

003287

INTER-OFFICE  
COMMUNICATION

COMPTROLLER OF FLORIDA  
DIVISION OF BANKING

DATE: April 13, 2000

TO: Louise Flemming-Jackson, Department of State  
Division of Corporations

FROM: Bruce Ricca, Licensing and Chartering

SUBJ: Merger of Apalachicola State Interim Bank with and into Apalachicola  
State Bank and under the title of Apalachicola State Bank

Please file the attached "Merger Documents" for the above-referenced institutions,  
using APRIL 17, 2000, as the effective date.

Please make the following distribution of certified copies:

- (1) One copy to: Bruce Ricca  
Division of Banking  
101 East Gaines Street  
Fletcher Building, Suite 636  
Tallahassee, Florida 32399-0350
- (2) One copy to: Federal Reserve Bank of Atlanta  
104 Marietta Street, N.W.  
Post Office Box 1731  
Atlanta, Georgia 30303-1731
- (3) One copy to: Ms. Sam Lester  
Iglesias & Dougherty  
1501 Park Avenue East  
Tallahassee, Florida 32301

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Also attached is a check which represents payment of the filing fees, charter tax  
and certified copies. If you have any questions, please call 410-9528.

BR:mergeart

EFFECTIVE DATE  
4-17-2000

Merger  
LJF  
4-14-2000

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
00 APR 13 PM 3:54

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

APALACHICOLA STATE INTERIM BANK, a Florida corporation (Document  
#P00000037462

INTO

**APALACHICOLA STATE BANK**, a Florida entity, 003287

File date: April 13, 2000, effective April 17, 2000

Corporate Specialist: Louise Flemming-Jackson

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

APALACHICOLA STATE INTERIM BANK, a Florida corporation (Document  
#P00000037462

INTO

**APALACHICOLA STATE BANK**, a Florida entity, 003287

File date: April 13, 2000, effective April 17, 2000

Corporate Specialist: Louise Flemming-Jackson



ROBERT F. MILLIGAN  
COMPTROLLER OF FLORIDA

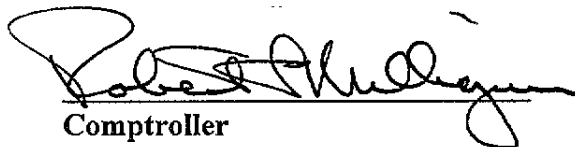
OFFICE OF COMPTROLLER  
DEPARTMENT OF BANKING AND FINANCE  
STATE OF FLORIDA  
TALLAHASSEE  
32399-0350

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS

00 APR 13 PM 3:53

Having given my approval on February 16, 2000, to merge Apalachicola State Interim Bank, Apalachicola, Franklin County, Florida, (a Successor Institution) and Apalachicola State Bank, Apalachicola, Franklin County, Florida, and being satisfied that the conditions of my approval have been met, I hereby approve for filing with the Department of State, the attached "Agreement and Plan of Reorganization", which contains the Articles of Incorporation of Apalachicola State Bank (the resulting bank), so that effective on April 17<sup>TH</sup>, 2000, they shall read as stated herein.

Signed on this 10<sup>TH</sup> day of  
April, 2000.

  
Comptroller

EFFECTIVE DATE  
4-17-2000

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS

00 APR 13 PM 3:53

## AGREEMENT AND PLAN OF REORGANIZATION

**THIS AGREEMENT AND PLAN OF REORGANIZATION** ("Agreement"), dated this 16<sup>th</sup> day of November 1999, is being entered into by and between Apalachicola State Bank, a state-chartered bank ("Bank"), Apalachicola State Banking Corporation, a Florida corporation and Apalachicola State Interim Bank, an interim state-chartered bank ("Interim").

The Board of Directors of the Bank have determined that it is in the best interest of the Bank and its shareholders for the Bank to be reorganized into a holding company form of ownership. The Bank has caused Apalachicola State Banking Corporation to be organized under Florida law for the purpose of becoming the parent holding company of the Bank. It is intended that the reorganization will be accomplished by causing Apalachicola State Banking Corporation to become the sole shareholder of the newly-formed Interim and then merging Interim into the Bank, so that as part of the merger, all of the outstanding shares of Common Stock of the Bank, will automatically be converted into and become the shares of Common Stock of Apalachicola State Banking Corporation, which would then become the sole shareholder of the Bank (the "Reorganization").

**NOW, THEREFORE**, the parties hereto, intending to be legally bound by this Agreement, agree to effect the Reorganization of the Bank into the holding company form of ownership in accordance with and subject to the terms and conditions set forth below.

### ARTICLE I

#### **Merger of Apalachicola State Interim Bank into Apalachicola State Bank and Related Matters**

**Section 1.1** On the Effective Date (as defined in Article V herein), Interim will be merged with and into the Bank and the Bank shall then be the "Resulting Bank" (the "Merger"), and the separate existence of Interim shall cease. All assets and property (real, personal and mixed, tangible and intangible, choses in action, rights and credits) then owned by Interim, or which would inure to it, shall immediately and automatically, by operation of law and without any conveyance, transfer, or further action, become the property of the Bank and shall be deemed to be a continuation of Interim. The Bank shall succeed to the rights and obligations of Interim. The Bank shall operate under its original Articles of Incorporation (Restated as of November 23, 1999), a copy of which is attached hereto as Exhibit A, under the name "Apalachicola State Bank".

**Section 1.2** Following the Merger, the existence of the Bank which will be the Resulting Bank, shall continue unaffected and unimpaired by the Merger, with all rights, privileges, immunities and powers, and subject to all the duties and liabilities, of a state chartered bank organized under Florida law, and the Restated Articles of Incorporation, a copy of which is attached hereto as Exhibit A, and Bylaws of the Bank as in effect on the Effective Date, shall continue in full force and effect.

**Section 1.3** From and after the Effective Date, and subject to the actions of the Board of Directors of the Bank the business presently conducted by the Bank will continue to be conducted by it, as a wholly-owned subsidiary. The then executive officers of the Bank will continue in the positions they currently hold until such time as the Board of Directors of the Bank determines otherwise.

The following is a list of the current Executive Officers:

<u>Name</u>	<u>Position with Apalachicola State Bank</u>
James V. Gander	Chairman of the Board
Barry E. Brynjolfsson	President/CEO
Mark Edenfield	Senior Vice President & Cashier/ Chief Financial Officer

**Section 1.4** On the Effective Date, the number of directors of the Bank as stated in its Articles of Incorporation, shall be not less than five (5). The directors set forth below shall serve as the interim directors of Apalachicola State Banking Corporation until the first Annual Meeting of Shareholders. On the Effective Date, the then Board of Directors of the Bank shall continue to serve as the Board of Directors of the Bank until such time as their successors have been elected and qualified. The names and resident addresses and of the interim directors of the holding company on this date are as follows:

<u>Name</u>	<u>Address</u>
James V. Gander, Chairman	P.O. Box 86 Apalachicola, Florida 32329
Barry E. Brynjolfsson	212 Avenue C. Apalachicola, Florida
Albert Bryant, Jr.	P.O. Box 543 Eastpoint, Florida 32328
Aaron Taylor	P.O. Box 605 Eastpoint, Florida 32328
Cleveland W. Randolph, Jr.	1174 Shipwatch Drive, East Jacksonville, Florida 32225
Leon Bloodworth	P.O. Box 684 Apalachicola, Florida 32329-0684
Vance Millender	P.O. Box 456 Carrabelle, Florida 32322
J. Gordon Shuler	100-21st Avenue Apalachicola, Florida 32320
J.V. "Jimmy" Gander, Jr.	1423 Bluff Road Apalachicola, Florida 32320

**Section 1.5** The home office of Apalachicola State Bank is located at 22 Avenue E, Apalachicola, Florida 32329-0370 and it shall continue to be the home office of the Bank from and after the Effective Date.

**Section 1.6** The Bank currently does not have trust powers and does not anticipate having trust powers at the Effective Date of the Reorganization.

## **ARTICLE II**

### **Conversion of Stock**

**Section 2.1** The manner and basis of converting the Common Stock of the parties to this Agreement shall be as follows:

A. On the Effective Date, all shares of Common Stock of Apalachicola State Banking Corporation held by the Bank shall be canceled and shall no longer be deemed to be issued or outstanding for any purpose.

B. On the Effective Date, except for those shares for which "dissenters' rights" are exercised, for each share of Common Stock, \$100 par value, of the Bank ("Bank Common Stock") issued and outstanding immediately prior to the Effective Date shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become one (1) share of fully paid and non-assessable Common Stock, par value of \$100 per share, of Apalachicola State Banking Corporation (Apalachicola State Banking Corporation "Common Stock"). From and after the Effective Date, each certificate which, prior to the Effective Date, represented shares of the Bank shall evidence ownership of Apalachicola State Banking Corporation on the basis set forth herein.

C. Each share of Common Stock of Interim issued and outstanding immediately prior to the Effective Date shall, on the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become one share of fully paid and non-assessable Common Stock, \$100 par value, of the Bank and shall not be further converted into shares of Apalachicola State Banking Corporation so that from and after the Effective Date, all of the issued and outstanding shares of Bank Common Stock shall be held by Apalachicola State Banking Corporation. From and after the Effective Date, each certificate, if any, which, prior to the Effective Date, represented shares of Interim, shall evidence ownership of the Bank on the basis hereinabove set forth. Upon completion of the Merger, all shareholders of the Bank will be shareholders of the holding company and will own the same proportion of stock in the holding company as they held in the Bank prior to completion of the Merger. Upon completion of the Merger, Interim will cease to exist and all Interim shares will be canceled, voided and have no effect.

D. At or prior to the Effective Date, the Bank shall designate or act as its own exchange agent to receive from the holders of the Bank stock certificates which immediately prior to the Effective Date represented Bank Common Stock and to exchange such certificates for certificates of Apalachicola State Banking Corporation Common Stock as heretofore provided. Promptly after the Effective Date, the Bank or the exchange agent shall mail to each record holder, as of the Effective Date, any outstanding certificate or certificates, which prior to the Effective Date represented shares of Bank Common Stock, a letter of transmittal (which shall specify how delivery shall be effected, and that risk of loss and title to such certificate or certificates shall pass only upon proper delivery of such certificate or

certificates, together with a properly executed letter of transmittal, to the Bank or the exchange agent at its address stated therein) and instructions for use in effecting the surrender of such certificate or certificates for exchange therefore. Upon surrender to the Bank or the exchange agent for such certificate or certificates, together with such properly executed letter of transmittal, the exchange agent shall exchange such certificate or certificates for stock certificates of Apalachicola State Banking Corporation Common Stock as provided herein. Until so surrendered, each such outstanding certificate which, prior to the Effective Date, represented shares of Bank Common Stock shall be deemed for all corporate purposes to evidence the ownership of the number of whole shares of Apalachicola State Banking Corporation Common Stock into which such shares of Bank Common Stock shall have been converted.

E. The conversion and exchange of shares of Bank Common Stock into shares of Apalachicola State Banking Corporation Common Stock, pursuant to this Article II, shall be in full satisfaction of all rights pertaining to the converted shares.

F. On the Effective Date, the holders of certificates formerly representing Bank Common Stock outstanding on the Effective Date shall cease to have any rights with respect to Bank Common Stock, and their sole rights shall be with respect to Apalachicola State Banking Corporation Common Stock into which their shares of Bank Common Stock shall have been converted as a result of the Merger.

G. No share of Bank Common Stock as to which dissenters' appraisal rights have been validly exercised and perfected and for which cash is payable pursuant to law (Dissenting Shares) shall be converted into the right to receive Apalachicola State Banking Corporation Common Stock. In lieu thereof, the holder of Dissenting Shares shall be entitled to payment in accordance with the applicable provisions of Section 658.44, *Florida Statutes*, (the Dissenter/Appraisal Statute) applicable to state-chartered banks. If any holder of Dissenting Shares shall effectively withdraw or lose his dissenter rights under the Dissenter/Appraisal Statute, such Dissenting Shares shall be converted into Apalachicola State Banking Corporation Common Stock in accordance with the provisions hereof. Dissenting Shares acquired by the Bank pursuant to payment shall be held by the Bank as authorized but unissued shares. This Agreement is subject to the condition that properly exercised dissenter shares shall not exceed more than 10% of the total number of shares outstanding or approximately 300 shares. Under the terms of this Plan, management may chose to honor up to 10% in dissenter shares in order to consummate the transaction. In order to remain a "well capitalized bank" under the FDIC rules, the Bank, subject to preemptive rights, intends to do a private placement offering or to borrow the necessary funds to provide sufficient capital to the Bank to pay for dissenter shares that are tendered.

### **ARTICLE III**

#### **Conditions**

**Section 3.1** The obligations of the Bank, Apalachicola State Banking Corporation, and Interim to effect the Merger and otherwise consummate the Reorganization, which are the subject matter hereof, shall be subject to satisfaction of the following conditions:

A. The approval of this Agreement by a majority of the outstanding shares of Bank Common Stock at a meeting of the shareholders of the Bank duly called at which a quorum is present.

B. Receipt of any and all approvals from The Florida Department of Banking and Finance ("Florida Department"), the Federal Reserve Board ("FRB"), and the Federal Deposit Insurance Corporation ("FDIC") and any other governmental agency having jurisdiction necessary for the lawful consummation of the Merger, and the issuance and delivery of Apalachicola State Banking Corporation Common Stock as contemplated by this Agreement.

C. Receipt of a ruling from the Internal Revenue Service or an opinion from its legal counsel that the Merger will be treated as a non-taxable transaction under Section 351 or other applicable provisions of the Internal Revenue Code of 1986, as amended, and that no gain or loss will be recognized by the Bank's shareholders upon the exchange of Bank Common Stock held by them solely for Apalachicola State Banking Corporation Common Stock.

D. Not more than 10% of the outstanding shares shall have exercised dissenter's rights as provided for in Section 2.1(H) herein.

#### **ARTICLE IV**

##### **Termination**

**Section 4.1** This Agreement may be terminated and the Merger need not be consummated at the election of any of the parties hereto at any time before the Effective Date, in the event that, for any reason, consummation of the holding company formation contemplated by this Agreement is inadvisable in the opinion of the Bank, Apalachicola State Banking Corporation, or Interim. Termination of this Agreement shall be effected by written notice by the terminating party to the other parties. Upon giving of such notice, this Agreement shall be terminated and there shall be no liability hereunder or on account of such termination on the part of the Bank, Apalachicola State Banking Corporation and/or Interim, or the directors, officers, employees, or agents of any of them.

**Section 4.2** In the event of termination of this Agreement, the Bank shall pay the fees and expenses incurred in connection with this Agreement and the proposed formation of a holding company.

#### **ARTICLE V**

##### **Effective Date of Merger**

**Section 5.1** Upon satisfaction or waiver (in accordance with the provisions of this Agreement) of each of the conditions set forth in Article III, the parties hereto shall execute and cause to be filed such certificates or further documents as are required under applicable law, rule or regulation with the Florida Department, the FRB and/or the FDIC and with such other federal and state regulatory agencies as may be required in order to effect the Merger provided for herein.

**Section 5.2** The date and time by which all of such filings are completed and accepted by the applicable agencies is referred to in this Agreement as the "Effective Date".

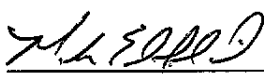
## **ARTICLE VI Miscellaneous**

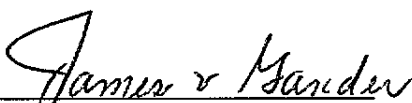
**Section 6.1** Any of the terms or conditions of this Agreement, which may legally be waived, may be waived at any time by any party hereto which is entitled to the benefit thereof, or any of such terms or conditions may be amended or modified in whole or in part at any time, to the extent authorized by applicable law, by an agreement in writing, executed in the same manner as this Agreement.

**Section 6.2** This Agreement shall be governed by and construed under Florida law, and where applicable, federal law.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement and Plan of Reorganization as of the date first above written.

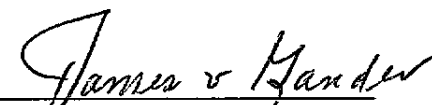
### **APALACHICOLA STATE BANK**

Attest:   
Mark Edenfield

By:   
James V. Gander  
Chairman of the Board

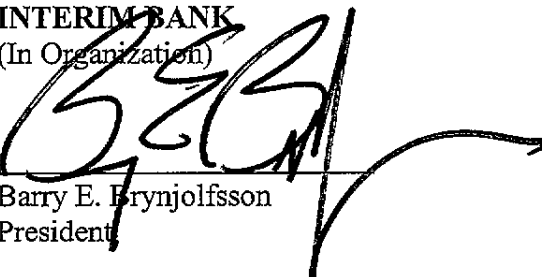
### **APALACHICOLA STATE BANKING CORPORATION**

Attest:   
Mark Edenfield

By:   
James V. Gander  
Chairman of the Board

### **APALACHICOLA STATE INTERIM BANK (In Organization)**

Attest:   
Mark Edenfield

By:   
Barry E. Brynjolfsson  
President



Department of State

I certify the attached is a true and correct copy of the Restated Articles of Incorporation, filed on November 23, 1999, for APALACHICOLA STATE BANK, a Florida corporation, as shown by the records of this office.

The document number of this corporation is 003287.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-fourth day of November, 1999



CR2EO22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State

**RESTATED  
ARTICLES OF INCORPORATION  
FOR  
APALACHICOLA STATE BANK**

FILED  
99 NOV 23 PM 4:29  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**ARTICLE I**

The name of this corporation shall be the Apalachicola State Bank; its principal place of business shall be in the city of Apalachicola, Franklin County, Florida.

**ARTICLE II**

The general nature of the business to be transacted, by the said corporation, shall be that of a general banking business, as provided by the laws of the State of Florida.

**ARTICLE III**

1. **Total Authorized Capital Stock.** The aggregate amount of the total authorized capital stock of this corporation is four hundred thousand and 00/100 dollars (\$400,000) of common stock to be divided into four thousand (4,000) shares of the par value of one hundred and 00/100 dollars (\$100) each.

2. **Stock Split.** Two thousand (2,000) shares of the common stock hereby authorized shall be issued to the shareholders of record as of the close of business on the date of this amendment, at the rate of two (2) shares for each share held. Each shareholder shall not surrender his or her existing shares (stock certificates).

3. **Sale of Additional Stock.** The additional one thousand (1,000) shares of common stock hereby authorized may be issued from time to time for such consideration as may be fixed by the Board of Directors. Each stockholder shall have a preemptive right to acquire a pro-rata share of the one thousand (1,000) shares of common stock hereby authorized. The Board of Directors may prescribe uniform terms and conditions for stockholders to exercise the right to purchase proportional amounts of the new stock upon the decision of the Board of Directors to issue them. A stockholder may waive his or her preemptive right to acquire new shares. Failure to exercise the preemptive right within the time set by the Board of Directors shall be a waiver of the right. Any unissued stock which is not sold to stockholders may be sold by the Board of Directors upon such terms and conditions as the Board of Directors may deem proper. Such stock may be issued from time to time without action by the stockholders, for such consideration as may be fixed from time to time by the Board of Directors, and shares so issued, the full consideration for which has been paid or delivered, shall be deemed fully paid stock and the holder of such shares shall not be liable for any further payment.

**ARTICLE IV**

The said corporation shall have perpetual duration and succession in its corporate name.

## ARTICLE V

(a) **Officers.** The business and affairs of this corporation shall be managed and conducted by a Board of not less than five nor more than twenty-five Directors as, from time to time, shall be determined by a majority of the votes to which all stockholders are, at the time, entitled, and by a President and one or more Vice Presidents and Cashier, who shall be elected by the Board of Directors, and such other officers and clerks as may be required to transact the business of the corporation, the President and Vice Presidents shall be from the Board of Directors; to fix the salaries to be paid to them and to continue them in office, or to dismiss them, as in the opinion of a majority of the Board, interests of the corporation may demand. The Board may designate a director in lieu of the President to be Chairman of the Board, who shall perform such duties as may be designated by the Board. The office of Vice President and Cashier may be combined in one and the same person.

(b) **Annual Meetings.** The annual meeting of the stockholders for the election of said Board of Directors shall be held at the place of the business of this corporation in the city of Apalachicola, and County of Franklin, in the State of Florida, on the third Tuesday of January in each year. The officers shall be elected by the Board of Directors at the same place, on the same day, and immediately after said Board of Directors shall be elected by the stockholders.

(c) **Powers of Board of Directors.** The Board of Directors shall have the power to define the duties of the officers and clerks of the corporation, to require bonds from them, and to fix the penalty thereof; to regulate the manner in which election of Directors shall be held, and to appoint judges of the elections; to make all by-laws that it may be proper for them to make, not inconsistent with law and this Charter, for the general regulation of the business of the corporation and the management of its affairs, and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform according to law and within the limits of this Charter.

## ARTICLE VI

The highest amount of indebtedness or liability to which this corporation shall at any time subject itself, shall be the amount of its capital stock, except on account of demands of the nature following:

**FIRST**, moneys deposited with or collected by the Bank. **SECOND**, bills of exchange or drafts drawn against money on deposit to the credit of the Bank, or due thereto. **THIRD**, liabilities of the stockholders of the Bank for dividends and reserve profits.

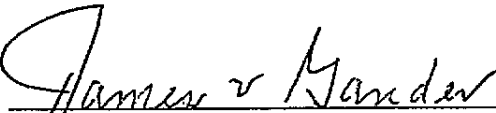
## ARTICLE VII

*Special Meetings of Stockholders.* Except as otherwise specifically provided by statute, special meetings of the stockholders may be called for any purpose at any time by the Board of Directors or by the holders of at least ten percent of the then outstanding shares of any class. Every such special meeting shall be called by mailing, not less than ten days before the time fixed for the meeting, to all stockholders of record entitled to act and vote at such meeting, at their respective addresses as shown on the books of the corporation, a notice stating the purpose of the meeting. Such notice may be waived in writing.


### CERTIFICATE OF RESTATEMENT

Pursuant to Section 607.1007, *Florida Statutes*, 1997, The undersigned certifies that this Restatement does not include any new amendments requiring shareholder action. These Restate Articles of Incorporation were adopted by the Board of Directors on November 16, 1999.

These duly adopted Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments to them.

  
James V. Gander, Chairman of the Board

November 16 1999  
Date

  
Mark Edenfield  
Secretary to the Board of Directors

November 16 1999  
Date

**APALACHICOLA STATE BANKING CORPORATION  
SOLE SHAREHOLDER APPROVAL CERTIFICATE**

Pursuant to Section 607.0704, Florida Statutes, the undersigned, Apalachicola State Banking Corporation, being the sole shareholder of its banking subsidiary, Apalachicola State Interim Bank, hereby in lieu of a meeting, consents to and approves the adoption of the Agreement and Plan of Merger for Apalachicola State Bank and Apalachicola State Interim Bank.

Apalachicola State Banking Corporation

Attest:

*M. L. Ellis* 1/15/00  
Date

*James V. Gander*  
James V. Gander  
Chairman of the Board of Directors

1/15/00  
Date

**WAIVER OF NOTICE OF ANNUAL MEETING OF  
APALACHICOLA STATE INTERIM BANK**

The undersigned, being the Acting President of the Board of Directors for Apalachicola State Interim Bank, ("Interim"), a Florida corporation, does hereby waive all notices of the time, place, and purposes of the annual meeting of the shareholders of the Interim and consents to the meeting being held at Apalachicola State Bank, 22 Avenue E, Apalachicola, Florida on Tuesday, January 18, 2000, at 10:00 a.m., Eastern Standard Time, to transact such business as may lawfully come before the meeting.

**Apalachicola State Interim Bank**

1/18/00  
Date

Mark Edenfield  
Mark Edenfield  
Acting President

**CERTIFICATE AND REPORT  
OF INSPECTOR OF ELECTION  
FOR  
APALACHICOLA STATE BANK  
ANNUAL MEETING OF SHAREHOLDERS  
JANUARY 18, 2000**

The undersigned duly appointed Inspector of Election of the Annual Meeting of Shareholders of Apalachicola State Bank does hereby certify that:

The Annual Meeting of Shareholders ("Annual Meeting") of Apalachicola State Bank was held at their main office, 22 Avenue E, Apalachicola, Florida, on January 18, 2000 at 10:00 a.m., Eastern Time.

There were 2672 votes entitled to be cast at the Annual Meeting, of which 1501 represents a majority.

The undersigned inspected the signed proxies and ballots used at the Annual Meeting and found the same to be in proper form. The following is a record of the votes cast as to the propositions, presented:

**PROPOSAL I.** To Elect the Directors slate for a one year term:

☒ FOR all nominees listed below except as marked to the contrary      ☐ WITHHOLD AUTHORITY to vote for all the nominees listed below

(Instruction: To withhold authority for any individual nominee, strike a line through the nominee's name in the list below.)

Leon R. Bloodworth  
Albert Bryant, Jr.  
Barry Brynjolfsson

J.V. Gander  
J.V. "Jimmy" Gander, Jr.  
Vance Millender

R.W. Randolph, Jr.  
J. Gordon Shuler  
Aaron Taylor

**PROPOSAL II.** The approval of the Agreement and Plan of Reorganization whereby (i) Apalachicola State Bank will become a wholly-owned subsidiary of Apalachicola State Banking Corporation ("Holding Company"), a Florida corporation, and (ii) all of the outstanding shares of Apalachicola State Bank common stock will be converted, on a one-for-one basis, into outstanding shares of common stock, \$100.00 par value per share, of the Holding Company.

**FOR**

**WITHHELD**

**AGAINST**

2657

15

0

Trina H Siprell  
Name Typed or Printed  
Commission Number: CC671475

APALACHICOLA STATE BANK  
APALACHICOLA, FLORIDA

OATH OF INSPECTOR OF ELECTION

The undersigned Inspector of Election, having been appointed to act at the Meeting of Shareholders of Apalachicola State Bank, held this 18th day of January, 2000, do solemnly swear that I will fairly and to the best of my abilities perform my duties in connection with the matters to come before the Meeting and all other matters required of me. Furthermore, I will faithfully and with strict impartiality examine and pass upon the validity of the proxies submitted to the Board of Directors as the Bank's Proxy Committee, canvas the votes cast at such Meeting in person or by proxy, and truthfully and accurately report the results thereof.

Inspector of Election

Despina George  
Signed

Despina George  
Print or type name

Sworn to and subscribed before me this 18th day of January, 2000, by Despina George personally known to me.

Trina R. Siprell  
Notary Public

Trina R. Siprell  
Name Typed or Printed  
Commission Number: CC671472  
Expires: 8/12/01

(SEAL)



Trina R. Siprell  
MY COMMISSION # CC671472 EXPIRES  
August 12, 2001  
BONDED THRU TROY FAIR INSURANCE, INC.