

318573

Amendment
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Steel Hector & Davis
Miami, Florida

318573

December 27, 1989

BY HAND

-12/28/89 10:16:55-10:1
CERTIFICATES
CERT/PHOTO COPY-----40.00
FEE/PHOTO-----40.00
TOTAL-----80.00

Secretary of State
Corporations Division
409 East Gaines Street
Tallahassee, Florida 32301

Re: Southeast Banking Corporation

318573

Gentlemen:

Enclosed are an original and one copy of Certificate of Designation of Southeast Banking Corporation for filing with your office. A check in the amount of \$50.00 is attached to cover the filing and certification fees.

Please file the Certificate as soon as possible and prepare a certified copy to be picked up by our office.

If you have any questions regarding this filing, please call me at (305) 577-2926. Thank you for your assistance in this matter.

Very truly yours,

Janet E. Perez
Janet E. Perez
Legal Assistant

WALK IN = WILL WAIT

/jp
Enclosure

Name	
Availability	
Document	JP
Examiner	JP
Updater	JP
Updater	JP
Verifier	JP
Acknowledgment	JP
W. P. V. V.	JP

Miami Office
4000 Southeast Franklin Center
Miami, FL 33131-2386
(305) 577-2926
Fax (305) 389-1419

515 North Flagler Drive
1200 Northridge Centre 1
West Palm Beach, FL 33401-4307
(407) 889-7208
Fax (407) 889-1808

440 Royal Palm Way
Palm Beach, FL 33480
(407) 889-7208

1200 North Federal Highway
Suite 408
Boca Raton, FL 33432
(407) 394-3000
Fax (407) 394-6888

310 West College Avenue
Tallahassee, FL 32301-1408
(904) 322-4182
Fax (904) 322-6418

**CERTIFICATE OF DESIGNATION
OF
8.75% CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES E
OF
SOUTHEAST BANKING CORPORATION**

Pursuant to Section 607.047 of the Florida Statutes, Southeast Banking Corporation, a Florida corporation (the "Corporation" or "SEBC"), certifies that the following resolution establishing and designating the 8.75% Cumulative Convertible Preferred Stock, Series E, of the Corporation and fixing and designating the relative rights and preferences of such stock was duly adopted by the Board of Directors of the Corporation at meetings held on June 16, 1989, December 15, 1989, and, acting through a Pricing Committee of the Board of Directors, December 27, 1989:

RESOLVED, that pursuant to authority expressly granted to and vested in the Board of Directors by the provisions of Article III of the Articles of Incorporation, the Board of Directors hereby authorizes the issuance of the fifth series of the Series Par Value Preferred Stock of SEBC, \$1 par value, ranking on a parity, as to the payment of dividends and as to any distribution upon liquidation, dissolution or winding up of SEBC, with the series of the Series Par Value Preferred Stock, \$1 par value, designated as SEBC's "Adjustable Rate Cumulative Preferred Stock, Series A," and ranking senior, as to the payment of dividends and as to any distribution upon liquidation, dissolution or winding up of SEBC, with the series of the Series Par Value Preferred Stock, \$1 par value, designated as SEBC's "Junior Participating Preferred Stock, Series F," and hereby fixes the designation, rights, preferences and limitations of the shares of such new series (in addition to the rights, preferences and limitations set forth in the Articles of Incorporation, as amended and restated, which are applicable to the Series Par Value Preferred Stock of all series or to all classes of stock of SEBC) as follows:

(1) Designation. The shares of the fifth series of Series Par Value Preferred Stock, \$1 par value, shall be designated "8.75% Cumulative Convertible Preferred Stock, Series E" and the number of authorized shares constituting such series shall be 240,000. The stated value of the shares of Series E Preferred Stock shall be \$100 per share. The number of shares of Series E Preferred Stock may be decreased by a resolution duly adopted by the Board of Directors, but may not be decreased below the number of shares of Series E Preferred Stock then outstanding.

(2) Dividends.

A. The holders of shares of Series E Preferred Stock shall be entitled, in preference to the Common Stock and any stock ranking junior to the Series E Preferred Stock as to dividends, to receive cumulative cash dividends, when and as declared by the Board of Directors out of funds legally available for the purpose, from the date of original issuance of such shares to and including March 31, 1990, and for each quarterly dividend period commencing on April 1, July 1, October 1 and January 1 in each year after March 31, 1990, and ending on and including the day next preceding the first day of the next quarterly dividend period (such period ending March 31, 1990, and each of such other periods herein referred to as a "Dividend Period") at the annual rate of \$8.75 per share and no more. The amount of dividend per share payable for the Dividend Period from the date of original issuance of the Series E Preferred Stock to and including March 31, 1990, shall be \$2.2847 per share, and the amount of dividend per share payable for the portion of any Dividend Period less than a full Dividend Period shall be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed in the period for which payable. The amount of dividend per share payable for each full Dividend Period commencing after March 31, 1990, shall be computed by dividing the annual dividend rate by four. Dividends shall be payable when and as declared by the Board of Directors, out of funds legally available therefor, on March 31, June 30, September 30 and December 31 of each year, commencing on March 31, 1990. Each such dividend shall be paid to the holders of record of shares of the Series E Preferred Stock as they appear on the stock register of the Corporation on such record date, not exceeding 60 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors. No dividends shall be declared on any other series or class of preferred stock ranking on a parity with the Series E Preferred Stock as to dividends in respect of any dividend period unless there shall likewise be or have been declared on all shares of Series E Preferred Stock at the time outstanding like dividends for all Dividend Periods coinciding with or ending before such dividend period, ratably in proportion to the respective dividend rates fixed for all such other series or class or classes of preferred stock and the Series E Preferred Stock. Dividends shall be cumulative and will accrue on each share of Series E Preferred Stock from the date of original issuance thereof.

B. If dividends at the rate per share set out in paragraph (2)A for any Dividend Period shall not have been declared and paid or set apart for payment on all outstanding

shares of Series E Preferred Stock for such Dividend Period and all preceding Dividend Periods from and after the date of issuance thereof, then, until the aggregate deficiency shall be declared and fully paid or set apart for payment, the Corporation shall not (i) declare or pay or set apart for payment any dividends or make any other distribution on any capital stock of the Corporation ranking junior to, or on a parity with, the Series E Preferred Stock as to the payment of dividends or upon liquidation (such stock being herein referred to as "Junior or Parity Stock"), other than dividends paid in accordance with the provisions of the second from last sentence of paragraph (2)A, or dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior or Parity Stock, or (ii) make any payment on account of the purchase, redemption, retirement or other acquisition of any Junior or Parity Stock (except payment in the form of Junior Stock, and other than as a result of a reclassification of Junior Stock, or the exchange or conversion of one Junior Stock for or into another Junior Stock, or other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) or any options, warrants or rights to subscribe for or purchase any Junior or Parity Stock.

(3) Voting.

A. The holders of the shares of Series E Preferred Stock shall have the following voting rights:

(i) If at any time accrued dividends payable on the Series E Preferred Stock in an amount equivalent to six full quarterly dividends (whether or not consecutive) shall be in arrears, the number of directors then constituting the Board of Directors shall be increased by two and the holders of shares of the Series E Preferred Stock and every other class, or series of a class, if any, of the preferred stock of the Corporation ranking on a parity with the Series E Preferred Stock as to dividends and distributions, upon which like voting rights have been conferred and are exercisable (the Series E Preferred Stock and such other preferred stock being hereafter referred to, in this subparagraph (i), as the "Preferred Stock"), voting separately as a class regardless of series, to the exclusion of the holders of Common Stock, shall be entitled to elect such two additional directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of the Preferred Stock called as hereinafter provided. Whenever all dividends in arrears on the Preferred Stock at the time outstanding accrued for all past quarterly dividend periods shall have been paid in full, or declared and a sum sufficient for the payment thereof set apart for payment, then the right of the holders of the Preferred Stock to elect such additional two directors shall cease (but subject always to the revesting of such voting rights in the case of any similar

future arrearages in dividends), and the terms of office of all persons elected as directors by the holders of the Preferred Stock shall terminate, and the number of the Board of Directors shall be reduced by two.

Whenever such right shall vest, it may be exercised initially either at a special meeting of the holders of record of the Preferred Stock, or at any annual stockholders' meeting, but thereafter it shall be exercised only at annual stockholders' meetings. A special meeting for the exercise of such right shall be called by the Secretary of the Corporation as promptly as possible, and in any event within ten days, after receipt of a written request signed by the holders of record of at least 10% of the outstanding shares of any class or series of the Preferred Stock entitled to vote. Notwithstanding the provisions of this paragraph, no such special meeting shall be held during the 90-day period preceding the date fixed for the annual meeting of stockholders.

Any director who shall have been elected by the holders of the Preferred Stock ("Preferred Director") shall hold office for a term expiring at the next annual meeting of stockholders (subject to the earlier termination of such term as described in the first paragraph of this subparagraph (i)), and during such term may be removed at any time, either for or without cause, by, and only by, the affirmative votes of the holders of record of a majority of the outstanding shares of Preferred Stock given at a special meeting of such stockholders called for the purpose, and any vacancy created by such removal may also be filled at such meeting. A meeting for the removal of a Preferred Director and the filling of the vacancy created thereby shall be called by the Secretary of the Corporation within ten days after receipt of a request therefor, signed by the holders of not less than 25% of the then outstanding shares of any class or series of Preferred Stock. Such meeting shall be held at the earliest practicable date thereafter.

Any vacancy caused by the death or resignation of a Preferred Director may be filled by the Board of Directors, upon the nomination of the then remaining Preferred Director, or the successor of such remaining Preferred Director, and evidenced by an instrument in writing signed by such Preferred Director and filed with the Corporation. If, at the time any such vacancy shall occur, there shall be no such remaining director for the purpose of nominating a successor to fill such vacancy, the holders of the Preferred Stock shall be entitled to elect two additional directors to fill both such vacancies at a meeting called for such purpose. Such meeting of the holders of the Preferred Stock shall be called by the Secretary of the Corporation at the earliest practicable date after any such death or resignation and in any event within ten days after receipt of a written request signed by the holders of record of at least 10% of the outstanding shares of any class or series of Preferred Stock.

If any meeting of the holders of the Preferred Stock required by this subparagraph (i) to be called shall not have been called within ten days after personal service of a written request therefor upon the Secretary of the Corporation or within fifteen days after mailing the same within the United States of America by registered mail addressed to the Secretary of the Corporation at its principal office, then the holders of record of at least 10% of the outstanding shares of any class or series of Preferred Stock may designate in writing one of their number to call such meeting at the expense of the Corporation and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders. Any holder of Preferred Stock so designated shall have access to the stock books of the Corporation for the purpose of causing meetings of stockholders to be called pursuant to these provisions.

Any meeting of the holders of Preferred Stock to vote as a class for the election or removal of Preferred Directors shall be held at the place for the holding of the annual meeting of the stockholders of the Corporation. At such meeting, the presence in person or by proxy of the holders of a majority of the outstanding shares of Preferred Stock shall be required to constitute a quorum; in the absence of a quorum, a majority of the holders present in person or by proxy shall have power to adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall be present.

(ii) So long as any shares of the Series E Preferred Stock shall remain outstanding, in addition to any other vote of stockholders then required by applicable law or by the Articles of Incorporation, the Corporation will not:

(a) without the consent of the holders of at least a majority of all outstanding shares of the Series E Preferred Stock and all other series of the Series Par Value Preferred Stock upon which like voting rights have been conferred and are exercisable, acting as a class, by a vote at a meeting of such holders or by written consent of such holders without a meeting, amend, alter or repeal any provision of the Corporation's Articles of Incorporation or By-Laws so as to materially affect the rights, powers or preferences of the shares of the Series Par Value Preferred Stock, as a class; provided, however, that in any case in which one or more, but not all, series of such class, but including the Series E Preferred Stock, would be materially affected as to the rights, powers or preferences thereof, the affirmative vote of the holders of shares entitled to cast at least a majority of the votes entitled to be cast by the holders of the shares of all series that would be materially affected, voting as a class, shall be required, and the holders of shares of any series that would not be materially affected shall not be entitled to vote thereon; provided, further, that an amendment of the provisions of the Articles of Incorporation or By-Laws so as to (x)

increase the aggregate number of authorized shares of the Series Par Value Preferred Stock or create any class or series of stock ranking prior to, on a parity with, or junior to the Series Par Value Preferred Stock either as to dividends or upon liquidation, or any security convertible into stock of any such class or series (or any increase in the authorized number of shares of any such class or series of stock) or (y) authorize or effect any merger or consolidation of the Corporation with or into any other corporation solely for the purpose of effecting a change in the jurisdiction of incorporation of the Corporation or (z) authorize or effect any amendment or alteration of the rights of the Common Stock, shall not be deemed to materially affect the powers, rights or preferences of the holders of the Series Par Value Preferred Stock for the purpose of this subparagraph (a);

(b) without the consent of the holders of at least a majority of the total outstanding shares of Series E Preferred Stock voting separately as a class with all other affected series of preferred stock of the Corporation ranking on a parity with the Series E Preferred Stock, either as to dividends or upon liquidation (collectively referred to in this subparagraph (b) as the "Parity Preferred"), by a vote at a meeting of such holders or by written consent of such holders without a meeting, create any class of stock ranking prior to the Series E Preferred Stock as to dividends or upon liquidation; provided that no class or series of preferred stock shall be included in the Parity Preferred if, at the time such class or series was created, the Board of Directors was authorized by the stockholders to create such prior ranking stock; provided, however, that no such consent of the holders of any class of preferred stock shall be required if, at or prior to the time when any such corporate action of the type referred to in this subparagraph (ii)(b) is to take effect, (x) the holders of such class of preferred stock shall have received adequate notice of the redemption of their shares, to occur within 90 days of the date such notice is given, (y) all shares of such class of preferred stock are redeemed or sufficient funds have been deposited in trust to effect such redemption, and (z) no part of such class of preferred stock is being redeemed with proceeds from the sale of the new stock ranking prior to the Series E Preferred Stock either as to dividends or upon liquidation.

B. Except as otherwise required by law, rule or regulation or pursuant to paragraph (3)A above, the Series E Preferred Stock shall have no voting rights.

(4) Redemption.

A. The Corporation may not redeem Series E Preferred Stock prior to December 28, 1992, unless the Closing Price (as defined in subparagraph (7)C(iv) below) of the Common

Stock shall have equalled or exceeded 140% of the conversion price for the Series E Preferred Stock then in effect for at least 30 consecutive trading days ending within 10 days prior to the date notice of redemption is given. With respect to redemptions in that event prior to December 28, 1992, or with respect to redemptions on or after December 28, 1992, the Series E Preferred Stock is redeemable in whole or in part, at the option of the Corporation, at the following redemption prices (individually the "Redemption Price"):

If redeemed:

<u>On or After</u>	<u>Redemption Date</u> <u>But Before</u>	<u>Price Per Share</u>
December 28, 1989	December 28, 1993	\$108.00
December 28, 1993	December 28, 1994	\$107.20
December 28, 1994	December 28, 1995	\$106.40
December 28, 1995	December 28, 1996	\$105.60
December 28, 1996	December 28, 1997	\$104.80
December 28, 1997	December 28, 1998	\$104.00
December 28, 1998	December 28, 1999	\$103.20
December 28, 1999	December 28, 2000	\$102.40
December 28, 2000	December 28, 2001	\$101.60
December 28, 2001	December 28, 2002	\$100.80
December 28, 2002		\$100.00

plus in each case accrued and unpaid dividends (whether or not earned or declared) thereon to the date fixed for redemption ("redemption date").

B. In the event the Corporation shall determine to redeem less than all the shares of Series E Preferred Stock then outstanding, the shares to be redeemed shall be selected pro rata, by lot or in such other equitable manner as the Board of Directors may determine, and the certificate of the Secretary of the Corporation, filed with the Transfer Agent or Agents for the shares of Series E Preferred Stock, of such determination by the Board of Directors shall be conclusive.

C. Notice to the holders of shares of Series E Preferred Stock to be redeemed shall be given by mailing to such holders a notice of such redemption, first class, postage prepaid, at least 30 days and not more than 60 days prior to the redemption date, at their last addresses as they shall appear on the stock register of the Corporation. Any notice which is mailed as herein provided shall be conclusively presumed to have been duly given, whether or not the stockholder receives such notice; and failure duly to give such notice by mail, or any defect in such notice, to the holders of any stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series E Preferred Stock.

D. The notice of redemption to each stockholder whose shares of Series E Preferred Stock are to be redeemed shall specify the number of shares of Series E Preferred Stock to be redeemed, and if fewer than all the shares held by such holder are to be redeemed, the number of shares of Series E Preferred Stock of such stockholder to be redeemed, the redemption date and the Redemption Price at which shares of Series E Preferred Stock are to be redeemed, and shall specify where payment of the Redemption Price is to be made upon surrender of certificates for such shares, shall state the conversion price then in effect, and shall state that accrued dividends to the redemption date will be paid as specified in said notice, that from and after said date dividends thereon will cease to accrue, and that conversion rights of such shares shall cease and terminate at the close of business on the third business day preceding the redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing funds for the payment of the Redemption Price, and accrued dividends), dividends on the shares of Series E Preferred Stock so called for redemption shall cease to accrue, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as shareholders of the Corporation (except the right to receive from the Corporation the Redemption Price, plus accrued and unpaid dividends thereon) shall cease. In the event that fewer than all shares represented by a stock certificate are to be redeemed, a new certificate shall be issued representing the unredeemed shares, without cost to the holder thereof. The Corporation's obligation to provide funds for the Redemption Price and accrued dividends shall be deemed fulfilled if, on or before the redemption date, the Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation), having an office or agency in the City of Miami, State of Florida, having a capital and surplus of at least \$50,000,000, or with any other such bank or trust company located in the continental United States as may be designated from time to time by the Corporation, funds necessary for such redemption, in trust for the account of the holders of the shares of Series E Preferred Stock to be redeemed, with instructions that such funds be applied to the redemption of the shares of Series E Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any funds so deposited by the Corporation which shall not be required for such redemption because of the exercise of any right of conversion subsequent to the date of such deposit shall be released or repaid to the Corporation forthwith. Any funds so deposited and unclaimed at the end of one year (or any longer period if required by law) from such redemption date shall be repaid or released to the Corporation, after which the holder or holders of such shares of Series E Preferred Stock so called for redemption shall look only to the Corporation for payment of the Redemption Price, and accrued dividends to the redemption date, without interest.

(5) Liquidation Preference. In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the shares of the Series E Preferred Stock shall be entitled to receive out of the assets of the Corporation, whether from capital or surplus of any nature, an amount in cash equal to \$100 per share (herein referred to as the "Liquidation Value"), together with in each case an amount equal to any accrued and unpaid dividends (whether or not earned or declared) thereon to the date of such distribution, and no more, before any payment shall be made or any assets distributed to the holders of Common Stock, or any other stock of the Corporation ranking as to distribution of assets on liquidation junior to the Series E Preferred Stock. None of the merger or consolidation of the Corporation into or with any other company, the sale of all or substantially all of the property and assets of the Corporation or the distribution to the stockholders of the Corporation of all or substantially all of the consideration for such sale, unless such consideration (apart from the assumption of liabilities) or the net proceeds thereof consists substantially entirely of cash, shall be deemed to be a liquidation, dissolution or winding up within the meaning of this paragraph (5). No payment or distribution on account of a liquidation, dissolution or winding up of the Corporation shall be made to the holders of any other class or series of stock ranking on a parity with the Series E Preferred Stock in respect of the distribution of assets, unless there shall be paid at the same time to the holders of the Series E Preferred Stock like distributive amounts, ratably, in proportion to the full distributive amounts to which they and the holders of such parity stock are respectively entitled with respect to such preferential distribution.

(6) No Sinking Fund. The shares of Series E Preferred Stock shall not be subject to the operation of a purchase, retirement or sinking fund.

(7) Conversion Rights. The holders of shares of Series E Preferred Stock shall have the right, at their option, to convert such shares into full shares of Common Stock, \$5 par value, of the Corporation (the "Common Stock"), on and subject to the following terms and conditions:

A. Such conversion rights are exercisable only during the period (the "Conversion Period") commencing on the date of issuance of the shares of the Series E Preferred Stock and terminating on the tenth anniversary of such commencement date (or, if such date is not a business day, on the next succeeding business day).

B. The shares of Series E Preferred Stock shall be convertible into fully paid and nonassessable shares of Common Stock of the Corporation at the option of the holder thereof and in the manner hereinafter provided, at the

conversion price, determined as hereinafter provided, in effect at the time of conversion, each share of Series E Preferred Stock being taken at \$100.00 for the purpose of such conversion. In case any shares of Series E Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the business day next preceding the redemption date unless default shall be made in payment of the Redemption Price (and accrued and unpaid dividends) thereon. In all events, the right to convert shall terminate as to all shares of Series E Preferred Stock which have not been surrendered to the Corporation for conversion, as described in paragraph (7)F below, by the last day of the Conversion Period.

C. The price at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion price") initially shall be \$32 per share of Common Stock, subject to adjustment as hereinafter provided. The Corporation shall make no payment or adjustment on account of any dividends accrued and unpaid on any shares of Series E Preferred Stock surrendered for conversion.

(i) In case the Corporation shall (a) pay a dividend or make a distribution to all holders of its Common Stock in shares of its Common Stock, or securities convertible into Common Stock, (b) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, (c) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock, or (d) issue by reclassification of its shares of Common Stock any shares of capital stock of the Corporation, the conversion price in effect immediately prior thereto shall be proportionately adjusted so that the holder of any shares of Series E Preferred Stock thereafter surrendered for conversion shall be entitled to receive upon conversion the number of shares of capital stock of the Corporation which such holder would have owned immediately following such event, had such shares of Series E Preferred Stock been converted immediately prior to such event (assuming, in the case of a dividend or distribution of securities convertible into Common Stock, the conversion of such securities). Subject to subparagraph (v) below, such adjustment shall be made whenever any of the events listed above shall occur. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. No adjustment in the conversion price shall be made if, at the same time as the Corporation shall issue shares of Common Stock, or securities convertible into Common Stock, as a dividend or distribution on the outstanding shares of Common Stock which, as provided in this subparagraph (i), would otherwise call for an adjustment in the conversion price, the Corporation shall issue shares of

Common Stock as a dividend or distribution on the outstanding shares of the Series E Preferred Stock equivalent to the number of shares distributable on the shares of Common Stock into which the Series E Preferred Stock is then convertible.

(ii) In case the Corporation shall issue options, rights or warrants to all holders of its Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock, or securities convertible into Common Stock, at a price per share (including, in the case of securities convertible into Common Stock, any consideration payable upon conversion) less than the current market price per share of Common Stock (as defined in subparagraph (iv) below) at the record date mentioned below, the conversion price to be in effect after such record date shall be determined by multiplying the conversion price in effect immediately prior to such record date by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares which the aggregate offering price of the total number of shares of Common Stock, or securities convertible into Common Stock, so offered, plus, in the case of securities convertible into Common Stock, any consideration payable upon conversion, would purchase at such current market price and of which the denominator shall be the number of shares of Common Stock outstanding on such record date plus the number of additional shares of Common Stock offered for subscription or purchase (assuming conversion of all securities convertible into Common Stock so offered). Subject to subparagraph (v) below, such adjustment shall be made whenever such options, rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such options, rights or warrants and shall be effective as to shares of Series E Preferred Stock converted between the record date for the determination of stockholders entitled to receive such options, rights or warrants and the date such options, rights or warrants are issued.

(iii) In case the Corporation shall distribute to all holders of its Common Stock, including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing corporation, evidences of its indebtedness or assets (excluding dividends paid in, or distributions of, cash or dividends payable in shares of Common Stock or securities convertible into Common Stock), or options, subscription rights or warrants (excluding those referred to in subparagraph (ii) above), then in each such case the conversion price to be in effect thereafter shall be determined by multiplying the conversion price in effect immediately prior thereto by a fraction, of which the numerator shall be the current market price per share of Common Stock, as defined in subparagraph (iv), on the record date mentioned below less the fair market value (as determined by the Board of

Directors of the Corporation, whose determination shall be conclusive, and described in a certificate of an officer of the Corporation filed in the Corporation's records) of the portion of the assets, evidences of indebtedness, options, subscription rights or warrants so distributed, applicable to one share of Common Stock, and of which the denominator shall be such current market price per share of Common Stock. Subject to subparagraph (v) below, such adjustment shall be made whenever any such distribution is made, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution and shall be effective as to shares of Series E Preferred Stock converted between the record date for the determination of stockholders entitled to receive such distribution and the date such distribution is made.

(iv) For the purpose of any computation under subparagraphs (ii) and (iii), the current market price per share of Common Stock at any date shall be deemed to be the average of the daily Closing Prices for thirty (30) consecutive trading days on the New York Stock Exchange, Inc. selected by the Corporation commencing not more than forty-five (45) trading days before the date in question. For purposes of this resolution, the Closing Price for any day shall be the last reported sales price regular way on such day or, in case no reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the New York Stock Exchange, Inc., or, if the Common Stock is not listed or admitted to trading on such exchange, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or, if not listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices of the Common Stock in the over-the-counter market as reported on the NASDAQ system of the National Association of Securities Dealers, Inc., or, if the Common Stock is not so quoted, the average of the closing bid and asked prices of the Common Stock in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Corporation for that purpose.

(v) In any case in which this paragraph (7) shall require that an adjustment as a result of any event become effective from and after a record date, the Corporation may elect to defer until after the occurrence of such event (x) issuing to the holder of any shares of Series E Preferred Stock converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion over and above the shares issuable on the basis of the conversion price in effect immediately prior to adjustment and (y) paying to such holder any amount in cash in lieu of a fractional share pursuant to paragraph (7)E below. In lieu of the shares the issuance of which is deferred pursuant to item (x) above, the Corporation shall issue or cause one of its transfer agents to issue due bills or other appropriate evidence of the right to receive such shares.

(vi) No adjustment in the conversion price shall be required unless such adjustment would require an increase or decrease in such price of at least \$.50 per share; provided, however, that any adjustment which by reason of this subparagraph is not required to be made shall be carried forward cumulatively and taken into account in any subsequent adjustments. All calculations under this paragraph (7) shall be made to the nearest cent (\$.01) or to the nearest one-hundredth of a share, as the case may be.

(vii) In the event that at any time, as a result of an adjustment made pursuant to subparagraph (i), the holder of any Series E Preferred Stock thereafter surrendered for conversion shall become entitled to receive any shares of the Corporation other than (x) shares of its Common Stock, or (y) shares of any other securities convertible into Common Stock issued as a dividend or distribution pursuant to subparagraph (i) above, which securities shall have the same terms, relative rights and preferences as all other like securities issued as a dividend or distribution to all holders of Common Stock, thereafter the number of such other shares so receivable upon conversion of any Series E Preferred Stock shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained herein.

(viii) Anything in this paragraph (7) to the contrary notwithstanding, the Corporation shall be entitled, at its option, to make such adjustments in the conversion price, in addition to those required by the provisions of this paragraph (7), as it in its discretion may determine to be advisable in order that any stock dividend, subdivision of shares, distribution of options, rights or warrants to purchase stock or securities, or distribution of securities convertible into or exchangeable for stock, hereafter made by the Corporation to its stockholders, shall not be taxable.

(ix) Except as provided in subparagraphs (i) through (viii) and in subparagraph I, below, no adjustment in the conversion price of the Series E Preferred Stock shall occur upon the issuance of any stock or other securities of the Corporation or for any other reason.

D. Any conversion price determined or adjusted as herein provided shall remain in effect until further adjustment as required herein. Upon each adjustment of the conversion price a written instrument signed by an officer of the Corporation setting forth the adjusted conversion price and showing in reasonable detail the facts upon which such adjustment is based, and accompanied by copies of the resolutions, if any, of the Board of Directors passed in connection therewith shall forthwith be filed with the Transfer Agent or Agents for the Series E Preferred Stock and made

available for inspection by the holders of the Series E Preferred Stock; and any adjustment so evidenced, made in good faith, shall be binding upon all stockholders and upon the Corporation. The Transfer Agent or Agents shall have no duty with respect to any such instrument filed with it except to keep the same on file and available for inspection during reasonable hours. The Corporation shall also promptly cause a notice, stating that such an adjustment has been made and setting for the adjusted conversion price, to be mailed, first class, postage prepaid, to all holders of record of outstanding shares of Series E Preferred Stock, at their addresses as the same appear on the stock register of the Corporation. Notwithstanding the foregoing notice provisions, failure of the Corporation to give such notice shall not invalidate any corporate action by the Corporation.

E. No fractional shares of Common Stock shall be issued on conversion. If more than one share of Series E Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of such shares surrendered. A holder of shares of Series E Preferred Stock who would otherwise be entitled to receive such a fractional share shall, in lieu thereof, receive from the Corporation cash in an amount equal to the same fraction of the Closing Price of the Common Stock on the date on which such shares of the Series E Preferred Stock were duly surrendered for conversion, or, if such date is not a day on which the New York Stock Exchange, Inc. (or any successor to such Exchange) is open for the transaction of business, on the next day on which the New York Stock Exchange, Inc. (or any successor to such Exchange) is open for the transaction of business.

F. Before any holder of shares of the Series E Preferred Stock shall be entitled to convert the same into Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed or assigned (unless such endorsement or assignment be waived by the Corporation), at the office of any transfer agent for the Common Stock or at such other office or offices as the Board of Directors may have designated in a written communication delivered by the Corporation to each holder of Series E Preferred Stock at such holder's address on the stock register, shall give written notice to the Corporation at said office that such holder elects to convert the same and shall state in writing therein the name or names and the denominations in which such holder wishes the certificate or certificates for the Common Stock to be issued. The Corporation will, as soon as practicable thereafter, cause to be issued and delivered to such holder, or such holder's designee or designees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, and a check or cash payment (if any) to

which such person is entitled pursuant to subparagraph E of this paragraph (7), together with a certificate or certificates representing any shares of the Series E Preferred Stock which are not to be converted but which shall have constituted part of the shares represented by the certificates so surrendered. All shares which may be issued upon conversion of shares of the Series E Preferred Stock shall upon issue be fully-paid and nonassessable by the Corporation and free from all taxes, liens, charges and security interests with respect to the issue thereof, which taxes, liens, charges and security interests shall be paid by the Corporation. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock upon conversion in a name other than that of the holder of the shares of the Series E Preferred Stock converted, and the Corporation shall not be required to issue or deliver any such shares unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of any such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

G. All shares of Series E Preferred Stock which shall have been surrendered for conversion as herein provided shall, as of the close of business on the date of the due surrender of such shares, no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall forthwith cease and terminate except only the right of the holders thereof to receive Common Stock (or other securities or property herein provided) in exchange therefor. As of the close of business on the date of due surrender of such shares, the person or persons in whose name or names any certificate or certificates for Common Stock shall be issuable upon conversion shall be deemed to have become the holder or holders of record of the shares represented thereby. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of the Series E Preferred Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon such conversion, but no dividends (other than a dividend payable in Common Stock) shall be paid upon any shares of any class of stock or series the ranking junior to the Series E Preferred Stock until all accrued and unpaid dividends on the Series E Preferred Stock up to the dividend payment date next preceding the date of conversion shall be paid or sufficient funds set aside for the payment thereof.

H. A number of shares of the authorized Common Stock sufficient to provide for the conversion of the Series E Preferred Stock outstanding upon the basis hereinbefore provided shall at all times be reserved for such conversion, subject to the provisions of subparagraph I of this paragraph (7). If the Corporation shall issue any securities or make any change in its

capital structure which would change the number of shares of Common Stock into which each shares of the Series E Preferred Stock shall be convertible as herein provided, the Corporation shall at the same time also make proper provisions so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved for conversion of the outstanding Series E Preferred Stock on the new basis. The Corporation shall take such action as it reasonably deems necessary and appropriate in order that it may validly and legally issue fully paid and nonassessable shares of Common Stock upon conversion of the Series E Preferred Stock.

I. In case of any consolidation or merger of the Corporation with or into any other corporation (other than a wholly-owned subsidiary, and other than a consolidation or merger in which the Corporation is the continuing corporation and which does not result in any reclassification of, or other similar change in, outstanding shares of Common Stock referred to in paragraph (7)(C)(i)-(iii) above), or in case of any sale or transfer of all or substantially all of the assets of the Corporation to any other business organization (other than to a wholly-owned subsidiary), or in the case of any reclassification or other share exchange whereby all of the outstanding shares of Common Stock of the Corporation are converted into other securities or property, either the Corporation, the corporation formed by such consolidation, the corporation into which the Corporation shall have been merged, or other corporation which shall have acquired such assets or Common Stock, as the case may be, shall make appropriate provisions so that the holder of each share of Series E Preferred Stock then outstanding shall have the right thereafter to convert such shares of Series E Preferred Stock into the kind or amount of shares of stock or other securities or property (which may be cash) receivable upon such consolidation, merger, sale, transfer or reclassification by the holder of the number of shares of Common Stock of the Corporation into which such shares of Series E Preferred Stock might have been converted immediately prior to such consolidation, merger, sale, transfer or reclassification. There shall be included in the instrument effecting any such transaction, provisions to effect the above right, if necessary, and provisions for adjustments which shall be as nearly equivalent as may be practicable to the adjustment provided for herein. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or reclassifications.

(8) Notices. In the event that at any time:

A. The Corporation shall declare any dividend payable in stock upon its Common Stock or any distribution (other than cash dividends) to the holders of its Common Stock or shall subdivide or combine its outstanding shares of Common Stock into a greater or smaller number of shares; or

B. The Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or any other options, rights, or warrants; or

C. The Corporation shall propose to effect any reclassification of the Common Stock or any consolidation of the Corporation with or merger of the Corporation with or into any other corporation or a sale of the properties or assets of the Corporation as, or substantially as, an entirety to any other corporation which would result in an adjustment under subparagraph (7)C,

then, and in any one or more of said cases, the Corporation shall cause notice thereof to be mailed to each holder of Series E Preferred Stock at least ten (10) days (twenty (20) days in any case specified in subparagraph C above) prior to the record date of such dividend, distribution or subscription rights offering or other event or, if there be no record date, the effective date thereof, and shall specify the date as of which holders of Common Stock of record shall participate therein or be affected thereby. The failure to give the notice required by this paragraph (8), or any defect therein, shall not affect the legality or validity of any such dividend, distribution, subdivision, combination, option, right, warrant, reclassification, consolidation, merger or sale, or the vote on any action authorizing such.

IN WITNESS WHEREOF, this Certificate of Designation was executed on behalf of the Corporation by its President and attested by its Secretary on December 27, 1989.

SOUTHEAST BANKING CORPORATION

By: John E. Porta

John E. Porta
President and Chief
Operating Officer

Attest:

By: Thomas R. Woolsey, Senior

Thomas R. Woolsey, Senior
Vice President, Senior
Counsel and Corporate
Secretary

ACKNOWLEDGEMENT

STATE OF FLORIDA)
)
COUNTY OF DADE)

BEFORE ME, a notary public authorized to make acknowledgements in the state and county set forth above, personally appeared Thomas R. Woolsey, Senior Vice President, Senior Counsel and Corporate Secretary of Southeast Banking Corporation, a Florida corporation, to me well known and known to me to be the individual who executed the foregoing Certificate of Designation, and he acknowledged to and before me that he executed such instrument as such officer and on behalf of such corporation.

IN WITNESS WHEREOF, I have executed this acknowledgment and affixed my official seal hereto on December 27, 1989.

Diane E. Adams
Notary Public

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Mar. 31, 1991
BONDED THRU FLORIDA NOTARY SERVICES

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