

P09000056561

(Requestor's Name)

(Address)

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(City/State/Zip/Phone #)

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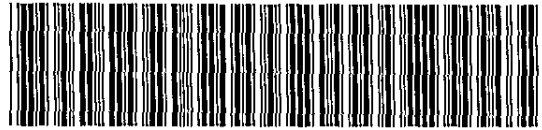
(Business Entity Name)

(Document Number)

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SHAREHOLDER  
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Sunstate Research

Requester's Name

Address

City/State/Zip

Phone #

656-5454

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**CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):**

1. First State Bank of the Florida  
(Corporation Name) (Document #)

2. Keys and First State Bank  
(Corporation Name) (Document #)

3. of the Florida Keys Holding Company  
(Corporation Name) (Document #)

4. \_\_\_\_\_  
(Corporation Name) (Document #) *file 2nd*

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**NEW FILINGS**

- Profit
- Not for Profit
- Limited Liability
- Domestication
- Other

**AMENDMENTS**

- Amendment
- Resignation of R.A., Officer/Director
- Change of Registered Agent
- Dissolution/Withdrawal
- Merger

**OTHER FILINGS**

- Annual Report
- Fictitious Name

**REGISTRATION/QUALIFICATION**

- Foreign
- Limited Partnership
- Reinstatement
- Trademark
- Other

Examiner's Initials

FILED  
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TALLAHASSEE, FLORIDA  
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**ARTICLES OF SHARE EXCHANGE BETWEEN  
FIRST STATE BANK OF THE FLORIDA KEYS AND  
FIRST STATE BANK OF THE FLORIDA KEYS HOLDING COMPANY**

The following Articles of Share Exchange between FIRST STATE BANK OF THE FLORIDA KEYS and FIRST STATE BANK OF THE FLORIDA KEYS HOLDING COMPANY, are filed in accordance with the provisions of Sections 607.1102 and 607.1105, Florida Statutes.

**FIRST:** The acquired corporation is First State Bank of the Florida Keys, a Florida banking corporation. The street address of its main office and principal place of business is 1201 Simonton Street, Key West, Florida 33040, and its Florida corporate document number is P97000091535.

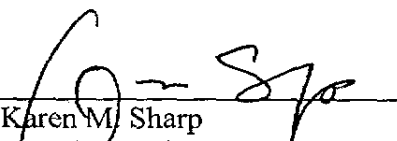
**SECOND:** The acquiring corporation is First State Bank of the Florida Keys Holding Company, a Florida corporation. The street address of its principal place of business is 1201 Simonton Street, Key West, Florida 33040, and its Florida corporate document number is P 09000056561

**THIRD:** The attached Agreement and Plan of Share Exchange (the "Agreement"), which provides for the exchange of the shares of the First State Bank of the Florida Keys for the shares of First State Bank of the Florida Keys Holding Company (the "Exchange"), was duly adopted by the Board of Directors of First State Bank of the Florida Keys on February 17, 2009, and was approved by the written consent of the shareholders of First State Bank of the Florida Keys, effective on February 20, 2009. The number of shares with respect to which such written consents were given in favor of the Agreement and the Exchange was sufficient for approval, and no shareholders exercised their dissenters' rights. The Agreement was duly adopted by the Board of Directors of First State Bank of the Florida Keys Holding Company, on July 1, 2009, and no approval of the Agreement or the Exchange by the shareholders of First State Bank of the Florida Keys Holding Company was required.

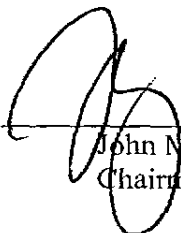
**FOURTH:** Upon consummation of the Exchange, First State Bank of the Florida Keys will become a wholly owned subsidiary of First State Bank of the Florida Keys Holding Company

**FIFTH:** The Exchange shall be effective as of the close of business on the date these Articles of Share Exchange are accepted for filing by the Florida Department of State.

**FIRST STATE BANK OF THE  
FLORIDA KEYS**  
a Florida banking corporation

By:   
Karen M. Sharp  
President and CEO

**FIRST STATE BANK OF THE FLORIDA  
FLORIDA KEYS HOLDING COMPANY**  
a Florida corporation

By:   
John M. Spottswood, Jr.  
Chairman

## AGREEMENT AND PLAN OF SHARE EXCHANGE

This Agreement and Plan of Share Exchange (the "Agreement") is made and entered into this 1<sup>st</sup> day of July, 2009, by and between FIRST STATE BANK OF THE FLORIDA KEYS, a Florida banking corporation (the "Bank"), and FIRST STATE BANK OF THE FLORIDA KEYS HOLDING COMPANY, a Florida corporation (the "Holding Company").

### WITNESSETH:

WHEREAS, the Holding Company has been formed for the purpose of acquiring each share of the issued and outstanding common stock of the Bank, par value \$20.00 per share (the "Bank Stock"), in exchange for one (1) share of the common stock of the Holding Company, par value \$20.00 per share (the "Holding Company Stock"), pursuant to Section 607.1102 of the Florida Business Corporation Act (the "Exchange"); and

WHEREAS, the Board of Directors of the Bank believes that Exchange will provide a convenient opportunity for the Holding Company to make an election to be treated for tax purposes as a corporation subject to Subchapter S of Chapter 1 of the Internal Revenue Code (the "Election"); and

WHEREAS, the Board of Directors of the Bank believes that the Exchange and the Election would be in the best interests of the Bank and its shareholders;

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

1. Terms of Exchange. Subject to the terms and conditions of this Agreement, on the Effective Date (as defined below), the Holding Company shall issue one share of the Holding Company Stock in exchange for each outstanding share of the Bank Stock pursuant to Section 607.1102 of the Florida Business Corporation Act.
2. Effective Date. Promptly after the fulfillment of each of the conditions set forth in Section 7 hereof, the parties shall prepare and file Articles of Share Exchange with the Secretary of State of the State of Florida. The effective date (the "Effective Date") of the Exchange shall be the date on which the Articles of Share Exchange are accepted for filing by the Secretary of State of the State of Florida.
3. Election. Promptly after the filing of its articles of incorporation, the Holding Company shall execute and file with the Internal Revenue Service ("IRS") the election of the Holding

Company to be treated for tax purposes as a corporation subject to Subchapter S of Chapter 1 of the Internal Revenue Code, together with the written consent to such Election by each shareholder of the Holding Company.

4. Covenants of the Holding Company.

A. The Holding Company shall use its best efforts to take all actions necessary to consummate the Exchange and make the Election, including, but not limited to the preparation and filing of all notices, applications for approval and other filings with governmental agencies required to consummate the Exchange and make the Election and shall bear all expenses associated with the Exchange and the Election.

B. After the consummation of the Exchange, the Holding Company shall promptly notify the shareholders of the Bank who have not exercised their dissenters' rights of the procedure for surrendering the certificates representing their Bank Stock and for receiving certificates representing their Holding Company Stock.

5. Covenants of the Bank. The Bank shall utilize its best efforts to take all actions necessary to consummate the Exchange, including, but not limited to, the following: (i) submitting this Agreement and the Exchange to the Bank's shareholders for their consideration and approval; (ii) soliciting proxies in connection with such meeting in favor of the Exchange; (iii) making all filings with any governmental agencies required to consummate the Exchange; and (iv) cooperating with the Holding Company in preparing and filing any required notices, applications or other filings with respect to the issuance of the Holding Company Stock in connection with the Exchange.

6. Certain Securities Matters.

A. The certificates representing shares of the Holding Company Stock to be issued in the Exchange pursuant to this Agreement shall bear a restrictive legend in substantially the following form:

"The shares of stock represented by this certificate are subject to certain restrictions with respect to the sale, transfer, pledge or other disposition of the shares and with respect to the manner in which the shares may be voted on certain matters, pursuant to the terms and conditions of a stockholders' agreement dated as of June 18, 1987, a copy of which is on file with the company and will be made available without charge upon request."

B. The certificates representing shares of the Holding Company Stock to be issued to affiliates of the Bank pursuant to this Agreement shall also bear a restrictive legend in substantially the following form:

"The shares represented by this certificate may not be sold, transferred or assigned, and the issuer may not be required to give effect to any attempted sale, transfer or assignment except: (i) pursuant to an effective registration statement under the Securities Act of 1933 (the "Act"); or (ii) in a transaction which, in the opinion of counsel satisfactory to the issuer, is not required to be registered under the Act."

7. Conditions of the Obligations of the Parties. The obligations of the parties to consummate the Exchange are subject to the fulfillment of each of the following conditions, any or all of which may be waived, either in whole or in part, by the parties hereto:

A. Each of the parties shall have performed all of its material obligations under this Agreement on or prior to the Effective Date.

B. There shall have been no material adverse change in the financial condition of the Bank or the Holding Company on or prior to the Effective Date.

C. The Bank and the Holding Company shall not be engaged in, or a party to or threatened with, any legal action or other proceeding or investigation before any court, arbitrator or government agency of any kind which, in the reasonable opinion of either of the parties, could adversely affect either the Bank or the Holding Company or their business or financial condition.

D. This Agreement and the Exchange shall have been approved and ratified by the affirmative vote of the holders of a majority of the outstanding shares of the Bank Stock, and all of the holders of Bank Stock who have not dissented from the terms of this Agreement and the Exchange shall have executed and delivered to the Bank a counterpart of the Shareholders' Agreement and a written consent to the Election on IRS Form 2553 or such other appropriate form as may have been designated by the IRS for such purpose.

E. The parties shall have received the opinion of counsel acceptable to them that the Exchange is a tax free transaction under Section 368 of the Internal Revenue Code and that no gain or loss will be recognized by any shareholder of the Bank Stock who receives Holding Company Stock in exchange for his or her shares of Bank Stock (other than shareholders who exercise their dissenters' rights).

F. All state securities and blue sky permits or approvals required (in the opinion of the parties) to carry out the transaction contemplated by this Agreement and the Exchange shall have been received.

G. All consents, approvals and permissions required by law to be received in connection with the Exchange, including the approval of the Board of Governors of the Federal Reserve System, shall have been received and shall be in effect, and all conditions

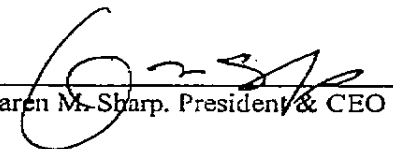
and requirements prescribed by law or by any such consent, approval or permission shall have been satisfied.

H. Holders of no more than thirty-five and 76/100 (35.76) shares of the Bank Stock shall have exercised their dissenters rights under Section 607.1320 of the Florida Business Corporation Act.

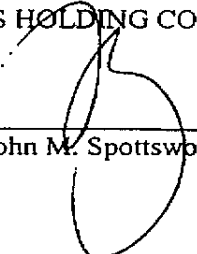
I. The Holding Company shall have obtained funds on terms acceptable to it in its sole discretion in an amount not more than \$1 million but not less than the aggregate amount required to pay (i) the fair value of shares of the Bank Stock owned by shareholders who exercise their dissenters' rights, and (ii) the expenses associated with the Exchange and the Election.

8. Termination of Agreement. This Agreement may be terminated at any time prior to, on or before the Effective Date as follows: (i) by mutual consent of the Board of Directors of the Bank and the Holding Company; or (ii) by either the Bank or the Holding Company if any conditions set forth in Section 7 of this Agreement have not been satisfied by June 30, 2009.
9. Construction. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof.
10. Amendment. This Agreement may be amended only by a written instrument signed by each party hereto.
11. IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

FIRST STATE BANK  
OF THE FLORIDA KEYS

By:   
Karen M. Sharp, President & CEO

FIRST STATE BANK OF THE FLORIDA  
KEYS HOLDING COMPANY

By:   
John M. Spottswood, Jr., Chairman