Chief Executive Officer, President, Chief Financial Officer, or Chief Accounting Officer of that Party.

(a) Organization, Qualification, and Corporate Power.

(i) BANK is an Alabama-chartered banking corporation duly organized, validly existing, and in good standing under the laws of the State of Alabama. BANK is duly authorized to engage in the business of banking as an insured bank under the Federal Deposit Insurance Act, as amended (the "FDIA"). BANK is duly authorized to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification except where the lack of such qualification would not have a Material Adverse Effect on the Condition of BANK. BANK has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. BANK has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of BANK.

(ii) Financial is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Financial is duly authorized as a bank holding company under the Bank Holding Company Act, as amended. Financial is duly authorized to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification except where the lack of such qualification would not have a Material Adverse Effect on its Condition. Financial has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Financial has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of Financial.

(b) Authorization of Transaction. BANK and Financial have full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform their obligations hereunder; provided, however, that BANK and Financial cannot consummate the Stock Purchase or the Merger unless and until all requisite approvals are received from the Regulatory Authorities and the approval of the shareholder of BANK has been obtained. Subject to the foregoing sentence, (i) this Agreement has been duly executed and delivered by BANK and Financial and subject to the due authorization, execution and delivery by the other Parties hereto, this Agreement constitutes a valid and binding agreement of BANK and Financial, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (ii) the performance by BANK and Financial of their obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of BANK and Financial, and (iii) the Boards of Directors of BANK and Financial have approved the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, neither BANK nor Financial needs to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of BANK.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the P&A Agreement) (i) subject to the receipt of the approvals contemplated in Section 2.1(b) above, will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any government, governmental agency, or court to which BANK or Financial is subject or any provision of the Articles of Association or Bylaws of BANK or Financial respectively, or (ii) with the passing of time or the giving of notice or both, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest (as defined below), or other obligation to which BANK or Financial is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets) except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the Condition of BANK or Financial or, at the Effective Time of the Merger, would not create or otherwise result in a lien or other encumbrance in any amount on the Included Assets or Retained Liabilities. For purposes of this Agreement, the term "Security Interest" means any mortgage, pledge, security interest, encumbrance, charge, or other lien, other than (a) mechanics, materialmen, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) liens arising under workers compensation, unemployment insurance, social security, retirement, and similar legislation, (d) liens on goods in transit incurred pursuant to documentary letters of credit, (e) purchase money liens and liens securing rental payments under capital lease arrangements, and (f) other liens arising in the Ordinary Course of Business (as defined below) and not incurred in connection with the borrowing of money. For purposes of this Agreement, the term "Ordinary

Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

(d) Compliance with Laws.

(i) BANK and Financial are in compliance in all respects with all laws, regulations, reporting and licensing requirements and orders applicable to its business or to its employees conducting its business, with any orders from, agreements with, memoranda of understanding or resolutions pertaining to any Regulatory Authority applicable to BANK or Financial, except where the breach or violation of any of which, individually or in the aggregate, would not have a Material Adverse Effect on the Condition of BANK or Financial.

(ii) Neither BANK nor Financial is subject to any written communication directed specifically to it from any Regulatory Authority to which it is subject or pursuant to which such Regulatory Authority has imposed or has indicated it may impose any material restrictions on the operations of it or the business conducted by it or in which such Regulatory Authority has raised any material question concerning the condition, financial or otherwise, except where such restriction or question would not lead to a Material Adverse Effect on the Condition of BANK or Financial or their ability to consummate the transactions contemplated herein.

(e) Legal Proceedings. There are no actions, suits or proceedings instituted or pending or, to the Knowledge of BANK or Financial, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a reasonable probability of an unfavorable outcome) against BANK or Financial, or against any property, asset, interest or right of BANK or Financial, that have a reasonable probability either individually or in the aggregate of having a Material Adverse Effect on the Condition of BANK or Financial.

(f) Regulatory Filings. All documents that BANK or Financial is responsible for filing with any Regulatory Authority in connection with the transactions contemplated by the Agreement will comply as to form and substance in all material respects with the provisions of applicable law.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES
OF PEOPLES AND NEW UNITED**

Section 3.1 Representations and Warranties of Peoples and New United.

Peoples, United and New United, respectively, represent and warrant to BANK and Financial that the statements contained in this Article III are, as to Peoples and United, correct and complete in all material respects as of the date of this Agreement and, in respect of New United and Peoples, shall be correct and complete (in all material respects with respect to Peoples) as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article III), except representations and warranties which are confined to a specified date shall speak (i) only as of such date or (ii) as otherwise expressly contemplated by this Agreement. All representations made as to facts concerning United are made by United and Peoples. All representations made as to facts

concerning Peoples are made by Peoples. All representations made as to facts concerning New United (including, without limitation, representations and warranties as to facts concerning United as of the Closing Date) are made by Peoples and New United.

(a) Organization, Qualification, and Corporate Power.

(i) At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New United will be a Florida banking corporation, chartered as a commercial bank under the authority of Chapter 658, Florida Statutes, duly organized, validly existing, and in good standing under the laws of the State of Florida. At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New United will be duly authorized to engage in its business in Florida as an insured depository institution under the FDIA. New United will be duly authorized to conduct business and will be in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties will require such qualification, except where the lack of such qualification would not have a Material Adverse Effect on its Condition. At the Effective Time of the Stock Purchase and at the Effective Time of the Merger, New United will have full corporate power and authority to carry on the business in which it will be engaged and to own and use the properties owned and used by it. New United will have in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as conducted on the Closing Date (including, without limitation, the business of a commercial bank chartered by the State of Florida with the right to accept deposits, open branches, and otherwise engage in banking business), the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of New United.

(ii) Peoples is a Florida-chartered banking corporation, duly authorized to engage in its business in Florida. Peoples is duly authorized to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification, except where the lack of such qualification would not have a Material Adverse Effect on its Condition. Peoples has full corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it. Peoples has in effect all federal, state, local and foreign governmental, regulatory and other authorizations, permits and licenses necessary for it to own or lease its properties and assets and to carry on its business as now conducted, the absence of which, individually or in the aggregate, would have a Material Adverse Effect on the Condition of Peoples.

(b) Capitalization. The authorized capital stock of New United at the Effective Time of the Stock Purchase and the Effective Time of the Merger will consist of 600,000 shares of voting common stock, \$5.00 par value per share, 600,000 shares of which are issued and outstanding. There will be no other classes of capital stock of New United authorized at the Effective Time of the Stock Purchase and the Effective Time of the Merger. New United will hold no shares as treasury stock at the Effective Time of the Stock Purchase and the Effective Time of the Merger. All of the issued and outstanding shares will have been duly authorized and will be validly issued, fully paid and nonassessable at the Effective Time of the Stock Purchase and the Effective Time of the Merger. None of the outstanding shares at the Effective Time of the Stock Purchase and the Effective Time of the Merger will have been issued in violation of any preemptive rights of the current or past stockholders of New United. At the

Effective Time of the Stock Purchase and the Effective Time of the Merger, there will be no outstanding or authorized options, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights, or other agreements or commitments to which New United will be a party or which will be binding upon New United or, to the Knowledge of Peoples, any other party providing for the issuance, voting, transfer, disposition, or acquisition of any of the capital stock of New United. There will be no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to New United at the Effective Time of the Stock Purchase and the Effective Time of the Merger.

(c) New United Subsidiaries. New United will have no subsidiaries at the Effective Time of the Stock Purchase and the Effective Time of the Merger.

(d) Authorization of Transaction.

(i) United has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that New United cannot consummate the Merger unless and until all requisite Consents are received from the Regulatory Authorities and the approval of Peoples, as New United's sole shareholder. Subject to the foregoing sentence, (A) this Agreement has been duly executed and delivered by Peoples and United and, subject to the due authorization, execution and delivery by the other Parties hereto, this Agreement will constitute the valid and binding agreement of Peoples and United, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (B) the performance by United of its obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of United, and (C) the United Board of Directors will have authorized and ratified the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, New United will not need to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of New United.

(ii) Peoples has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; provided, however, that Peoples cannot consummate the Peoples Transaction or the Stock Purchase unless and until all requisite approvals are received from the Regulatory Authorities. Subject to the foregoing sentence, (A) this Agreement has been duly executed and delivered by Peoples and, subject to the due authorization, execution and delivery of the other Parties hereto, this Agreement constitutes a valid and binding agreement of Peoples, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies, (B) the performance by Peoples of its obligations under this Agreement and the performance by United of its obligations under this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement have been or will be duly and validly authorized by all necessary corporate action on the part of

Peoples, and (C) the Board of Directors of Peoples has authorized the execution, delivery and performance of this Agreement and the consummation of the Merger and the other transactions provided for under this Agreement. Other than to or from the Regulatory Authorities, Peoples does not need to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the Condition of Peoples.

(e) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the P&A Agreement), (i) subject to the receipt of the approvals contemplated in Section 3.1(d) above, will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any government, governmental agency, or court to which New United will be subject or any provision of the Articles of Incorporation or Bylaws of New United or Peoples or (ii) with the passing of time or the giving of notice or both, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest, or other obligation to which New United or Peoples is or will be a party or by which either is or will be bound or to which any of its respective assets is or will be subject (or result in the imposition of any Security Interest upon any of its respective assets), except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the Conditions of New United or Peoples.

(f) Undisclosed Liabilities. At the Effective Time of the Stock Purchase and continuing until the Effective Time of the Merger, New United will have no liability (whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes, except for liabilities accrued or reserved against in the New United Balance Sheet.

(g) Brokers' Fees. Neither New United, nor any of its officers, directors or employees, nor Peoples nor any of its affiliates, officers, directors or employees, has or will have any liability or obligation to pay any fees or commissions to, or has or will have employed, any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(h) Taxes.

(i) For purposes of this Agreement, "Tax" or "Taxes" shall mean any federal, state, local or foreign net or gross income, gross receipts, license, franchise, capital, capital stock, intangibles, services, payroll, employment, excise, severance, stamp, occupation, premium (including taxes under Code § 59A), customs duties, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, due or accrued as of the Effective Time of the Merger or assessed during the statutes of limitations period which relates to the time prior to the Effective Time of the Merger, or other Tax, governmental fee or like assessment or charge of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, imposed by any governmental entity or other Tax authority or arising

under any Tax law or agreement, including, without limitation, any joint venture or partnership agreement.

(ii) For purposes of this Agreement, "Tax Return" shall mean any return, declaration, report, claim for refund, form, or information or return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

(iii) For purposes of this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended or, if appropriate, any predecessor statute and all regulations promulgated thereunder, as the same have from time to time been amended.

(iv) (A) United and any affiliated group, within the meaning of Section 1504(a) of the Code or combined or unitary groups, of which United is or has been a member has filed, will file or will cause to be filed in a timely manner (within any applicable extension periods) all Tax Returns required to be filed by the Code or by applicable state, local or foreign Tax laws; (B) all Taxes required on such Tax Returns have been timely paid in full or will be timely paid in full by the due date thereof; (C) to United's Knowledge, all such Tax Returns (insofar as they relate to the activities or income of United) are true, correct and complete; (D) no adjustment relating to such Tax Returns has been proposed formally or, to United's Knowledge, informally by any governmental entity or Tax authority, and, to United's Knowledge, no basis exists for any such adjustment; (E) there is no pending or, to United's Knowledge, threatened investigation, audit, examination, deficiency, action or proceeding for the assessment or collection of any Taxes against United, or any corporation that was included in the filing of a Tax Return with United on a consolidated, unitary or other combined basis; and (F) all Taxes which United in respect of United is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid to the proper governmental entity or taxing authority, or are being withheld by United.

(v) There are no outstanding agreements or waivers extending the statutory period of limitation for assessment or collection of Tax applicable to any Tax Return required to be filed with respect to United, and neither United, nor any affiliated group, within the meaning of Section 1504(a) of the Code, of which United is or has been a member has requested any extension of time within which to file any Tax Return, which return has not yet been filed.

(vi) United has adequate reserves for any Taxes due or to become due for any taxable period, whether arising prior to, on or after the Merger.

(vii) Deferred Taxes of United have been provided for in accordance with GAAP, subject in the case of interim financial statements to normal recurring year-end adjustments.

(i) Assets. On the Closing Date, New United will have good title free and clear of all material liens, encumbrances, charges, defaults or equities of whatever character to all of the respective properties and assets, tangible or intangible which will remain as assets of New United, reflected in the New United Balance Sheet, except for liens disclosed in such Balance Sheet. Other than as reflected on the New United Balance Sheet, and except for rights under the sublease from Peoples for the Subject Office, at the Effective Time of the Merger, United shall own no buildings, fixtures, equipment or other property and assets. At the effective

time of the closing of the transactions under the P&A Agreement, the sublease from Peoples for the Subject Office shall terminate.

(j) Material Contracts. New United as of the Effective Time of the Merger will not be a party to, or be bound or affected by, or receive benefits under, any of the following (whether written or oral and excluding agreements for the extension of credit or deposit accounts held by New United made in the Ordinary Course of Business): (i) any employment agreement or understanding (including any understandings or obligations with respect to severance or termination pay liabilities or fringe benefits) with any present or former officer, director, or employee, including in any such person's capacity as a consultant (other than those which are terminable at will without any further amount being payable thereunder), (ii) any other agreement with any officer, director, employee, or affiliate, (iii) any agreement with any labor union, (iv) any agreement which limits the ability of New United to compete in any line of business or which involves any restriction of the geographical area in which New United may carry on its business (other than as may be required by law or applicable Regulatory Authorities), or (v) any agreement, contract, arrangement or commitment.

(k) Material Contract Defaults. On the Closing Date, New United will not be in default, and neither New United nor Peoples has received any written notice nor has any Knowledge that any other party is in default in any material respect under any material contract, lease, sublease, license, franchise, permit, indenture, agreement, or mortgage for borrowed money, or instrument of indebtedness relating to New United (except, as to the foregoing, extensions of credit by New United in the Ordinary Course of Business), and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

(l) Compliance with Laws.

(i) As of the Closing Date, New United will be in compliance in all respects with all laws, regulations, reporting and licensing requirements and orders applicable to its business or to its employees conducting its business, with any regulatory agreements applicable to United, and with its internal policies and procedures, except where, in the opinion of counsel after discussions with applicable Regulatory Authorities and disclosure to BANK, the breach or violation of any of which, individually or in the aggregate, would not have a Material Adverse Effect on the Condition of New United or its ability to consummate the transactions contemplated herein.

(ii) Neither Peoples nor New United has received any written notification or communication from any Regulatory Authorities asserting that New United is subject to any written communication directed specifically to it from any Regulatory Authority to which it is subject or pursuant to which such Regulatory Authority has imposed or has indicated it may impose any material restrictions on the operations of it or the business conducted by it or in which such Regulatory Authority has raised any material question concerning the condition, financial or otherwise, except where such restriction or question would not lead to a Material Adverse Effect on the Condition of New United or its ability to consummate the transactions contemplated herein.

(m) Legal Proceedings. To the Knowledge of Peoples there are no actions, suits or proceedings instituted or pending or, threatened (or unasserted but considered probable

of assertion and which if asserted would have at least a reasonable probability of an unfavorable outcome) against New United, or against any property, asset, interest or right of New United that Peoples will not be required to defend and indemnify BANK and Financial pursuant to Section 5.1(i) of this Agreement.

(n) Reports. Since December 31, 2003, United has filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Regulatory Authority. Each such report and statement, including the financial statements, exhibits and schedules thereto, at the time of filing thereof complied in all material respects with the laws and rules and regulations applicable to it and did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(o) Statements True and Correct. No representation or warranty made by Peoples or New United in this Agreement, no written statement or certificate included in an Exhibit or Schedule by Peoples or New United in connection with this Agreement, and no written statement or certificate to be furnished by New United or Peoples to BANK pursuant to this Agreement contains any untrue or misleading statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. All documents that Peoples or United is responsible for filing with any Regulatory Authority in connection with the Merger will comply as to form and substance in all material respects with the provisions of applicable law.

(p) Labor Matters.

(i) At the Effective time of the Stock Purchase and the Effective Time of the Merger, New United will not be a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor will New United be the subject of any material proceeding asserting that United has committed an unfair labor practice or seeking to compel it to bargain with any labor organization as to wages or conditions of employment nor is there any strike or other labor dispute involving United pending or, to Peoples' Knowledge, threatened, nor are there any grievances outstanding against United under any collective bargaining agreement or any United contract, any of which would have, individually or in the aggregate, a Material Adverse Effect on the Condition of New United.

(ii) At the Effective Time of the Stock Purchase and the Effective Time of the Merger, New United will be in compliance with all applicable laws relating to employment of labor, including those related to wages, hours, collective bargaining and the payment and withholding of taxes and other sums as required by the appropriate governmental authority and has withheld and paid to the appropriate governmental authority or is holding for payment not yet due to such governmental authority all amounts required to be withheld from employees of United and will not be liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing. New United will have paid in full to all employees or adequately accrued for in accordance with GAAP consistently applied all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees and there is no claim with respect to payment of wages, salary or overtime pay that has been asserted or is now pending or, to Peoples' Knowledge, threatened before any

governmental authority with respect to any person currently or formerly employed by United. There is no charge of discrimination in employment or employment practices, for any reason, including, without limitation, age, gender, race, religion or other legally protected category, which has been asserted or is now pending or, to Peoples' Knowledge, threatened before the United States Equal Employment Opportunity Commission, or any other governmental authority in any jurisdiction in which United has employed or currently employs any person.

(q) Ownership of Shares. Peoples represents and warrants that, at the time of its sale of the Shares to Financial as contemplated by Section 1.7 hereof, it will be the sole owner of the Shares, that the Shares will constitute all of the issued and outstanding capital stock of United, and that the Shares will not have been pledged, encumbered, or otherwise transferred in any way.

(r) Regulatory Filings. All documents that Peoples or United is responsible for filing with any Regulatory Authority in connection with the transactions contemplated by the Agreement will comply as to form and substance in all material respects with the provisions of applicable law.

ARTICLE IV TAX MATTERS

Section 4.1 Tax Indemnity.

(a) Except as provided herein, Peoples (the "Indemnifying Party") shall indemnify and hold BANK, Financial, United and their affiliates and each of their respective officers, directors, employees, stockholders, agents, and representatives (the "Buyer Indemnitees") harmless from and against the following Taxes: (i) Taxes imposed on any member of any affiliated, consolidated, unitary or other combined group with which United or Synovus files or has filed a Tax Return in any taxable period ending on, prior to or after the Merger on a consolidated, unitary or other combined basis; and (ii) Taxes imposed on BANK or United attributable to (A) a breach of a warranty or representation set forth in Section 3.1(h); (B) a breach of obligations or covenants of Peoples or United set forth in this Agreement; or (C) any sales and use taxes imposed in connection with this Agreement and the transactions contemplated hereunder, including, without limitation, the Merger and the Peoples Transaction (including any penalties, interest and additions to such tax).

Without limiting the generality of the foregoing, except as provided herein, BANK shall not assume, or in any way be liable or responsible for, any liabilities, commitments or obligations of United or Peoples with respect to United, whether on the basis of joint and/or several liability, of any kind or nature whatsoever in respect of Taxes, known or unknown, accrued, fixed, contingent or otherwise, liquidated or unliquidated, choate or inchoate, due or to become due, regardless of whether they arise prior to, on or after the Merger.

(b) For purposes of this Section 4.1, the Indemnifying Party shall indemnify the Buyer Indemnitees for any and all reasonable out-of-pocket costs and expenses (including reasonable fees for attorneys and other outside consultants) reasonably incurred in connection with any Tax liability including, without limitation, costs incurred in connection with contesting any such liability for which the Indemnifying Party is liable under this Article IV.

(c) A Party wishing to claim indemnification under this section shall promptly notify the Indemnifying Party of the event giving rise to an indemnification right hereunder, but the failure to notify shall not relieve the Indemnifying Party of any liability it may have to such Buyer Indemnitee, except to the extent that the same materially prejudices the Indemnifying Party. In the event of any legal action (whether arising before or after the Effective Time) in connection with which there is an indemnification right hereunder, (A) the Indemnifying Party shall have the right to assume the defense thereof through counsel reasonably satisfactory to the Buyer Indemnitee, and the Indemnifying Party shall not be liable to such Buyer Indemnitee for any legal expenses of other counsel or any other expenses subsequently incurred by such Buyer Indemnitee in connection with the defense thereof, except that if the Indemnifying Party elects not to assume such defense, or counsel for the Buyer Indemnitee advises that there are issues which raise conflicts of interest between the Indemnifying Party and the Buyer Indemnitee, the Buyer Indemnitee may retain counsel which is reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the Buyer Indemnitee (which may not exceed one firm in any jurisdiction unless the use of one counsel for such Buyer Indemnitee would present such counsel with a conflict of interest), (B) the Buyer Indemnitee will cooperate in the defense of any such matter including, but not limited to, the production of records and proper personnel to provide testimony, and (C) the Indemnifying Party shall not be liable for any settlement effected without its prior written consent (such consent not to be unreasonably withheld or delayed). Notwithstanding the above, in the event that the Indemnifying Party elects not to assume such defense, the Buyer Indemnitee may call upon the Indemnifying Party to pay or compromise said claim.

Section 4.2 Miscellaneous.

(a) The Parties agree to treat all payments made under this Article IV and under any other indemnity provision contained in this Agreement as adjustments to the Purchase Price for tax purposes and that such treatment shall govern for purposes hereof except to the extent that the laws of a particular jurisdiction provide otherwise, in which case such payments shall be made in an amount sufficient to indemnify the relevant Party on a net after-tax basis.

(b) The covenants and obligations of Peoples and United under this Article IV, and the representations and warranties of Peoples and United set forth in Section 3.1(h) hereof, shall survive the Merger and shall remain in full force and effect until 90 days after the expiration of all statutes of limitations on assessment or collection of Tax.

(c) For purposes of this Article IV, all references to Peoples, United, BANK, Financial and their affiliates include successors thereto.

**ARTICLE V
COVENANTS AND AGREEMENTS**

Section 5.1 Covenants.

The Parties agree as follows with respect to the period from and after the execution of this Agreement until the earlier of the consummation of the transactions contemplated by this Agreement or the termination of this Agreement:

(a) Current Information. During the period from the date of this Agreement to the Effective Time of the Merger, Peoples, United, BANK, and Financial shall, and shall cause their representatives to, confer on a regular and frequent basis with representatives of the other Parties.

(b) Access to and Review of Information. Peoples, United, BANK, and Financial shall furnish promptly to the other Parties (i) copies of all filings made with any Regulatory Authorities or other governmental authorities in connection with the transactions contemplated by this Agreement, as it relates to the Merger, the Peoples Transaction and the P&A Agreement, and copies of all written communications received from such Regulatory Authorities and governmental authorities related thereto (other than correspondence and filings that by applicable law cannot be disclosed), and (ii) all other information relevant to the transactions contemplated by this Agreement, as it relates to the Merger, the Peoples Transaction and the P&A Agreement, concerning such Party's business, properties and personnel as the other Party may reasonably request, including, without limitation, reports of condition filed with Regulatory Authorities, provided, however, notwithstanding anything else in this Section 5.1(b) to the contrary, BANK and Financial shall have no obligation to provide, and shall not provide, to Peoples or United, any information relating to the shareholders of Financial, including without limitation any financial information pertaining to such shareholders, regardless of whether such shareholders are also directors and/or officers of BANK or Financial and regardless of whether such information is included in any filings made in connection with the transactions contemplated by this Agreement. Each Party shall use any information gained in connection with the transactions contemplated by this Agreement only for the purposes contemplated by this Agreement and shall treat as confidential all information obtained by such Party hereunder or in connection herewith and not otherwise known to such Party. If this Agreement is terminated prior to the Effective Time, all documents in the possession of either Party hereto concerning the other Party obtained from the Party shall be promptly returned to the other Party.

(c) Regulatory Matters and Approvals.

(i) Bank Regulatory Matters. BANK, Financial, Peoples and United, as appropriate, shall cause to be promptly prepared and filed with the appropriate Regulatory Authorities applications for their approval of the Peoples Transaction, the Stock Purchase and the Merger; and with any other Regulatory Authority having jurisdiction any other notices or applications for approvals or Consents which may be necessary for the consummation of the transactions contemplated by this Agreement. Each Party shall use commercially reasonable efforts to take or cause to be taken all actions necessary for such applications and notices to be approved and shall provide the others with copies of all correspondence and notices to or from such agencies concerning such applications and notices. Commercially reasonable efforts shall include cooperation with another Party in its efforts to file an application or notice. No Consent obtained which is necessary to consummate the transactions contemplated by this Agreement shall be conditioned or restricted in a manner which in the reasonable judgment of a Party would (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of United, BANK, or the Surviving Bank, or (B) render consummation of the Merger unduly burdensome; provided, that such Party has used its reasonable efforts (it being understood

that such reasonable efforts shall not include the threatening or commencement of any litigation) to cause such conditions or restrictions to be removed or modified as appropriate.

(ii) Other Governmental Matters. Subject to the last sentence of Section 5.1(c)(i), each of the Parties shall take any additional commercially reasonable action that may be necessary, proper, or advisable in connection with any other notice to, filings with, and authorizations, consents, and approvals of governments and governmental agencies that it may be required to give, make or obtain in connection with the transactions contemplated by this Agreement.

(d) Government Filings. BANK, Financial, United and Peoples shall file all reports, applications and other documents required to be filed with the appropriate bank regulators between the date hereof and the Effective Time of the Merger and shall make available to the other Party copies of all such reports promptly after the same are filed, provided, however, notwithstanding anything else in this Section 5.1(d) to the contrary, BANK and Financial shall have no obligation to provide, and shall not provide, to Peoples or United, any information relating to the shareholders of Financial, including without limitation any financial information pertaining to such shareholders, regardless of whether such shareholders are also directors and/or officers of BANK or Financial and regardless of whether such information is included in any filings made in connection with the transactions contemplated by this Agreement.

(e) Notice of Material Adverse Developments. BANK, Financial, United and Peoples shall give prompt written notice to the other Parties of any Material Adverse Effect on its Condition, or any material adverse development affecting the assets, liabilities, business, financial condition, operations, results of operations, or future prospects of such Party taken as a whole, including without limitation (i) any material change in its business or operations, (ii) any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) of any Regulatory Authority, (iii) the institution or the threat of material litigation involving such Party, or (iv) any event or condition that might be reasonably expected to cause any of such Party's representations and warranties set forth herein not to be true and correct in all material respects as of the Closing Date. Each Party shall also give prompt written notice to each other Party of any other material adverse development affecting the ability of such Party to consummate the transactions contemplated by this Agreement. Any such notices shall be accompanied by copies of any and all pertinent documents, correspondence and similar papers relevant to a complete understanding of such material adverse development, which shall be promptly updated as necessary. Each Party shall have 20 business days after any other Party gives any written notice pursuant to this Section 5.1(e) within which to exercise any right it may have to terminate this Agreement pursuant to Section 7.1(a)(ii) or (iii) below by reason of the material adverse development. Unless one of the Parties terminates this Agreement within the aforementioned period, the written notice of a material development shall be deemed to have amended the schedules to this Agreement, to have qualified the representations and warranties contained herein, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the material adverse development.

(f) Filings with the Offices. Upon the terms and subject to the conditions of this Agreement, the Parties shall execute and file any and all documents necessary in connection with the Stock Purchase and the Merger for filing with any Federal and state offices.

(g) Press Releases. No Party shall issue any press release or other public disclosure of matters related to this Agreement without the prior consent of every other Party, and each Party shall consult with the others as to the form and substance of any press release or other public disclosure materially related to this Agreement, the Merger or any other transaction contemplated hereby; provided, however, that any Party may make any press release or other public disclosure it believes in good faith is required by law or regulation (e.g., public notices associated with regulatory filings) and the announcing Party shall give the other Parties advance notice of such required public disclosure and provide a copy of the proposed release, statement or announcement to the other Parties.

(h) Miscellaneous Agreements and Consents. Subject to the terms and conditions of this Agreement, each of the Parties hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement as expeditiously as reasonably practicable, including, without limitation, using their respective reasonable best efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby. Each Party shall use commercially reasonable efforts to obtain all approvals and Consents of all third parties and Regulatory Authorities necessary or, in the reasonable opinion of any Party, desirable for the consummation of the transactions contemplated by this Agreement. No Consent obtained which is necessary to consummate the transactions contemplated by this Agreement shall be conditioned or restricted in a manner which in the reasonable judgment of a Party would (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of the Surviving Bank, or (B) render consummation of the Merger unduly burdensome; provided, that such Party has used its reasonable efforts (it being understood that such reasonable efforts shall not include the threatening or commencement of any litigation) to cause such conditions or restrictions to be removed or modified as appropriate.

(i) Indemnification.

(i) From the date of this Agreement until the Effective Time, each of Peoples, United, BANK and Financial shall indemnify and hold harmless the other Parties and their respective affiliates against all costs arising out of or incurred in connection with any untrue or misleading statement of a material fact contained in any regulatory filing prepared in connection with the Stock Purchase or the Merger, or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not untrue or misleading; provided, however, that no Party shall be liable to the extent that any costs arise out of or are based solely on any untrue or misleading statement or omission or alleged untrue or misleading statement or omission made in reliance upon and in conformity with written information furnished to it, by or on behalf of another Party.

(ii) After the Effective Time of the Merger, Peoples shall indemnify, defend and hold harmless BANK, Financial and their officers, directors, employees and agents (each, an "Indemnified Party") from and against any and all demands, claims, allegations, assertions, actions or causes of action, assessments, losses, damages, deficiencies, liabilities, costs and expenses including reasonable legal fees, interest, penalties, and all reasonable amounts paid in investigation, defense or settlement of any of the foregoing, asserted against, imposed upon, resulting to, required to be paid by, or incurred by any Indemnified Party, directly

or indirectly, in connection with, arising out of, which could result in, or which would not have occurred but for the transactions contemplated by this Agreement, including but not limited to, (A) a breach of any representation or warranty made by Peoples or New United in this Agreement, in any certificate or document furnished pursuant hereto by Peoples or New United, (B) a breach or nonfulfillment of any covenant or agreement made by Peoples or New United in or pursuant to this Agreement or any other agreement to which New United is or is to become a party, and (C) any Covered Liability. For purposes of this Agreement, the term "Covered Liability" refers to any liability of New United, whether due or to become due, whether known or unknown, whether accrued, absolute, contingent or otherwise, existing on the Effective Time of the Merger or arising out of any transactions entered into, or any state of facts existing prior to the Effective Time of the Merger, including without limitation any liability of Surviving Bank as successor by merger to United.

(iii) Any Party indemnified pursuant to this Agreement is referred to herein as an "Indemnified Party," and the party obligated to provide the Indemnified Party with indemnification is referred to as an "Indemnifying Party." Any Indemnified Party wishing to claim indemnification under this section shall promptly notify the Indemnifying Party of the event giving rise to an indemnification right hereunder, but the failure to notify shall not relieve the Indemnifying Party of any liability it may have to such Indemnified Party, except to the extent that the same materially prejudices the Indemnifying Party. In the event of any legal action (whether arising before or after the Effective Time) in connection with which there is an indemnification right hereunder, (A) the Indemnifying Party shall have the right to assume the defense thereof through counsel reasonably satisfactory to the Indemnified Party, and the Indemnifying Party shall not be liable to such Indemnified Party for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, except that if the Indemnifying Party elects not to assume such defense or counsel for the Indemnified Party advises that there are issues which raise conflicts of interests between the Indemnifying Party and the Indemnified Party, the Indemnified Party may retain counsel which is reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall pay, promptly as statements therefor are received, the reasonable fees and expenses of such counsel for the Indemnified Party (which may not exceed one firm in any jurisdiction unless the use of one counsel for such Indemnified Party would present such counsel with a conflict of interest), (B) the Indemnified Party will cooperate in the defense of any such matter including, but not limited to the provision of records and proper personnel to provide testimony, and (C) the Indemnifying Party shall not be liable for any settlement effected without its prior written consent (such consent not to be unreasonably withheld or delayed). Notwithstanding the above, in the event that the Indemnifying Party elects not to assume such defense, the Indemnified Party may call upon the Indemnifying Party to pay or compromise said claim.

(j) Employee Non-Solicitation and Noncompetition.

(i) BANK and Financial agree and covenant not to solicit for employment Peoples' Florida employees for one year following the Closing; provided, however, that, notwithstanding the foregoing, BANK or Financial may employ any person who makes an unsolicited approach to BANK or Financial regarding employment or any person who responds to BANK or Financial's general solicitations in the ordinary course of business and consistent with past practice.

(ii) Neither Financial nor BANK shall, for a period of one year from the Effective Time of the Merger, control, own or operate a bank branch within the Designated Area (as hereinafter defined). As used herein, "Designated Area" shall mean Manatee, Pasco, Pinellas, and Sarasota Counties, Florida.

(k) Tax Election. Upon the closing of the Stock Purchase, Peoples and Financial agree to make the election available under Section 338(h)(10) of the Code, to treat the Stock Purchase under Section 1.7 hereof as an asset sale, and to execute and deliver to one another election forms specifying the allocation of the Purchase Price provided in Section 1.8 hereof.

ARTICLE VI CONDITIONS TO THE OBLIGATIONS OF BANK, PEOPLES AND NEW UNITED

Section 6.1 Conditions to Obligation to Close.

(a) Conditions to Obligation of New United and Peoples. The respective obligations of Peoples and New United to consummate the transactions to be performed by it in connection with the Closing are subject to satisfaction of the following conditions:

(i) The Parties shall have procured all Consents specified in Section 5.1(c) above, including but not limited to all necessary consents, authorizations and approvals of Regulatory Authorities which, with respect to those from the Regulatory Authorities, shall not contain provisions which (A) unduly impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of BANK, Peoples, New United or the Surviving Bank, or (B) render consummation of the Stock Purchase or the Merger unduly burdensome, in each case as determined in the reasonable discretion of Peoples or New United;

(ii) The representations and warranties set forth in Article II above shall be true and correct in all material respects at and as of the Closing Date;

(iii) BANK shall have performed and complied in all material respects with all its covenants required to be complied with hereunder through the Closing;

(iv) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction, or charge could (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right after the Effective Time of the Merger of the Surviving Bank to own, operate, or control substantially all of the assets and operations of BANK and/or United (and no such judgment, order, decree, stipulation, injunction, or charge shall be in effect);

(v) BANK shall have delivered to New United a certificate to the effect that each of the conditions specified above in Section 6.1(a)(i) through (iv) is satisfied in all respects;

(vi) None of the events set forth in Section 7.1(a)(iii) shall have occurred; and

(vii) The absence of any change in any applicable state or federal law or regulation which, in the judgment of Peoples, would so materially and adversely impact the economic benefits of the Merger so as to render inadvisable the consummation of the transactions contemplated by this Agreement.

Peoples and United may waive any condition specified in this Section 6.1(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of BANK and Financial. The obligations of BANK and Financial to consummate the transactions to be performed by them in connection with the Closing are subject to satisfaction of the following conditions:

(i) The Parties shall have procured all of the third party approvals, authorizations and consents specified in Section 5.1(c) above, including but not limited to all necessary consents, authorizations and approvals of Regulatory Authorities which, with respect to those from the Regulatory Authorities, shall not contain provisions which (A) impair or restrict the operations, or would have a Material Adverse Effect on the Condition, of New United, Financial or the Surviving Bank, or (B) render consummation of the Merger unduly burdensome, in each case as determined in the reasonable discretion of BANK and Financial;

(ii) The representations and warranties set forth in Article III above shall be true and correct in all material respects at and as of the Closing Date;

(iii) Peoples and New United shall have performed and complied in all material respects with all their covenants required to be complied with hereunder through the Closing;

(iv) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction, or charge could (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right after the Effective Time of the Merger of the Surviving Bank, to own, operate, or control substantially all of the assets and operations of BANK and/or New United (and no such judgment, order, decree, stipulation, injunction or charge shall be in effect);

(v) The Peoples Transaction shall have been completed;

(vi) Peoples and New United shall have delivered to BANK a certificate to the effect that each of the conditions specified above in Section 6.1(b)(i)-(v) is satisfied in all respects, which certificate shall include, by attachment or otherwise, a restatement of the representations and warranties of New United in Article III made in the present tense as of the Closing Date;

(vii) BANK and Financial shall have obtained all third party consents or waivers necessary to effect the Stock Purchase, the Merger and the P&A Agreement; and

(viii) The absence of any change in any applicable state or federal law or regulation or circumstances have arisen (exclusive of a change in federal or state law that would permit BANK to establish a *de novo* branch in the State of Florida) which, in the sole discretion and good faith of BANK, would so materially and adversely impact the economic benefits of the Merger so as to render inadvisable the consummation of the transactions contemplated by this Agreement.

BANK and Financial may waive any condition specified in this Section 6.1(b) if it executes a writing so stating at or prior to the Closing.

ARTICLE VII TERMINATION

Section 7.1 Termination.

(a) Termination of Agreement. Any of the Parties may terminate this Agreement as provided below:

(i) The Parties may terminate this Agreement by mutual written consent at any time prior to the Effective Time of the Merger;

(ii) Peoples or New United may terminate this Agreement by giving written notice to BANK and Financial at any time prior to the Effective Time of the Merger in the event BANK or Financial is in breach, and BANK or Financial may terminate this Agreement by giving written notice to Peoples and New United at any time prior to the Effective Time of the Merger in the event Peoples or New United is in breach, of any representation, warranty, or covenant contained in this Agreement in any material respect. Each Party shall have the right to cure any such breach, if such breach is capable of being cured, within 30 days after receipt of written notice of such breach or within any such longer period mutually agreed to in writing by the Parties hereto.

(iii) Peoples shall be entitled to terminate this Agreement if: (A) Synovus's independent auditors or other recognized tax counsel refuse to provide to Synovus an opinion reasonably satisfactory in form and content to Synovus, that the Peoples Transaction, the Stock Purchase and/or the Merger will constitute (exclusive of the amounts paid to Synovus pursuant to Sections 1.8 hereof) a reorganization under Section 368(a) of the Code or will qualify under Sections 351 and 332 of the Code; (B) the Peoples Transaction, the Stock Purchase, the Merger and/or the transactions contemplated by the P&A Agreement are not consummated on or before July 22, 2005; or (C) Peoples, in its sole discretion and in good faith, determines that circumstances have arisen that would so materially and adversely impact the economic benefits of the Stock Purchase, the Merger or the Peoples Transaction so as to render inadvisable the consummation of the Stock Purchase, the Merger or the Peoples Transaction and Peoples provides written notice thereof to BANK and Financial including a summary of the facts and circumstances and basis underlying its determination pursuant to this section 7.1(a)(iii)(C).

(iv) BANK, Financial, Peoples and New United each may terminate this Agreement by giving written notice to the other Parties at any time after the denial, and any final appeal or rehearing thereof (or if any denial by such authority is not appealed within the

time limit for appeal), of any approval from a Regulatory Authority necessary to permit the Parties to consummate the Merger and the transactions contemplated by this Agreement or if any Consent shall be conditioned or restricted in the manner provided in Section 6.1(a)(i) or Section 6.1(b)(i), as appropriate.

(v) BANK may terminate this Agreement if the transactions contemplated by this Agreement are not consummated on or before September 1, 2005.

(b) Effect of Termination. If any Party terminates this Agreement pursuant to Section 7.1(a) above, all obligations of all Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach); provided, however, that the confidentiality provisions contained in Section 5.1(b) above and the expense provisions in 8.1(k) below shall survive any such termination.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Miscellaneous.

(a) Survival. None of the representations, warranties, and covenants of the Parties shall survive the Effective Time of the Merger, other than the representations and warranties of Peoples and New United set forth in Article III and the provisions in Sections 4.1 and 5.1(i) above concerning indemnification and the provision in Section 5.1(k) (regarding the Section 338(h)(10) election) each of which shall survive the Effective Time of the Merger, provided that nothing in this Section 8.1(a) shall be deemed to require any such representations and warranties in Article III to be made or deemed to be made as of any date other than such date or dates as provided under Article III without giving effect to this Section 8.1(a).

(b) No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that the provisions in Sections 4.1 and 5.1(i) above concerning indemnification are intended for the benefit of the individuals specified and their respective legal representatives.

(c) Entire Agreement. This Agreement (including the P&A Agreement and the other documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, that may have related in any way to the subject matter hereof.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Neither Party may assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

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

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, delivered by facsimile transmission (with confirmation by mail), or mailed (airmail if international) by first class, registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to New United,
United or Peoples:

Kathleen Moates, Esq.
Senior Deputy General Counsel
Synovus Financial Corp.
P.O. Box 120
Columbus, Georgia 31902
Tel: (706) 649-4818
Fax: (706) 644-1957

with a copy to:

Hugh C. Nickson, Esq.
Miller, Hamilton, Snider & Odom, LLC
One Commerce Street
Montgomery, Alabama 36104
Tel: (334) 834-5550
Fax: (334) 265-4533

If to BANK
or Financial:

Mr. W. Dan Puckett
2340 Woodcrest Place, Suite 200
Birmingham, Alabama 35209
Tel: (205) 803-5800
Fax: (205) 879-3885

with a copy to:

J. Paul Compton, Jr., Esq.
Bradley Arant Rose & White, LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203-2104
Tel: (205) 521-8381
Fax: (205) 521-8800

or to such other address as any Party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (a) on the date delivered if by hand delivery; (b) on the date of transmission with confirmed answer back if by facsimile; and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, or three business days after being mailed, as the case may be, if mailed.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without regard to principles of conflict of laws.

(i) Amendments and Waivers. To the extent permitted by law, the Parties may amend any provision of this Agreement at any time prior to the Effective Time of the Merger by a subsequent writing signed by each of the Parties; provided, however, that after approval of this Agreement by a Party's shareholders, there shall be made no amendment that adversely affects the economic value of the Merger to, or any other material right of, such shareholders without their further approval. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. The provisions of this Agreement are not severable but instead comprise the terms of various interrelated transactions, and in the absence or unenforceability of any significant provision of which, the Parties would not enter into this Agreement. Accordingly, if any court of competent jurisdiction determines in a final judgment that any significant provision of this Agreement is invalid or unenforceable, the Party which was the beneficiary of such invalid provision may, at its option, declare by notice this entire Agreement void ab initio and the Parties shall return any consideration or property received by it to the other so as to restore, as closely as possible, each Party to the status it held prior to the execution of this Agreement insofar as the subject matter hereof, and each Party shall bear its own expenses incurred in connection herewith.

(k) Expenses. Each Party shall bear its own expenses in connection with the negotiation and execution of this Agreement and the implementation and effectiveness of the Stock Purchase and the Merger. Notwithstanding the foregoing, if any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that action or proceeding, in addition to any other relief to which such Party or Parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing Party.

(l) Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Party. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context otherwise requires.

(m) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

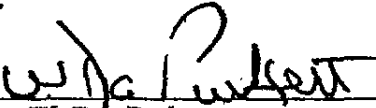
(n) Jurisdiction and Venue. The Parties acknowledge that a substantial portion of negotiations and anticipated performance and execution of this Agreement occurred or shall occur in Georgia, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the Parties irrevocably and unconditionally (i) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement may be brought in a state or federal court of record in Pensacola, Florida; (ii) consents to the jurisdiction of each such court in any suit, action or proceeding; (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (iv) agrees that service of any court paper may be effected on such Party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in said state.

(o) Remedies Cumulative. Except as otherwise expressly provided herein, no remedy herein conferred upon any Party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or by statute or otherwise. No single or partial exercise by any Party of any right, power or remedy hereunder shall preclude any other or further exercise thereof.

(p) Corporate Capacity. This Agreement and all documents executed at closing or executed by the Parties are or will be executed solely in corporate capacity, and by acceptance thereof all claims for damages or other relief under this Agreement and any closing documents against any director, officer or shareholder of a Party are hereby waived, released and satisfied.

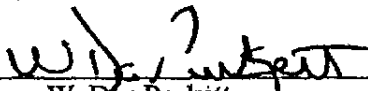
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

**FINANCIAL INVESTORS OF THE SOUTH,
INC.**



By: W. Dan Puckett
Its: Chairman and President

BANK OF ALABAMA



By: W. Dan Puckett
Its: Chairman and President

SYNOVUS FINANCIAL CORP.

By:
Its:

UNITED BANK OF THE GULF COAST

By:
Its:

PEOPLES BANK

By:
Its:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed
as of the date first above written.

**FINANCIAL INVESTORS OF THE SOUTH,
INC.**

By: W. Dan Puckett
Its: Chairman and President

BANK OF ALABAMA

By: W. Dan Puckett
Its: Chairman and President

SYNOVUS FINANCIAL CORP.


By: Kathy Mosley
Its: Senior Vice President

UNITED BANK OF THE GULF COAST

By:
Its:

PEOPLES BANK

By:
Its:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

FINANCIAL INVESTORS OF THE SOUTH, INC.

By: W. Dan Puckett
Its: Chairman and President


BANK OF ALABAMA

By: W. Dan Puckett
Its: Chairman and President

SYNOVUS FINANCIAL CORP.

By:
Its:

UNITED BANK OF THE GULF COAST



By: Neil W. Savage
Its: Chairman and CEO

PEOPLES BANK

By:
Its:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

**FINANCIAL INVESTORS OF THE SOUTH,
INC.**

By: W. Dan Puckett
Its: Chairman and President

BANK OF ALABAMA

By: W. Dan Puckett
Its: Chairman and President


SYNOVUS FINANCIAL CORP.

By:
Its:

UNITED BANK OF THE GULF COAST

By:
Its:

PEOPLES BANK



By: David W. Dunbar
Its: Chairman & CEO

SCHEDULE 1.5(a)
FORM OF NEW UNITED'S

ANTICIPATED CONDENSED CONSOLIDATED STATEMENT OF CONDITION

AT MARCH 31, 2005
(TO BE UPDATED AT CLOSING)

ASSETS:	
Cash and Due From Banks	6,500,000
Loans, Net of Unearned Income	-
Less: Allowance for Possible Loan Losses	-
Loans, Net	-
Securities	-
Premises & Equipment, Net	-
Excess of Cost over Tangible and Identified Intangible Assets Acquired, Net	-
Mortgage Servicing Rights	-
Other Real Estate Owned	-
Accrued Interest and Other Assets	-
	<u>6,500,000</u>
<u>TOTAL ASSETS</u>	
LIABILITIES:	
Deposits	500,000
Other Short Term Borrowing	-
Long-Term Debt	-
Other Liabilities	-
	<u>500,000</u>
<u>TOTAL LIABILITIES</u>	500,000
SHAREHOLDERS EQUITY:	
Total Capital	<u>6,000,000</u>
TOTAL SHAREHOLDERS EQUITY	<u>6,000,000</u>
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	<u>6,500,000</u>