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J. THOMAS CARDWELL
COMMISSIONER

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MAILING ADDRESS: Division of Financial Institutions, 200 East Gaines Street, Tallahassee, FL 32399-0371
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August 13, 2010

VIA INTEROFFICE MAIL

Ms. Karen Gibson
Senior Section Administrator
Amendment Section
Florida Division of Corporations
Post Office Box 6327
Tallahassee, Florida 32314-6327

Dear Ms. Gibson:

Please file the enclosed amendment to the Articles of incorporation of Community Bank of Manatee, Lakewood Ranch, Florida, at your earliest convenience. The distribution of the certified copies should be made as follows:

- (1) Return one copy to: Division of Financial Institutions
Florida Office of Financial Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0371
- (2) Mail one copy to: Bowman Brown, Esq.
Shutts & Bowen, LLP
1500 Miami Center
201 South Biscayne Boulevard
Miami, Florida 33131

Also enclosed is a check in the amount of \$105.00 representing the filing and certified copy fees. If you have any questions, please do not hesitate to contact me.

Sincerely,

William A. Lott
Senior Management Analyst II
Bureau of Bank Regulation

WAL:lbl
Enclosures (7)

FINANCIAL SERVICES COMMISSION

CHARLIE CRIST
GOVERNOR

BILL MCCOLLUM
ATTORNEY
GENERAL

ALEX SINK
CHIEF FINANCIAL
OFFICER

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
COMMUNITY BANK OF MANATEE**

Pursuant to the Florida Business Corporation Act (the "Act"), **COMMUNITY BANK OF MANATEE**, a Florida banking corporation (the "Bank"), hereby adopts the following Articles of Amendment to its Articles of Incorporation:

A. Designation of Class E Convertible Non-Cumulative Perpetual Preferred Stock. The Bank certifies that pursuant to the authority contained in Article IV of its Restated Articles of Incorporation, and in accordance with the provisions of the Act, the Board of Directors of the Bank has adopted the following resolutions creating a class of its preferred stock, par value \$1.00 per share, designated as "Class E Convertible Non-Cumulative Perpetual Preferred Stock" (the "Class E Preferred"):

**DESIGNATION
OF
CLASS E PREFERRED STOCK**

RESOLVED, that a class of authorized preferred stock, par value \$1.00 per share, consisting of 10,000,000 shares of the Bank be hereby created, and that the designation thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such class, and the qualifications, limitations or restrictions thereof, as may be amended from time to time, are as follows:

1. DIVIDEND RIGHTS.

Holders of Class E Preferred shall be entitled to participate in any dividends and other distributions declared on the Common Stock on an as converted basis.

2. VOTING RIGHTS.

Except as otherwise provided herein or as required by law, the Class E Preferred shall be voted equally with the shares of the Common Stock of the Bank and not as a separate class, at any annual or special meeting of stockholders of the Bank, and may act by written consent in the same manner as the Common Stock, in either case upon the following basis: each holder of shares of Class E Preferred shall be entitled to such number of votes as shall be equal to the whole number of shares of Common Stock into which such holder's aggregate number of shares of Class E Preferred are convertible (pursuant to Section 4 hereof) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

3. LIQUIDATION RIGHTS.

(a) **Liquidation Preference.** Upon any liquidation, dissolution, or winding up of the Bank, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any other class of stock of the Bank ("Junior Stock"), the holders of Class E Preferred shall be entitled to be paid out of the assets of the Bank an amount per share of Class E Preferred equal to the original issue price of the Class E Preferred of \$1.00 per share (the "Original Issue Price") (as adjusted for any stock dividends, combinations, splits, recapitalization and the like with respect to such shares) for each share of Class E Preferred held by them (the "Liquidation Preference").

(b) **Distributions With Respect to Common Stock.** After the payment of the full Liquidation Preference of the Class E Preferred as set forth in Section 3(a) above, the remaining assets of the Bank legally available for distribution, if any, shall be distributed ratably to the holders of the Common Stock and Class E Preferred on an as-converted basis.

(c) **Deemed Liquidations.** The following events shall be considered a liquidation under this Section 3:

(i) Any consolidation or merger of the Bank with or into any other company or other entity or person, or any other corporate reorganization, in which the stockholders of the Bank immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Bank's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions to which the Bank is a party in which in excess of fifty percent (50%) of the Bank's voting power is transferred (an "Acquisition"); or

(ii) A sale, lease or other disposition of all or substantially all of the assets of the Bank (an "Asset Transfer");

(iii) If, upon any liquidation, distribution, or winding up, the assets of the Bank shall be insufficient to make payment in full to all holders of Class E Preferred of the Liquidation Preference set forth in Section 3(a), then such assets shall be distributed among the holders of Class E Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(iv) In any of such events, if the consideration received by the Bank is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined by the Board of Directors.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as determined by the Board of Directors.

4. **CONVERSION RIGHTS.**

The holders of the Class E Preferred shall have the following rights with respect to the conversion of the Class E Preferred into shares of Common Stock (the "Conversion Rights"):

(a) **Optional Conversion.** Subject to and in compliance with the provisions of this Section 4, any shares of Class E Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Class E Preferred shall be entitled upon conversion shall be the product obtained by multiplying the "Class E Preferred Conversion Rate" then in effect (determined as provided in Section 4(b)) by the number of shares of Class E Preferred being converted.

(b) **Class E Preferred Conversion Rate.** The conversion rate in effect at any time for conversion of the Class E Preferred (the "Class E Preferred Conversion Rate") shall be one (1) share of Common Stock for each share of the Class E Preferred, subject to adjustment from time to time as provided in this Section 4. All references to the Class E Preferred Conversion Rate herein shall mean the Class E Preferred Conversion Rate as so adjusted.

(c) **Mechanics of Conversion.** Each holder of Class E Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 4 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Bank or any transfer agent for the Class E Preferred, and shall give written notice to the Bank at such office that such holder elects to convert the same. Such notice shall state the number of shares of Class E Preferred being converted. Thereupon, the Bank shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Class E Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(d) **Adjustment for Stock Splits and Combinations.** If the Bank shall at any time or from time to time after the date that the first share of Class E Preferred is issued (the

"Original Issue Date") effect a subdivision of the outstanding Common Stock without a corresponding subdivision of the Preferred Stock, the Class E Preferred Conversion Rate in effect immediately before that subdivision shall be proportionately increased. Conversely, if the Bank shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of the Preferred Stock, the Class E Preferred Conversion Rate in effect immediately before the combination shall be proportionately decreased. Any adjustment under this Section 4(d) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(e) **Adjustment for Common Stock Dividends and Distributions.** If the Bank at any time or from time to time after the Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, in each such event the Class E Preferred Conversion Rate that is then in effect shall be increased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Class E Preferred Conversion Rate then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution, and the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; *provided, however*, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Class E Preferred Conversion Rate shall be recomputed accordingly as of the close of business on such record date and thereafter the Class E Preferred Conversion Rate shall be adjusted pursuant to this Section 4(e) to reflect the actual payment of such dividend or distribution.

(f) **Adjustment for Reclassification, Exchange and Substitution.** If at any time or from time to time after the Original Issue Date, the Common Stock issuable upon the conversion of the Class E Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than an Acquisition or Asset Transfer as defined in Section 3(c) or a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 4), in any such event each holder of Class E Preferred shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the maximum number of shares of Common Stock into which such shares of Class E Preferred could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(g) **Reorganizations, Mergers, Consolidations or Sales of Assets.** If at any time or from time to time after the Original Issue Date, there is a capital reorganization of the Common Stock (other than an Acquisition or Asset Transfer as defined in Section 3(c) or a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Section 4), as a part of such capital reorganization, provision shall be

made so that the holders of the Class E Preferred shall thereafter be entitled to receive upon conversion of the Class E Preferred the number of shares of stock or other securities or property of the Bank to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Class E Preferred after the capital reorganization to the end that the provisions of this Section 4 (including adjustment of the Class E Preferred Conversion Rate then in effect and the number of shares issuable upon conversion of the Class E Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(h) **Notices of Record Date.** Upon (i) any taking by the Bank of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3(c)) or other capital reorganization of the Bank, any reclassification or recapitalization of the capital stock of the Bank, any merger or consolidation of the Bank with or into any other company, or any Asset Transfer (as defined in Section 3(c)), or any voluntary or involuntary dissolution, liquidation or winding up of the Bank, the Bank shall mail to each holder of Class E Preferred at least twenty (20) days prior to the record date specified therein a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(i) **Fractional Shares.** No fractional shares of Common Stock shall be issued upon conversion of Class E Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Class E Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Bank shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Board of Directors) on the date of conversion.

(j) **Reservation of Stock Issuable Upon Conversion.** The Bank shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Class E Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Class E Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class E Preferred, the Bank will take such corporate action as may, in the opinion of its

counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(k) **Notices.** Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Bank.

(l) **Payment of Taxes.** The Bank will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Class E Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Class E Preferred so converted were registered.

(m) **No Dilution or Impairment.** Without the consent of the holders of then outstanding Class E Preferred as required under Section 2(b), the Bank shall not amend its Articles of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or take any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Bank, but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Class E Preferred against dilution or other impairment.

5. NO REISSUANCE OF CLASS E PREFERRED.

No share or shares of Class E Preferred acquired by the Bank by reason of redemption, purchase, conversion or otherwise shall be reissued.

B. Approval of Amendment. The Amendment was approved and adopted by all of the directors of the Bank on August 11, 2010. Shareholder approval was not required.

C. Effective Date of Amendment. The Amendment shall become effective on the date these Articles of Amendment are filed with the Department of State of the State of Florida.

[Signature Page Follows]

IN WITNESS WHEREOF, Community Bank of Manatee has caused these Articles of Amendment to be signed by the undersigned officer on this 11th day of August, 2010.

COMMUNITY BANK OF MANATEE

By: William H. Sedgeman, Jr.
William H. Sedgeman, Jr.
Chairman & Chief Executive Officer

STATE OF FLORIDA)
) SS:
COUNTY OF MANATEE)

The foregoing instrument was acknowledged before me this 11th day of August, 2010, by William H. Sedgeman, Jr., Chief Executive Officer, of Community Bank of Manatee, a Florida banking corporation, on behalf of the corporation.



Semone K. Andre
Printed Name: Semone K. Andre

My Commission expires: 1-16-2013

Personally Known ☒ or Produced Identification ☐
Type of Identification Produced: _____

APPROVAL

Approved by the Florida Office of Financial Regulation this 13th day of August, 2010.

David B. Chaney

Division of Financial Institutions
Office of Financial Regulation
By Delegated Authority