

446653

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June 18, 1997

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VIA OVERNIGHT DELIVERY

Lyn Turley, Esq.
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32399

Dear Ms. Turley:

Pursuant to our telephone conversation, enclosed for filing with the Florida Secretary of State's office are two copies of each of the following documents:

- Articles of Merger of Universotal Interim Corp. into Universal Bancorp, Inc.; and
- Articles of Merger of Universal Bancorp, Inc. into Totalbank.

In addition, I understand from Bruce Ricca of the Department of Banking and Finance that his office will deliver to you for filing merger documents relating to the merger of Universal National Bank into Totalbank. All of these merger documents relate to the acquisition by Totalbank of Universal National Bank, which acquisition has been approved by the Department of Banking and Finance. Due to the regulatory and tax aspects of the acquisition,

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TOTAL 122.50

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DIVISION OF CORPORATIONS
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ARTICLES OF MERGER
Merger Sheet

MERGING:

UNIVERSAL BANCORP, INC., a Florida corp., #G36406

INTO

TOTALBANK, a Florida corporation, 446653

File date: June 20, 1997

Corporate Specialist: Susan Payne

June 18, 1997
Page 2

it is imperative that the documents are filed in the following order and in immediate succession:

- First: Articles of Merger of Universotal Interim Corp. into Universal Bancorp, Inc.
- Second: Articles of Merger of Universal Bancorp, Inc. into Totalbank
- Third: Certificate of Merger from the Department of Banking and Finance for the merger of Universal National Bank into Totalbank.

We currently anticipate that the transaction will be consummated mid-morning on Friday, June 20, 1997. I will call you on Friday to let you know that the merger documents should be filed. Please do not file any documents without specific instructions from me.

Thank you very much for your and Karon's assistance on this matter, which has been most helpful. Of course, if you have any questions or if this proposed schedule presents any problems, please contact me at any time at 305-789-3326.

Very truly yours,


Michael I. Keyes

MIK:an

ARTICLES OF MERGER
OF
UNIVERSAL BANCORP, INC.
INTO
TOTALBANK

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DIVISION OF CORPORATIONS
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Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act, the undersigned Florida corporation and Florida chartered bank adopt the following Articles of Merger pursuant to which Universal Bancorp, Inc., a Florida corporation, shall be merged (the "Merger") with and into Totalbank, a Florida chartered bank:

1. The name of the surviving entity of the Merger is Totalbank, a Florida chartered bank (the "Surviving Entity"). The name of the merging corporation is Universal Bancorp, Inc., a Florida corporation ("Merging Corporation").

2. The Articles of Incorporation of Totalbank shall continue in full force and effect as the Articles of Incorporation of the Surviving Entity.

3. A copy of the Plan of Merger, dated as of February 13, 1997, setting forth the terms of the Merger (the "Plan of Merger") is attached hereto as Exhibit A and incorporated herein by reference.


4. The Merger shall become effective on the date and time these Articles of Merger are filed with the Secretary of State of the State of Florida.

5. The Plan of Merger was duly adopted on March 27, 1997 by the shareholders of the Surviving Entity at a duly called meeting. The Plan of Merger was duly adopted on June 20, 1997 by the sole shareholder of the Merging Corporation by written consent without a meeting in

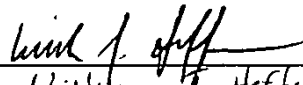
the manner prescribed by the Florida Business Corporation Act, pursuant to Section 607.0704 of the Florida Business Corporation Act.

IN WITNESS WHEREOF, these Articles of Merger have been executed as of the 20th day of June ~~X~~, 1997.

UNIVERSAL BANCORP, INC.

By: 
Name: LARRY PERL
Title: DIRECTOR, CHAIRMAN, SECRETARY, TREASURER

TOTALBANK

By: 
Name: William J. Heffernan
Title: President

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Exhibit A

PLAN OF MERGER

PLAN OF MERGER

SECTION 1. THE MERGERS

(a) Mergers. At the Effective Date, (i) UNIVERSOTAL INTERIM CORP., a Florida corporation ("Interim"), shall be merged with and into UNIVERSAL BANCORP, INC., a Florida corporation (the "Company"), with the Company as the surviving corporation (the "Interim Merger"), and immediately thereafter (ii) TOTALBANK, a Florida chartered bank ("Totalbank"), will effect a plan to completely liquidate the Company, pursuant to which plan the Company, which at that time will be a wholly-owned subsidiary of Totalbank, shall be merged with and into Totalbank, and Totalbank will be the surviving entity (the "Company Liquidating Merger", and together with the Interim Merger, the "Mergers"), all in accordance with applicable law, the terms, conditions and provisions of this Agreement and subject to the requisite approval of the Applicable Governmental Authorities and the other conditions set forth herein.

(b) Consummation of the Mergers; Effective Date. The consummation of the transactions contemplated herein shall take place at the offices of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Miami, FL 33130, at such time as shall be fixed by mutual agreement of Totalbank and the Company as promptly as practicable after the satisfaction or waiver of all of the conditions set forth herein, but in no event later than November 14, 1997 (the "Final Closing Date"); provided, however, that in the event that the date of the closing (the "Closing") occurs after the Adjustment Date, then the Purchase Price shall be adjusted in accordance with Section 2(a) hereof (the "Adjustment Date" shall initially be May 15, 1997 but shall be extended by an additional number of days, if any, equal to the number of days, beyond the date or time period that the Company or Universal National Bank, a federally-chartered commercial bank and wholly-owned subsidiary of the Company (the "Bank") takes to deliver the required Schedules and/or to provide requested information); and provided further that on the day after the Adjustment Date, Totalbank shall deliver to the Company a two hundred fifty thousand dollar (\$250,000) deposit (the "Deposit") which shall be held in a segregated interest bearing account. On the date of the Closing, the Deposit, together with the interest earned thereon, shall be delivered to the Exchange Agent to be applied toward the Purchase Price. Subject to the satisfaction or waiver of all conditions precedent to the consummation of the transactions contemplated herein, the parties shall cause the Mergers to become effective on the date of the Closing by requesting in accordance with all applicable regulations that one or more Certificates of Merger with respect to the Interim Merger and the Company Liquidating Merger ("Certificates of Merger"), be issued effective as of the date of Closing (the "Effective Date").

(c) Effect of the Mergers.

(1) *Transfer of Assets and Liabilities.* Upon the consummation of the Interim Merger, the separate corporate existence of Interim shall cease as a consequence of being merged into the Company. The corporate existence of the Company shall continue as the surviving corporation which shall then be a wholly-owned subsidiary of Totalbank, all of the rights, privileges, powers and franchises of Interim shall be possessed by the Company and the charter and bylaws of Interim shall be deemed cancelled. Upon the consummation of the Company Liquidating Merger, the separate corporate existence of the Company shall cease as a consequence of being merged into and continued in Totalbank as the surviving entity, and the charter and by-laws of the Company shall be deemed cancelled.

(2) *Charter; Articles of Incorporation and By-laws.* The articles of incorporation and by-laws of the Company immediately prior to the Interim Merger shall be the articles of incorporation and by-laws, respectively, of the Company immediately after the Interim Merger. The charter of Totalbank as in effect immediately prior to the Company Liquidating Merger, shall be the charter of Totalbank (the "Charter") immediately after the Company Liquidating Merger. The by-laws of Totalbank in effect immediately prior to the Company Liquidating Merger shall be the by-laws of Totalbank immediately after the Company Liquidating Merger (the "By-laws").

(3) *Board of Directors.* After the Interim Merger, the Board of Directors of the Company shall be identical to the Board of Directors of the Company immediately prior to the Effective Date. After the Company Liquidating Merger, the Board of Directors of Totalbank shall be identical to the Board of Directors of Totalbank immediately prior to the Effective Date.

(4) *Executive Officers.* After the Interim Merger, the executive officers of the Company shall be the same executive officers of the Company as were in office immediately prior to the Effective Date. After the Company Liquidating Merger, the executive officers of Totalbank immediately prior to the Effective Date shall constitute the executive officers of Totalbank until such time as their respective successors have been elected and qualified.

(d) Prior Approvals. The parties hereto acknowledge that requisite approvals or waivers must be received from or notices must be given to certain federal and state regulatory agencies. Such regulatory agencies may include (i) the Federal Deposit Insurance Corporation (the "FDIC"); (ii) the Florida Department of Banking and Finance; (iii) the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"); (iv) the Office of the Comptroller of the Currency (the "OCC"); and (v) any other regulatory authorities having jurisdiction (collectively, the "Applicable Governmental Authorities"). The transactions contemplated herein are subject to receipt of all requisite regulatory approvals or waivers, the filing of any required notices and the expiration of any required waiting periods and, to the

extent received or accepted, such approvals, waivers or notices shall not contain or be subject to any terms or conditions (other than those generally imposed in similar transactions) which in the reasonable judgment of Totalbank are unduly burdensome. In addition, the transactions contemplated herein are subject to a number of other conditions set forth herein, including, without limitation, approval by the stockholders of each of the Company, Interim and Totalbank.

SECTION 2. PURCHASE PRICE: CONVERSION OF SHARES

(a) Purchase Price.

(1) The aggregate purchase price (the "Purchase Price") to be paid upon the effectiveness of the Mergers in exchange for all of the outstanding shares of common stock, par value \$1.00 per share, of the Company (the "Company Common Stock") and options to purchase Common Stock shall be an amount equal to eleven million eight hundred fifty thousand dollars (\$11,850,000) minus the amount of the Employee Benefit Costs plus (or minus), if the Closing occurs after the Adjustment Date, an amount equal to the net income or loss ("Net Income") of the Company during the period commencing on the Adjustment Date and ending on the Net Income Computation Date (as defined below); provided, however, that the Purchase Price shall not be increased to the extent that the Closing has been delayed as the result of (i) the fact that conditions precedent have not been satisfied through no fault of Totalbank or (ii) delays in obtaining all required approvals or waivers from the Applicable Governmental Authorities where the primary basis of any such delay is related to facts or circumstances associated with the Company or the Bank.

(2) For purposes of this Agreement, Employee Benefit Costs shall mean (i) all severance costs, change of control payments or similar arrangements payable to the Company's or any Company Subsidiary's employees as a consequence of or relating to the transactions contemplated herein (but not including any portion of the Purchase Price payable to holders of Options) and (ii) all accrued benefits, including, without limitation, all accrued sick days, personal days and vacation days paid by the Company or any Company Subsidiary after the date of this Agreement or accrued and unpaid as of the Effective Date. On or prior to the date which is five (5) business days prior to the Closing, the Company shall provide Totalbank with a correct detailed, itemized schedule of Employee Benefit Costs for the purpose of the above Purchase Price calculation.

(3) For purposes of this Agreement, Net Income of the Company shall mean the net income (loss) after taxes of the Company and the Company Subsidiaries on a consolidated basis, computed in accordance with generally accepted accounting principles ("GAAP") consistently applied with prior periods; provided, however, that Net Income shall not include any income realized from sales or reclassifications of securities held in its investment portfolio or any income realized as a result of the sale of any other assets. The

computation of Net Income shall be contained in a special purpose statement of income prepared by the Company which shall be dated as of the close of business on the day that is six (6) business days prior to Closing (the "Net Income Computation Date") and which shall be delivered no later than five (5) business days prior to Closing, together with a certificate from the Company's chief executive officer and chief financial officer certifying that such income statement was prepared in accordance with the requirements of this Section and is true and correct in all material respects. At the request of Totalbank given not less than three (3) business days prior to the Closing, the Company shall cause the special purpose statement of income to be audited by its independent certified public accountants and request that such firm issue a manually signed report certifying such income statement, provided that Totalbank shall be responsible for paying the fees and costs of such audit.

(b) Conversion of Shares and Options Upon the Interim Merger. On the Effective Date and as a result of the Interim Merger, each issued and outstanding share of Company Common Stock, other than shares of New Common Stock and other than Dissenting Shares, if applicable, and each outstanding security exchangeable for or convertible into shares of Company Common Stock (each hereinafter an "Option") shall, without further action, cease to be issued and outstanding shares of Company Common Stock or Options, and shall become and be converted into a right to receive an amount of cash equal to the Per Share Amount or the Per Option Amount (as defined below), as the case may be. The price payable for each share of Company Common Stock (the "Per Share Amount") shall be equal to the quotient of (i) the Purchase Price plus the aggregate exercise price for all Options issued and outstanding on the Effective Date and (ii) the total number of shares of Company Common Stock outstanding on the Effective Date plus the total number of shares of Company Common Stock issuable upon exercise of all Options outstanding on the Effective Date. The price payable for each Option, assuming that such Option is exercisable for one share of Company Common Stock (the "Per Option Amount"), shall be equal to the Per Share Amount minus the price per share of Company Common Stock at which such Option is exercisable.

(c) Effect of Conversion of Shares and Options. After the Effective Date and until surrendered for payment, each outstanding certificate which, prior to the Effective Date, represented shares of Company Common Stock (except for shares of New Common Stock) shall be deemed for all purposes to represent the right to receive an amount of cash equal to the product of the Per Share Amount multiplied by the number of shares of Company Common Stock represented by such certificate, provided that, in any matters relating to such certificates, the Exchange Agent may rely conclusively upon the record of stockholders maintained by the Company containing the names and addresses of the holders of record of Company Common Stock on the Effective Date. After the Effective Date, each Option shall be deemed for all purposes to be cancelled and converted into the right to receive an amount of cash equal to the product of the Per Option Amount multiplied by the number of shares of Company Common Stock for which such Option is exercisable immediately prior to the Effective Date. Each share of capital stock of the Company held in treasury, if any, shall be cancelled and no consideration shall be payable with respect to any such share.

(d) Total Purchase Price. Notwithstanding anything herein to the contrary, except to the extent payments made to holders of Dissenting Shares exceed the Per Share Amount (if there exist Dissenting Shares) in no event shall the aggregate Purchase Price paid by Totalbank hereunder to the holders of Company Common Stock and Options exceed the amount calculated pursuant to Section 2(a) hereof.

(e) Payment of Purchase Price: Exchange Agent.

(1) Promptly after the Effective Date, an exchange agent designated by Totalbank and reasonably acceptable to the Company (the "Exchange Agent"), shall deliver to each record holder of Company Common Stock and each record holder of an Option a form of letter of transmittal which, among other matters, shall specify how such shareholder or optionholder shall receive payment. Promptly after the Effective Date and after surrender to the Exchange Agent of a properly executed letter of transmittal and, in the case of record holders of shares of Company Common Stock, the certificate or certificates which immediately prior to the Effective Date represented issued and outstanding shares of Company Common Stock, the Exchange Agent shall deliver to the person in whose name such Company Common Stock or Options shall have been registered, a check in an amount equal to the product of the Per Share Amount and the number of shares of Company Common Stock represented by the certificate or certificates surrendered in the case of a holder of Company Common Stock, or in the case of the holder of an Option, the product of the Per Option Amount and the number of shares of Company Common Stock into which such Option was exercisable immediately prior to the Effective Date; provided that the Exchange Agent shall (i) attempt to accommodate requests to make payment by wire transfer if the amount of such payment exceeds one million dollars (\$1,000,000) and (ii) shall make payment by cashier's check if the amount of such payment exceeds one hundred fifty thousand dollars (\$150,000). No interest shall accrue or be paid with respect to the cash payable upon the surrender of shares of Company Common Stock or Options for payment of the Per Share Amount or Per Option Amount, as applicable. There shall be no obligation to deliver the Per Share Amount in respect of any shares of Company Common Stock until (and then only to the extent that) the holder thereof surrenders its certificate or certificates representing the shares of Company Common Stock for exchange as provided in this Section 2(e)(1), or, in lieu thereof, delivers to the Exchange Agent an appropriate affidavit of loss and an indemnity agreement and/or a bond as may be required in any such case by the Exchange Agent. If any payment for shares of Company Common Stock or Options is to be made in a name other than that in which the certificate for Company Common Stock surrendered for exchange or the Option, as the case may be, is registered, it shall be a condition to the payment that, in the case of holders of shares of Company Common Stock, the certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and, in the case of holders of Options, the special instructions in the letter of transmittal shall have been complied with, and in each case that the person requesting the payment shall either (i) pay to the Exchange Agent any transfer or other taxes required by reason of the payment to a person other than the registered holder of the certificate surrendered or the Option or (ii) establish to the satisfaction of the Exchange Agent that such taxes have

been paid or are not payable. From and after the Effective Date, there shall be no transfers on the transfer books of the Company of any shares of Company Common Stock nor shall there be any further exercises of Options which were outstanding immediately prior to the Effective Date and any such shares of Company Common Stock or Options presented to the Exchange Agent shall be cancelled in exchange for the aggregate consideration payable with respect thereto as provided in this Section 2.

(2) Totalbank's sole responsibility with respect to the Exchange Agent and the surrender of certificates representing shares of Company Common Stock or Options for payment of the Per Share Amount or Per Option Amount, as applicable, shall be to deposit with the Exchange Agent at the Closing an amount of cash equal to the Purchase Price minus (i) an amount equal to the product of the Per Share Amount multiplied by the number of Dissenting Shares, if any and (ii) the Deposit, together with interest thereon, if applicable. The parties agree and acknowledge that the Exchange Agent shall be instructed that any funds deposited with the Exchange Agent for the payment of the Per Share Amount or the Per Option Amount remaining unclaimed for two (2) years after the Effective Date shall be paid to Totalbank. The parties further agree and acknowledge that Totalbank may, at its option, act as the Exchange Agent hereunder, in which case Totalbank agrees to exercise the same care customarily exercised by prudent third-party exchange agents.

(f) Conversion of Interim Common Stock. On the Effective Date and as a result of the Interim Merger, each share of common stock of Interim issued and outstanding immediately prior to the Effective Date shall, without further action cease to be an issued and outstanding share of Interim, and shall become and be converted into a right to receive one share of Company Common Stock (the "New Common Stock").

(g) Impact of the Company Liquidating Merger on New Common Stock. On the Effective Date and as a result of the Company Liquidating Merger, each share of New Common Stock of the Company, all of which will be held by Totalbank as a result of the Interim Merger, shall be cancelled and extinguished and no payment or other consideration shall be made with respect thereto.

(h) Dissenting Shares. The holder of any Dissenting Share shall have the rights, subject to the limitations, provided by applicable law. A "Dissenting Share" shall mean any share of Company Common Stock for which the holder thereof will, immediately after the Effective Date, be entitled to seek appraisal rights under Florida law.