

305557

Merger

Filed 5-31-85, eff. 6-1-85

30 pgs.

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Charles H. Oels

305557

VALIDATION ONLY

Requestor's Name

Susan H. Davis

Address

Akerman, Senterfitt & Eidson  
Post Office Box 1794

City Tallahassee State Florida ZIP 32302 Phone 225-7091

CORPORATION(S) NAME

Hernando Banking Corporation with and into Sun Banks, Inc.

6/1/85

( ) PROFIT ( ) NON-PROFIT ( ) AMENDMENT ( X ) MERGER

( ) FOREIGN ( ) DISSOLUTION ( ) MARK

( ) LIMITED PARTNERSHIP ( ) ANNUAL REPORT ( ) RESERVATION  
( ) REINSTATEMENT ( ) OTHER

( ) CERTIFIED COPY ( ) PHOTO COPIES ( ) CERTIFICATE UNDER SEAL

( X ) WALK IN ( ) WILL WAIT ( ) PICK UP ( ) MAIL OUT ( ) CALL ( ) AFTER 4:30

Name  
Availability 5/31/85  
Document  
Examiner ADH  
Updater ADH  
Verifier ADH  
Acknowledgment ADH  
W.P. Verifier ADH

T. TAX \_\_\_\_\_  
FILING 30  
N. AGENT FEE \_\_\_\_\_  
C. COPY (10) 150 Thank you,  
TOTAL 180 Susan H. Davis/als  
N. BANK \_\_\_\_\_  
BALANCE DUE Susan H. Davis  
REFUND \_\_\_\_\_

MERGER

HERNANDO BANKING CORPORATION

CHARTER # F49645

merging into

SUN BANKS, INC.

Charter # 305557 (surviving)

Filing date: May 31, 1985

Effective date: June 1, 1985

305557

ALLERMAN, SENTERFITT & EIDSON

ATTORNEYS AT LAW

ONE BUILDING  
FIRST FLOOR  
TALLAHASSEE, FLORIDA 32301  
PHONE 944-1000  
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May 31, 1985

copy to Orlando

HAND DELIVERY

Corporate Records Bureau  
Division of Corporations  
Department of State  
Post Office Box 6327  
Tallahassee, Florida 32301

Re: Articles of Merger relating to the merger of  
Hernando Banking Corporation with and into  
Sun Banks, Inc.

Dear Sirs:

Please find enclosed the following documents relating  
to the captioned matter:

1. Original Articles of Merger submitted for filing.
2. Our check in the amount of \$180.00 for the following:

Filing Fee	\$ 30.00
Ten (10) Certified Copies of Articles of Merger	<u>\$150.00</u>
	\$180.00

3. Ten (10) photocopies of the executed Articles of  
Merger.

Please file the Articles of Merger and return to me  
ten (10) certified copies of the Articles. Should you have  
any questions, please call me immediately.

Very truly yours,

*Susan*  
Susan D. Tassell, Paralegal

/tmt  
Enclosures

cc: John P. Greeley, Esq. (w/o encls.)

6/1/85

ARTICLES OF MERGER  
OF  
HERNANDO BANKING CORPORATION INTO SUN BANKS, INC.

Pursuant to the provisions of Section 607.224 of the Florida General Corporation Act (the "Act"), Sun Banks, Inc., a Florida corporation, and Hernando Banking Corporation, a Florida corporation, do hereby adopt the following Articles of Merger:

FIRST: The names of the corporations which are parties to the merger (the "Merger") contemplated by these Articles of Merger are Sun Banks, Inc. and Hernando Banking Corporation. The surviving corporation in the Merger is Sun Banks, Inc.

SECOND: The plan of merger is set forth in the Merger Agreement by and between Sun Banks, Inc. and Hernando Banking Corporation, dated as of September 6, 1984 and as amended by Amendment No. 1 dated March 1, 1985 (collectively, the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Composite Exhibit A (pages 3 through 26) and made a part hereof by reference as if fully set forth herein.

THIRD: The Merger Agreement was adopted by the shareholders of Hernando Banking Corporation at a special meeting held on April 30, 1985. The Merger Agreement was adopted by Sun Banks, Inc. by action of its board of directors and without a vote of its shareholders, pursuant to Section 607.221(4) of the Act, on August 24, 1984.

FOURTH: The Merger shall become effective at 12:01 A.M., Orlando, Florida time, on June 1, 1985, in accordance with the provisions of Section 607.231(2) of the Act.

IN WITNESS WHEREOF, the parties have caused these Articles  
of Merger to be executed as of this 30th day of May, 1985.

SUN BANKS, INC.

By: [Signature]  
Joel R. Wells, Jr. President  
and Chief Executive Officer

By: [Signature]  
Sandra E. Pricher, Secretary

HERNANDO BANKING CORPORATION

By: [Signature]  
James H. Kimbrough, President  
and Chief Executive Officer

By: [Signature]  
E.E. Wever, Jr., Secretary  
and Treasurer

STATE OF FLORIDA

COUNTY OF ORANGE

I HEREBY CERTIFY that on this day, before me, an officer  
duly authorized to take acknowledgments, personally appeared Joel  
R. Wells, Jr., well known to me to be the President and Chief  
Executive Officer of Sun Banks, Inc., one of the corporations  
named in the foregoing instrument, and that he acknowledged  
executing the same, freely and voluntarily under the authority  
duly vested in him by said corporation.

WITNESS, my hand and official seal in the County and State  
last aforesaid this 30th day of May, 1985.

(NOTARIAL SEAL)

[Signature]  
Notary Public

My Commission Expires:

February 20, 1989

STATE OF FLORIDA

COUNTY OF ORANGE

I HEREBY CERTIFY that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared James H. Kimbrough, well known to be to be the President and Chief Executive Officer of Hernando Banking Corporation, one of the corporations named in the foregoing instrument, and that he acknowledged executing the same, freely and voluntarily under the authority duly vested in him by said corporation.

WITNESS, my hand and official seal in the County and State last aforesaid this 30th day of May, 1985.

  
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

*February 30, 1989*

**MERGER AGREEMENT**

between

**SUN BANKS, INC.**

and

**HERNANDO BANKING CORPORATION**

**September 6, 1984**

-4-

**Composite Exhibit "A"**



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MERGER AGREEMENT

THIS MERGER AGREEMENT ("Merger Agreement"), dated as of the 6th day of September, 1984, by and between SUN BANKS, INC., a Florida corporation ("Sun"), and HERNANDO BANKING CORPORATION, a Florida corporation ("HBC"), Sun and HBC being hereinafter sometimes referred to collectively as the "Constituent Corporations."

W I T N E S S E I H

WHEREAS, Sun is a corporation organized and existing under the laws of the State of Florida that is registered as a bank holding company pursuant to the Bank Holding Company Act of 1956, as amended (the "BHC Act"), the authorized capital stock of which consists of 5,000,000 shares of preferred stock, no par value (the "Sun Preferred Stock"), of which, as of September 6, 1984, no shares were issued and outstanding, and 50,000,000 shares of common stock, par value \$2.50 per share (the "Sun Common Stock"), of which, as of August 31, 1984, 22,041,498 shares were issued and outstanding, and no shares had been reacquired by Sun and were held in its treasury (the Sun Preferred Stock and the Sun Common Stock being hereinafter referred to collectively as the "Sun Capital Stock"); and

WHEREAS, HBC is a corporation organized and existing under the laws of the State of Florida that is registered as a bank holding company pursuant to the BHC Act, the authorized

capital stock of which consists of 300,000 shares of common stock, par value \$10.00 per share (the "HBC Common Stock"), of which, as of August 6, 1984, 200,000 shares were issued and outstanding, and no shares had been reacquired by HBC and were held in its treasury; and

WHEREAS, the respective Boards of Directors of Sun and HBC have determined that the Merger of HBC into Sun, pursuant to the terms and conditions herein set forth or referred to, would be desirable and in the best interests of the respective corporations and their respective shareholders, and the respective Boards of Directors of Sun and HBC have adopted resolutions approving this Merger Agreement and the Reorganization Agreement of even date herewith (the "Reorganization Agreement"), and the Board of Directors of HBC has directed that this Merger Agreement and the Reorganization Agreement be submitted to the shareholders of HBC for approval;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements contained herein, and in accordance with the applicable provisions of the Florida General Corporation Act, the parties hereto do hereby agree as follows:

I. MERGER.

On the Effective Date of the Merger (as defined in Section 5 hereof), HBC shall be merged with and into Sun, which shall be

the surviving corporation, and Sun on such date shall merge NBC with and into itself (such merger being hereinafter sometimes referred to as the "Merger"). The corporate existence of Sun shall continue unaffected and unimpaired by the Merger and, as the surviving corporation, Sun shall continue to be governed by the laws of the State of Florida (Sun, as the surviving corporation in the Merger, being hereinafter sometimes referred to as the "Surviving Corporation").

2. ARTICLES OF INCORPORATION AND BY-LAWS.

The Articles of Incorporation and the By-Laws of Sun on the Effective Date of the Merger shall be the Articles of Incorporation and By-Laws of the Surviving Corporation until altered, amended, or repealed.

3. BOARD OF DIRECTORS.

From and after the Effective Date of the Merger, the directors of the Surviving Corporation, who shall hold office until their successors are elected and qualified according to the By-Laws of the Surviving Corporation, shall be the same as the directors of Sun immediately prior to the Effective Date of the Merger.

4. CONVERSION AND EXCHANGE OF SHARES.

4.01 Conversion of Shares. As of the Effective Date of the Merger, by virtue of the Merger and without any action on the part of the holder of any HBC Share (meaning, as used in this Merger Agreement, unless otherwise specified, a share of HBC Common Stock issued and outstanding immediately prior to the Effective Date of the Merger but excluding any shares held in the treasury of HBC and any shares as to which dissenters' appraisal rights have been validly exercised and perfected and for which cash is payable in accordance with applicable law) or the holder of any other security or option of HBC:

(a) All issued and outstanding shares of Sun Capital Stock shall continue to be issued and outstanding shares of capital stock of the Surviving Corporation. Each certificate of Sun evidencing ownership of any such shares shall continue to evidence ownership of the same number of shares of capital stock of the Surviving Corporation.

(b) All shares of HBC Common Stock (and any other HBC securities convertible into or exercisable for HBC Common Stock) held immediately prior to the Effective Date of the Merger in the treasury of HBC shall be cancelled and retired as of the Effective Date of the Merger, and no cash, stock, or other property shall be delivered in the Merger in exchange therefor.

(c) Each RBC Share shall be converted in the Merger into the right to receive a multiple of a share of Sun Common Stock determined in accordance with Section 4.02 of this Merger Agreement (a "Merger Share").

(d) No share of RBC 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 Merger Shares. In lieu thereof, the Surviving Corporation shall pay the holders of such Dissenting Shares the fair value of such shares, calculated and determined pursuant to, and paid in accordance with, the applicable provisions of the Florida General Corporation Act.

**4.02 Merger Shares.** For purposes of this Merger Agreement, a Merger Share shall mean a multiple of a share of Sun Common Stock (rounded to three decimal places) which equals the quotient obtained by dividing \$157.50 by the average of the daily closing consolidated trading sales prices for the shares of Sun Common Stock (as reported from the New York Stock Exchange ("NYSE") Composite Transactions Tape) for the twenty consecutive full trading days on which such shares are actually traded on the NYSE ending at the close of trading on the fourth trading day immediately preceding the Effective Date of the Merger; such multiple

to be adjusted downward to 6.3 or upward to 4.5 if such multiple would otherwise be greater than 6.3 or smaller than 4.5, respectively.

4.03 Distribution of Merger Shares. Following consummation of the Merger, there shall be issued, as of the Effective Date of the Merger, to each holder of RBC Shares converted into the right to receive Merger Shares in the Merger, upon surrender to the Exchange Agent (to the extent not previously surrendered) of one or more certificates for such RBC Shares for cancellation, a certificate or certificates representing the whole number of shares of Sun Common Stock into which such RBC Shares have been so converted and previously represented by the stock certificate or certificates so surrendered. Certificates representing such shares of Sun Common Stock shall be mailed to the holders thereof as soon as practicable on or after the Effective Date of the Merger. Neither certificates for fractions of shares of Sun Common Stock nor scrip certificates for such fractions shall be issued, and holders of certificates who would, but for this Section, be entitled to receive fractions of shares will have none of the rights with respect to such fractions of shares (including, without limitation, the right to receive dividends) which a holder of a full share of Sun Common Stock will possess in respect of such full share, and shall receive in lieu of a fraction of a share of Sun Common Stock a cash payment therefor



determined on the basis of the value of such fraction of a share of Sun Common Stock specified and determined in accordance with Section 4.02 of this Merger Agreement. If more than one certificate representing HBC Shares shall be surrendered at one time and in one transmittal package for the same shareholder account, the number of full shares of Sun Common Stock for which certificates shall be issued pursuant to this Merger Agreement shall be computed on the basis of the aggregate number of shares represented by the certificates so surrendered and all of said certificates shall be deemed to be one single certificate. If any certificate for such Sun Common Stock is to be issued in a name other than that in which the certificate for HBC Shares surrendered in exchange therefor is registered, it shall be a condition of such exchange that the person requesting such exchange shall pay to Sun or the Exchange Agent any transfer or other taxes required by reason of the issuance of certificates for Sun Common Stock in a name other than that of the registered holder of the certificates surrendered, or shall establish to the satisfaction of Sun or such Exchange Agent that such tax has been paid or is not applicable. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of HBC Shares for any Sun Common Stock or dividends thereon delivered in good faith to a public official pursuant to any applicable abandoned property, escheat, or similar law.

4.04 Exchange Agent. The Exchange Agent for purposes of this Merger Agreement and the Reorganization Agreement shall be Sun Bank, National Association, or such other bank or trust company as may be selected by Sun.

4.05 Closing of Stock Transfer Books. At the close of business on the business day immediately preceding the Effective Date of the Merger, the stock transfer books of HBC shall be closed and no transfer of HBC Shares shall thereafter be made.

5. EFFECTIVE DATE OF MERGER.

Following the satisfaction or permissible waiver of all conditions precedent to the Merger specified in the Reorganization Agreement and this Merger Agreement, the Merger shall become effective at the date and time specified in the articles of merger reflecting the Merger filed pursuant to the Florida General Corporation Act (the "Effective Date of the Merger"). Unless otherwise agreed upon by Sun, Sun and HBC shall take such steps as may be necessary to cause the Effective Date of the Merger to occur at 12:01 A.M., Orlando, Florida time, on the first day of a calendar month.

6. RIGHTS AND OBLIGATIONS; FURTHER ASSURANCES.

6.01 Rights and Obligations. On the Effective Date of the Merger: (a) the Constituent Corporations shall become a single

corporation designated herein as the Surviving Corporation; (b) the separate existence of NBC shall cease; (c) the Surviving Corporation shall have all the rights, privileges, immunities, and powers, and shall be subject to all the duties and liabilities, of a corporation organized under the Florida General Corporation Act; (d) the Surviving Corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, of a public as well as a private nature, of each of the Constituent Corporations; (e) all property, real, personal, and mixed, all debts due on whatever account, including without limitation subscriptions to shares, all other choses in action, and all and every other interest of or belonging to or due to each of the Constituent Corporations shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed; (f) the title to any real estate, or any interest therein, vested in either of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger; (g) the Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the Constituent Corporations, and any claim existing or action or proceeding pending by or against either of such Constituent Corporations may be prosecuted as if such Merger had not taken place, or the Surviving Corporation may be substituted in the place of such Constituent Corporation; and (h) neither the

rights of creditors nor any liens upon the property of either of the Constituent Corporations shall be impaired by the Merger. The liabilities of the Constituent Corporations so assumed by the Surviving Corporation shall include, but not necessarily be limited to, any liability or obligation of either Constituent Corporation to indemnify any director, officer, or employee pursuant to the applicable provisions of any valid and binding statute or the applicable provisions of the articles of incorporation or by-laws of such corporation, but only to the extent that such liability or obligation accrued prior to the Effective Date of the Merger and is not prohibited by law or the judgment, order, or decree of any court having jurisdiction over the matter.

6.02 Further Assurances. From time to time on and after the Effective Date of the Merger, as and when requested by Sun and to the extent permitted by Florida law, the officers and directors of HBC last in office shall execute and deliver or cause to be executed and delivered in the name of HBC such deeds and other instruments and shall take or cause to be taken such further or other actions as shall be necessary in order to vest or perfect in or to confirm of record or otherwise to the Surviving Corporation title to, and possession of, all the property, interests, assets, rights, privileges, immunities, powers, franchises, and authorities of HBC, and otherwise to carry out

the purposes of this Merger Agreement; provided, that the Surviving Corporation shall, to the extent provided in the By-Laws of the Surviving Corporation, indemnify any such officer or director who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by reason of the fact that he or she executed or delivered such instrument or took such action at the request of the Surviving Corporation.

7. CONDITIONS TO OBLIGATIONS OF SUN AND HBC.

The obligations of Sun and HBC to effect the Merger shall be subject to the terms and conditions set forth in the Reorganization Agreement.

8. TERMINATION.

This Merger Agreement may be terminated, and the Merger abandoned, only in the event that the Reorganization Agreement is terminated pursuant to the provisions of such Agreement. Such termination of this Merger Agreement shall be effective notwithstanding the approval of this Merger Agreement or the Reorganization Agreement by the shareholders of HBC.

9. SUBSTITUTION OF SUNTRUST BANKS, INC. COMMON STOCK.

9.01 SunTrust Reorganization. HBC understands that Sun and Trust Company of Georgia, a Georgia corporation that is regis-

tered as a bank holding company pursuant to the HMC Act ("TCG"). have entered into a reorganization agreement, dated as of June 29, 1984, and certain plans of merger referred to therein (collectively, the "SunTrust Agreements"), pursuant to which Sun and TCG will become wholly-owned subsidiaries of SunTrust Banks, Inc., a new Georgia corporation ("SunTrust") organized to facilitate the transactions contemplated by the SunTrust Agreements (the "SunTrust Reorganization"). HMC acknowledges that Sun has delivered to HMC: (a) the registration statement filed on July 27, 1984, with the Securities and Exchange Commission by SunTrust with respect to the SunTrust Reorganization (which registration statement includes the SunTrust Agreements as appendices to the joint proxy statement contained therein) and the shares of common stock, \$1.00 par value per share, of SunTrust (the "SunTrust Common Stock"), and certain preferred stock of SunTrust, proposed to be issued to the shareholders of Sun and TCG upon consummation of the SunTrust Reorganization; and (b) the definitive joint proxy statement of Sun and TCG dated August 20, 1984. HMC also understands that Sun and TCG presently expect to consummate the SunTrust Reorganization on or about July 1, 1985, but that no assurance can be provided that the SunTrust Reorganization will be consummated before, on, or after such date, or at all.

9.02 Substitution of SunTrust Common Stock for Sun Common Stock. HBC and Sun agree that, subject to satisfaction of the respective conditions precedent set forth in the Reorganization Agreement, if the SunTrust Reorganization is consummated prior to the Effective Date of the Merger:

(a) on and after the Effective Date of the Merger, Sun will be a wholly-owned subsidiary of SunTrust.

(b) this Merger Agreement and the Reorganization Agreement shall be deemed to be automatically amended, upon consummation of the SunTrust Reorganization, to provide that, upon the Effective Date of the Merger: (i) each HBC Share that would otherwise be converted hereunder into the right to receive a multiple of a share of Sun Common Stock shall be converted in lieu thereof into the right to receive a multiple of a share of SunTrust Common Stock (a "SunTrust Merger Share"); and (ii) for such purposes, a SunTrust Merger Share shall mean a multiple of a share of SunTrust Common Stock (rounded to three decimal places) which equals the product of (x) 1.1 times (y) the quotient (rounded to three decimal places) obtained by dividing \$157.50 by the average of the daily closing consolidated trading sales prices for the shares of Sun Common Stock (as reported from the NYSE Composite Transactions Tape) for the twenty consecutive full trading days on which such shares are actually traded on the NYSE ending at the close of trading on the fourth trading day immedi-

ately preceding the date of consummation of the SunTrust Reorganization (or, if the shares of Sun Common Stock cease to be traded on the NYSE prior to the day immediately preceding the date of consummation of the SunTrust Reorganization, on the fourth trading day immediately preceding the day on which the shares of Sun Common Stock so cease to be traded on the NYSE); such quotient referenced in this clause (y) to be adjusted downward to 6.3 or upward to 4.5 if such quotient would otherwise be greater than 6.3 or smaller than 4.5, respectively.

(c) Sun shall cause SunTrust to enter into this Merger Agreement, the Reorganization Agreement, or such other agreements as may be reasonably requested by counsel to HBC, and Sun and HBC shall execute such amendments or additional agreements as may be approved by their respective legal counsel, in order to document and otherwise evidence the amendment referenced in subparagraph (b), above, and the substitution and issuance of shares of SunTrust Common Stock pursuant to this Merger Agreement.

(d) Sun and HBC agree that, if the substitution of shares of SunTrust Common Stock for shares of Sun Common Stock, and the related amendment of this Merger Agreement and the Reorganization Agreement, as contemplated by this Section 9.02, occurs after the date that this Merger Agreement and the Reorganization Agreement have been approved by the shareholders of HBC,



such substitution and amendment shall be deemed to have been approved by such shareholders of HBC and no further or additional approval of such substitution or amendment by the shareholders of HBC shall be required, notwithstanding any other provision of this Merger Agreement (including, without limitation, Section 10.07 hereof) or the Reorganization Agreement.

10. MISCELLANEOUS.

10.01 Notice. Any notice or other communication required or permitted under this Merger Agreement shall be given, and shall be effective, in accordance with the provisions of Section 6.06 of the Reorganization Agreement.

10.02 Extensions and Waivers. Each party hereto, by written instrument signed, in the case of Sun by its Chairman of the Board, Vice Chairman, President, or any Senior Executive Vice President, and in the case of HBC by its Chairman of the Board, President, or any Vice President, may extend the time for the performance of any of the obligations or other acts of the other party hereto, and may waive compliance with any of the covenants or performance of any of the obligations of the other party contained in this Merger Agreement.

10.03 Headings. The headings and subheadings used in this Merger Agreement are inserted for convenience of reference only

and are not intended to be a part of or to affect the meaning or interpretation of this Merger Agreement.

10.04 Counterparts. For the convenience of the parties hereto, this Merger Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.05 Governing Law. This Merger Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

10.06 Parties in Interest and Assignment. This Merger Agreement is binding upon and is for the benefit of the parties hereto and their respective successors, legal representatives and assigns, and no person not a party hereto shall have any rights or benefits under this Merger Agreement, either as a third party beneficiary or otherwise. This Merger Agreement cannot be assigned by either party.


10.07 Amendment. This Merger Agreement may be amended, supplemented, or modified by the parties hereto pursuant to an agreement in writing signed on behalf of each of the parties hereto following due authorization by the Board of Directors (or executive committee thereof) of Sun and by the Board of Directors of HBC at any time before or after the approval hereof by the shareholders of HBC, except that after any such approval by the

shareholders of HBC, no amendment, supplement, or modification of this Merger Agreement shall be made (except as contemplated by Section 9.02 hereof) which reduces the number of shares of Sun Common Stock constituting a Merger Share without the further approval of such shareholders.

10.08 Entire Agreement. This Merger Agreement and the Reorganization Agreement supersede any and all oral or written agreements and understandings heretofore made, and contain the entire agreement of the parties hereto, with respect to the subject matter hereof.

IN WITNESS WHEREOF, each of the Constituent Corporations has caused this Merger Agreement to be executed in accordance with the Florida General Corporation Act as of the day and year first above written.

SUN BANKS, INC.

By:   
Joel R. Wells, Jr.,  
President and Chief  
Executive Officer

HERNANDO BANKING CORPORATION

By:   
Alfred A. McKethan,  
Chairman

AMENDMENT NO. 1 TO  
MERGER AGREEMENT

THIS AMENDMENT NO. 1 TO MERGER AGREEMENT ("Amendment") is made as of the 1st day of March, 1985, by and between SUN BANKS, INC., a Florida corporation ("Sun"), and HERNANDO BANKING CORPORATION, a Florida corporation ("HBC").

WITNESSETH:

WHEREAS, Sun and HBC entered into a Merger Agreement, dated as of September 6, 1984 (the "Agreement"), providing for the merger of HBC with and into Sun (the "Merger"); and

WHEREAS, Sun and HBC wish to amend the Agreement in certain respects:

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto do hereby agree as follows:

1. Defined Terms. All terms used in this Amendment which are defined in the Agreement shall have the meanings specified in the Agreement, unless otherwise specifically defined herein.

2. Amendment of Section 4.02. Section 4.02 of the Agreement shall be amended by deleting the phrase "on the fourth trading day immediately preceding the Effective Date of the Merger;" and replacing it with the phrase "on the fourth trading day immediately preceding the earlier of: (a) the Effective Date of the Merger; or (b) June 1, 1985;".

3. Amendment of Section 9.02. Clause (y) of Section 9.02(b)(ii) of the Agreement shall be deleted in its entirety and replaced with the following:

"(y) the quotient (rounded to three decimal places) obtained by dividing \$157.50 by the average of the daily closing consolidated trading sales prices for the shares of Sun Common Stock (as reported from the NYSE Composite Transactions Tape) for the twenty consecutive full trading days on which such shares are actually traded on the NYSE ending at the close of trading on the fourth trading day immediately preceding the

earlier of: (A) the effective Date of the Merger; or  
(B) June 1, 1985 (or, if the shares of Sun Common Stock  
cease to be traded on the NYSE prior to such fourth  
trading day, on the fourth trading day immediately  
preceding the day on which the shares of Sun Common  
Stock cease to be traded on the NYSE); such quotient  
referenced in this clause (y) to be adjusted downward  
to 6.3 or upward to 4.5 if such quotient would  
otherwise be greater than 6.3 or smaller than 4.5,  
respectively."

4. Effect of Amendment. Except as expressly modified by  
this Amendment, the terms, covenants, and conditions of the  
Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this  
Amendment to be duly executed by their respective officers there-  
unto duly authorized, all as of the date first above written.

HERNANDO BANKING CORPORATION

SUN BANKS, INC.

BY: *Alfred A. McKethan*  
Alfred A. McKethan  
Chairman of the Board

BY: *Joel R. Wells, Jr.*  
Joel R. Wells, Jr.  
President and Chief  
Executive Officer

CERTIFICATE

I, Sandra E. Pricher, the Secretary of Sun Banks, Inc., hereby certify that Sun Banks, Inc. has adopted this Merger Agreement without a vote of its shareholders pursuant to Section 607.221(4) of the Florida General Corporation Act (the "Act") and that, as of September 6, 1984 and the date hereof, the shares of common stock of Sun Banks, Inc. to be issued under the Merger Agreement are such as not to exceed twenty percent (20%) of the shares of common stock of Sun Banks, Inc. outstanding immediately prior to the Effective Date of the Merger, all as required by Section 607.221(4)(c) of the Act.

IN WITNESS WHEREOF, I have executed this Certificate as of this 30<sup>th</sup> day of May, 1985.

Sun Banks, Inc.

By:   
Sandra E. Pricher, Secretary