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INTER-OFFICE
COMMUNICATION

COMPTROLLER OF FLORIDA
DIVISION OF BANKING

DATE: February 18, 2000

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

FROM: Bruce Ricca, Licensing and Chartering

SUBJ: Merger of Southern Exchange Bank with and into Columbia Bank
and under the title of Southern Exchange Bank

FILED
00 FEB 21 AM 8:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Please file the attached "Merger Documents" for the above-referenced institutions, using 8:30, a.m., FEBRUARY 21, 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

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-02/21/00-01004--010
****102.25 *****96.25

(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:

Mr. Richard L. Weatherby
Southern Exchange Bank
4401 West Kennedy Boulevard, Suite 200
Tampa, Florida 33609

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

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merger

2/21/00

SD

ARTICLES OF MERGER
Merger Sheet

MERGING:

§
SOUTHERN EXCHANGE BANK, a Florida corporation, J95409

INTO

COLUMBIA BANK which changed its name to

SOUTHERN EXCHANGE BANK, a Florida entity, 012294

File date: February 21, 2000

Corporate Specialist: Susan Payne



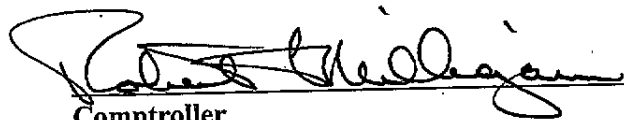
ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

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

FILED
00 FEB 21 AM 8:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Having given my approval on December 30, 1999, to merge Southern Exchange Bank, Tampa, Hillsborough County, Florida, with and into Columbia Bank, Tampa, Hillsborough County, Florida, with the resulting name of Southern Exchange Bank, and being satisfied that the conditions of my approval have been met, I hereby approve for filing with the Department of State, the attached "Plan of Merger", which contains the Articles of Incorporation of Southern Exchange Bank (the resulting bank), so that effective at 8:30 a.m., Eastern Time, February 21ST, 2000, they shall read as stated herein.

Signed on this 18TH day of January, 2000.


Comptroller

Columbia Bank

Shareholder Action Through Written Consent In Lieu of Special Meeting

The undersigned, being at all relevant times the sole shareholder of Columbia Bank, a Florida-chartered state bank (the "Bank"), hereby takes the following action and adopts the following resolutions without a meeting and by unanimous written consent pursuant to Sections 607.0704 and 658.44 of the Florida Statutes to have the same force and effect as if unanimously taken and adopted at a special meeting of the shareholders of the Bank:

Action of Sole Shareholder:

WHEREAS, the sole shareholder deems it advisable for, and in the best interests of, the Bank to combine with Southern Exchange Bank, a Florida-chartered state bank, by means of a merger of Southern Exchange Bank with and into the Bank under the charter of the Bank and with the resulting name of "Southern Exchange Bank."

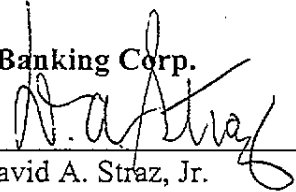
NOW, THEREFORE, BE IT RESOLVED, that the Plan of Merger dated October 27, 1999 providing for the merger of Southern Exchange Bank with and into this Bank, is hereby adopted and approved;

FURTHER RESOLVED, that all lawful actions heretofore taken by the directors, officers, employees and agents of the Bank in the name and on behalf of the Bank in furtherance of the transactions contemplated by the Plan of Merger are hereby ratified, confirmed and approved in all respects, which actions include without limitation: the filing of regulatory approval applications with appropriate federal and state regulatory agencies; the calling and conduct of a Bank shareholder meeting or unanimous consent to consider and approve the Plan of Merger and the transactions contemplated thereby; and the execution and delivery of such further certificates, applications, notices and other documents and instruments as may be deemed necessary or appropriate to effect the transactions contemplated by the Plan of Merger.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 5th day of January, 2000, to be filed as part of the minutes of the Bank.

Charter Banking Corp.

By: _____


David A. Straz, Jr.
President

Southern Exchange Bank

**Shareholder Action Through Written Consent
In Lieu of Special Meeting**

The undersigned, being at all relevant times the sole shareholder of Southern Exchange Bank, a Florida-chartered state bank (the "Bank"), hereby takes the following action and adopts the following resolutions without a meeting and by unanimous written consent pursuant to Sections 607.0704 and 658.44 of the Florida Statutes to have the same force and effect as if unanimously taken and adopted at a special meeting of the shareholders of the Bank:

Action of Sole Shareholder:

WHEREAS, the sole shareholder deems it advisable for, and in the best interests of, the Bank to combine with Columbia Bank, a Florida-chartered state bank, by means of a merger of the Bank with and into Columbia Bank under the charter of Columbia Bank and with the resulting name of "Southern Exchange Bank."

NOW, THEREFORE, BE IT RESOLVED, that the Plan of Merger dated October 27, 1999 providing for the merger of this Bank with and into Columbia Bank, is hereby adopted and approved;

FURTHER RESOLVED, that all lawful actions heretofore taken by the directors, officers, employees and agents of the Bank in the name and on behalf of the Bank in furtherance of the transactions contemplated by the Plan of Merger are hereby ratified, confirmed and approved in all respects, which actions include without limitation: the filing of regulatory approval applications with appropriate federal and state regulatory agencies; the calling and conduct of a Bank shareholder meeting or unanimous consent to consider and approve the Plan of Merger and the transactions contemplated thereby; and the execution and delivery of such further certificates, applications, notices and other documents and instruments as may be deemed necessary or appropriate to effect the transactions contemplated by the Plan of Merger.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 5th day of January, 2000, to be filed as part of the minutes of the Bank.

Charter Banking Corp

By: _____

David A. Straz, Jr.
President

RECEIVED
COMPTROLLER'S OFFICE
2000 JAN 26 PM 1:53
CASHIER'S OFFICE

FILED
00 FEB 21 AM 8:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

PLAN OF MERGER

SOUTHERN EXCHANGE BANK
with and into
COLUMBIA BANK
under the charter of
COLUMBIA BANK
under the title of
SOUTHERN EXCHANGE BANK
(Resulting Bank)

Effective Time of Merger: February 21, 2000 at 8:30 a.m. Eastern Time

This PLAN OF MERGER is made between:

Southern Exchange Bank (hereinafter referred to as "SEB"), a financial institution organized under the laws of the State of Florida, with its main office located at Old Hyde Park Village, 1901 West Swann Avenue, Tampa, Florida 33601, County of Hillsborough, in the State of Florida, and eight branch offices located at 3117 W. Columbus Drive, Tampa, Florida 33607, 18395 Gulf Boulevard, Indian Shores, Florida 33785, 4105 Gulf Boulevard, St. Pete Beach, Florida 33706, 4427 West Kennedy Boulevard, Tampa, Florida 33609, 405 North Westshore Blvd., Tampa, Florida 33609, 1921 S. Dale Mabry Highway, Tampa, Florida 33629, 8603 W. Hillsborough Avenue, Tampa, Florida 33615, and 8809 Waters Avenue, Tampa, Florida 33615, with Total Capital Accounts of \$18.9 million, divided into 3,033,119 shares of Capital Stock, each with \$1.00 par value, Surplus of \$10.4, and Undivided Profit of \$5.4 million as of June 30, 1999,

and

Columbia Bank (hereinafter referred to as "Columbia"), a financial institution organized under the laws of the State of Florida, with its main office located at 2028 East 7th Avenue, Tampa, Florida 33605, County of Hillsborough, in the State of Florida, and four branch offices located at 2001 Adamo Drive, Tampa, Florida 33605, 1020 N. Highway 41, Ruskin, Florida, 11710 State Road 574, Seffner, Florida 33584 and 3402 Lithia Pinecrest Road, Valrico, Florida 33594, with Total Capital Accounts of \$7.2 million, divided into 113 shares of Capital Stock, each with \$100.00 par value, Surplus of \$3.0 million, and Undivided Profits of \$4.2 million as of June 30, 1999,

each acting pursuant to a resolution of its Board of Directors, adopted by the vote of a majority of its directors, pursuant to the authority given in accordance with the provisions of Section 658.40 through 658.45, Florida Statutes, witnesseth as follows:

SECTION 1.

Southern Exchange Bank shall be merged into Columbia Bank under the charter of Columbia Bank.

SECTION 2.

The name of the Resulting Bank shall be "Southern Exchange Bank". The Resulting Bank will not exercise trust powers.

SECTION 3.

The business of the Resulting Bank shall be that of a general commercial banking business. The business shall be conducted by the Resulting Bank at its main office which shall be located at 4427 West Kennedy Blvd., Tampa, Florida 33623, Hillsborough County, and at each existing and proposed branch office as set forth on Appendix 2 hereto and made a part hereof.

SECTION 4.

The amount of Total Capital Accounts of the Resulting Bank, after giving effect to the acquisition of Columbia by Charter and the use of push down accounting, shall be \$36.2 million divided into 229 shares of Capital Stock, each with \$100 par value, and at the time the merger shall become effective, the Resulting Bank shall have a Surplus of \$15.8 million, and Undivided Profits of \$20.4 million, which when combined with the capital stock and surplus will equal to the combined total capital accounts of all of the merging or constituent financial institutions as stated in the preamble of this agreement, adjusted, however for normal earnings and expenses between June 30, 1999, and the effective time of the merger and other distributions and payments permitted by this Plan of Merger.

SECTION 5.

All assets of SEB, as they exist at the effective time of the merger shall pass to and vest in the Resulting Bank without any conveyance or other transfer; and the Resulting Bank shall be considered the same business and corporate entity as each constituent financial institution with all the rights, powers, and duties of each constituent financial institution and the Resulting Bank shall be responsible for all the liabilities of every kind and description, including liabilities arising out of the operation of a Trust Department, of each of the financial institutions existing as of the effective time of the merger.

SECTION 6.

SEB shall contribute to the Resulting Bank acceptable assets having a book value, over and above its liability to its creditors, of at least \$18.0 million, and having an estimated (by SEB) fair value as shown on the books of the financial institution over and above its liability to its creditors, of at least \$20.7 million, or 9.7% of the estimated fair value of the excess acceptable assets, over and above liabilities to creditors, of the Resulting Bank, adjusted, however, for normal earnings and expenses between June 30, 1999, and the effective time of the merger, and for allowance of cash payments, if any, permitted under this agreement. The difference between the book value and the estimated fair value of assets to be contributed by SEB is primarily made

up as follows: appreciation in real property (\$3.0 million) offset by declines in market value of securities (\$272,000).

At the effective time of the merger, and giving effect to the acquisition of Columbia by Charter Banking Corp. ("Charter"), which will be effected prior to this Merger and the use of push down accounting, and based upon pro forma financial information provided by Charter, Columbia shall have on hand acceptable assets having a book value of at least \$18.0 million, over and above its liability to its creditors, and having a fair value, over and above its liability to its creditors, of at least \$18.0 million, or 0% of the estimated fair value of excess acceptable assets, over and above liabilities to creditors, of the Resulting Bank, adjusted, however, for normal earnings and expenses between June 30, 1999, and the effective time of the merger, and for allowance of cash payments, if any, permitted under this agreement. There is no difference between the book and fair value of excess acceptable assets because of the effects of push down accounting.

SECTION 7.

At the Effective Time, and without any further action on the part of the holders thereof:

- (a) Except for any Dissenting Shares (as defined below), each share of Columbia Common Stock shall remain outstanding and be one share of Common Stock, \$100 par value, of the Resulting Bank.
- (b) Except for any Dissenting Shares, each share of SEB Common Stock shall be converted into four (4) shares of Common Stock, \$100 par value, of the Resulting Bank, assuming the prior completion of a 1-for-100,000 reverse stock split prior to the Merger. In the event the reverse stock split is not consummated prior to the Merger, except for any dissenting shares, each share of SEB Common Stock shall be converted into 0.00004 shares of Common Stock, \$100 par value, of the Resulting Bank.
- (c) As a result of the foregoing, except for differences created by any Dissenting Shares, after the merger 50.7% of the capital stock of the Resulting Bank will be issued in respect of former shares of SEB Common Stock and 49.3% of the capital stock of the Resulting Bank will be issued in respect of shares of Columbia Common Stock.
- (d) "Dissenting Shares" shall mean each outstanding share of common stock as to which the holder has perfected dissenters' rights pursuant to the Florida Banking Code. Each holder of Dissenting Shares who becomes entitled by law to be paid the value thereof shall receive payment therefor, but only after the amount thereof shall have been finally determined pursuant to the aforementioned statutory provisions or agreed upon by written agreement satisfactory to the Resulting Bank.
- (e) With respect to any interest in a fraction of one share of Resulting Bank Common Stock, no stock certificates or scrip shall be issued, and stockholders entitled to receive fractional interests shall not acquire with respect thereto any rights of a shareholder of Resulting Bank, including the right to receive dividends or other distributions, to vote, or otherwise. In lieu of any such fractional interest, Resulting Bank shall pay to each such shareholder who otherwise would be entitled to receive a fractional share of Resulting Bank Common Stock an amount of cash determined by multiplying the fraction of one share of Resulting Bank Common Stock to which such holder would otherwise be entitled by \$158,271.

SECTION 8.

The shares of the Resulting Bank which are not taken by dissenting shareholders of constituent financial institutions shall be sold to Charter Banking Corp. for cash in the amount of the book value of such shares as then appears on the books and records of the Resulting Bank. (Because Columbia will be wholly-owned by Charter prior to the Merger, it is not expected that there will be dissenting shareholders who would be entitled to receive shares.)

SECTION 9.

The owners of shares which voted against the approval of the merger shall be entitled to receive their value in cash, if and when the merger becomes effective. The value of such shares of the above named constituent state financial institutions shall be determined in accordance with Section 658.44, Florida Statutes.

SECTION 10.

Neither of the financial institutions shall declare or pay any dividend to its shareholders between the date of this Plan of Merger and the time at which the merger shall become effective, nor dispose of any of its assets in any other manner except in the normal course of business and for adequate value. Prior to the merger, Southern Exchange Bank may effect a reverse stock split in which each share of its common stock is converted into a fraction of a share of its common stock, and in which persons who thereafter would hold less than a full share of common stock shall receive cash in lieu of the fractional share interests.

SECTION 11.

The persons named on Appendix 3 attached hereto and made a part hereof shall serve as the Board of Directors and executive officers of the Resulting Bank until the next annual meeting of shareholders or until such time as their successors have been elected and have qualified.

SECTION 12.

This plan of merger may be terminated by the unilateral action of the Board of Directors of any constituent financial institution prior to the approval of the stockholders of the said constituent financial institution or by the mutual consent of the Boards of all constituent financial institutions after the shareholders of the constituent financial institution have ratified this agreement and approved the merger. Since time is of the essence to this agreement, if for any reason the transaction shall not have been consummated by March 31, 2000, or in the event the condition set forth in Section 14(d) hereof shall not have been met by February 15, 2000, this agreement shall terminate automatically as of that date unless extended in writing prior to said date by mutual action of the Boards of Directors of the constituent financial institutions.

SECTION 13.

This plan of merger shall be ratified and confirmed by the affirmative vote of the shareholders of each of the financial institutions owning at least a majority of its capital stock outstanding, at a meeting to be held on the call of the Directors or as otherwise provided by the bylaws, and the merger shall become effective at the time specified in a Certificate to be issued by the Comptroller of Florida, pursuant to 658.45, Florida Statutes, under the seal of his office, approving the merger.

SECTION 14.

This agreement is also subject to the following terms and conditions:

(a) The Florida Department of Banking and Finance shall have approved this Plan of Merger and shall have issued all other necessary authorizations and approvals for the merger, including a Certificate of Merger.

(b) The appropriate federal regulatory agency(ies) shall have approved the merger and shall have issued all other necessary authorizations and approvals for the merger, and any statutory waiting period shall have expired.

(c) The SEB reverse stock split referred to in Section 10 above shall have occurred.

(d) The prior acquisition of all outstanding shares of Columbia by Charter Banking Corporation under the Stock Purchase Agreement dated as of August 22, 1999 shall have been consummated.

SECTION 15.

Effective as of the time this merger shall become effective as specified in the "Certificate of Merger" to be issued by the Comptroller of Florida, the Articles of Incorporation of the Resulting Bank shall read as set forth on Appendix 1 attached hereto and made a part hereof.

WITNESS the signatures and seals of said constituent financial institutions this ^{October} 27 day of September, 1999, each hereunto set by its President and attested by its Cashier, pursuant to a resolution of its Board of Directors, acting by a majority thereof, and witness the signatures hereto of a majority of each of said Boards of Directors.

SOUTHERN EXCHANGE BANK

By [Signature]
Richard L. Weatherby, President

Attest: [Signature]
Kerry M. Westbrook, Cashier

Directors of Southern Exchange Bank:

[Signature]
David A. Straz, Jr.

[Signature]
Richard L. Weatherby

(Seal of Financial
Institution)

[Signature]
Stephanie M. Chapman

[Signature]
Bernell D. Gardner

[Signature]
William A. Gillen, Jr.

Fredric R. Le Varge retired from the bank
on September 22, 1999.

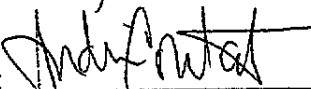
[Signature]
Frederic R. LeVarge

[Signature]
Henry W. Meiser

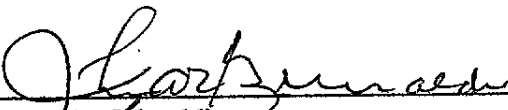
[Signature]
Jack L. Romano

COLUMBIA BANK

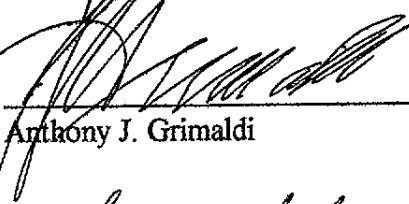
By 
John A.R. Grimaldi, President


Attest: 
Andria Contat, Cashier


Directors of Columbia Bank


John A.R. Grimaldi

(Seal of Financial
Institution)


Anthony J. Grimaldi


Stella G. Lopez


A.J. Grimaldi, II


Anita K. Beck


Christina E. Ford

APPENDIX 1

ARTICLES OF INCORPORATION OF THE SURVIVING BANK

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF

COLUMBIA BANK among other things changing its name to SOUTHERN EXCHANGE BANK

ARTICLE I

The name of the corporation shall be Southern Exchange Bank. Its main office shall be at 4427 West Kennedy Blvd., in the City of Tampa, in the County of Hillsborough and State of Florida.

ARTICLE II

The general nature of the business to be transacted by this corporation shall be: That of a general commercial banking business with all the rights, powers and privileges granted and conferred by the laws of the Florida Banking Code, regulating the organization, powers and management of banking corporations.

ARTICLE III

The total number of shares authorized to be issued by the corporation shall be two hundred fifty (250), the par value of which shall be one hundred dollars (\$100.00) each.

ARTICLE IV

The term for which said corporation shall exist shall be perpetual unless terminated pursuant to the Florida Banking Code.

ARTICLE V

The board of directors of the corporation shall consist of at least five (5) directors and the directors shall be elected, unless appointed to fill a vacancy, at the annual meeting of stockholders or at a special meeting; however, a majority of the full board of directors may, at any time during the year following the annual meeting of shareholders in which such action has been authorized, increase the number of directors by not more than two and appoint persons to fill the resulting vacancies. The board of directors at the time these Amended and Restated Articles of Incorporation become effective shall consist of the persons listed on Exhibit 1 attached hereto.

Exhibit 1

Directors of Southern Exchange Bank

David A. Straz, Jr.

Richard L. Weatherby

Stephanie M. Chapman

Bernell D. Gardner

William A. Gillen, Jr.

John A.R. Grimaldi

Henry W. Meister

Jack L. Romano

APPENDIX 2

OFFICE LOCATIONS OF SURVIVING BANK

Main Office:

4427 West Kennedy Boulevard
Tampa FL 33609

Branches:

1901 West Swann Avenue
Tampa FL 33601

3117 W. Columbus Drive
Tampa FL 33607

18395 Gulf Boulevard
Indian Shores FL 33785

4105 Gulf Boulevard
St. Pete Beach FL 33706

405 North Westshore Boulevard
Tampa FL 33609

1921 S. Dale Mabry Highway
Tampa FL 33629

8603 W. Hillsborough Avenue
Tampa FL 33615

8809 Waters Avenue
Tampa FL 33615

2028 East 7th Avenue
Tampa FL 33605

2001 Adamo Drive
Tampa FL 33605

3402 Lithia Pinecrest Road
Valrico FL 33594

1020 North US Highway 41
Ruskin FL 33570

11710 State Road 574
Seffner FL 33570

APPENDIX 3

DIRECTORS AND EXECUTIVE OFFICERS OF THE SURVIVING BANK

<u>Name</u>	<u>Residence Address</u>	<u>Position(s) with the Surviving Bank</u>
David A. Straz, Jr.	4805 Swann Avenue Tampa FL 33609	Chairman of the Board and Director
Richard L. Weatherby	12014 Brewster Drive, Tampa FL 33626	President, CEO and Director
Kerry M. Westbrook	8123 127th Street North, Seminole FL 33776	Senior Vice President and Cashier
Richard L. Callihan	2807 Haverhill Drive, Clearwater FL 33761	Senior Vice President
Christina E. Ford	2812 Pemberton Creek Drive, Seffner FL 33584	Senior Vice President and CFO
Sharon S. Hunt	4514 Clewis Avenue, Tampa FL 33610	Senior Vice President
Stephanie M. Chapman	2413 Jetton Avenue Tampa FL 33629	Director
Bernell D. Gardner	1002 Taray DeAvila, Tampa FL 33613	Director
William A. Gillen, Jr.	712 S. Newport Avenue, Tampa FL 33606	Director
John A.R. Grimaldi	52 Martinique Tampa FL 33606	Director
Henry W. Meister	3123 Moss Vale Lane Tampa FL 33618	Director
Jack L. Romano	5021 Shore Crest Circle, Tampa FL 33609	Director