



THE UNITED STATES  
CORPORATION  
COMPANY

# F65055

FILED  
01 MAR 29 PM 1:24  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ACCOUNT NO. : 072100000032

REFERENCE : 096677 9104A

AUTHORIZATION :

COST LIMIT : \$ 43.75

*Patricia Piggett*

ORDER DATE : March 29, 2001

ORDER TIME : 12:24 PM

ORDER NO. : 096677-005

CUSTOMER NO: 9104A

CUSTOMER: Ms. Lori L. Ammons  
Holland & Knight LLP  
Suite 1600  
200 Central Avenue  
Saint Petersburg, FL 33701

*Amended*

100003929851--7

DOMESTIC AMENDMENT FILING

NAME: UNITED FINANCIAL HOLDINGS,  
INC.

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY

CONTACT PERSON: Susie Knight -- EXT# 1156

EXAMINER'S INITIALS:

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SUFFICIENCY OF FILING

*DR*

*7 00250, 02575, 00672*



FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

March 29, 2001

CSC  
1201 Hays Street  
Tallahassee, FL 32301

SUBJECT: UNITED FINANCIAL HOLDINGS, INC.  
Ref. Number: F65055

**RESUBMIT**

Please give original  
submission date as file date.

We have received your document for UNITED FINANCIAL HOLDINGS, INC. and the authorization to debit your account in the amount of \$43.75. However, the document has not been filed and is being returned for the following:

The name of the person signing the document must be typed or printed beneath or opposite the signature.

If you have any questions concerning the filing of your document, please call (850) 487-6907.

Annette Ramsey  
Corporate Specialist

Letter Number: 401A00018999

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AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
UNITED FINANCIAL HOLDINGS, INC.

FILED  
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TALLAHASSEE, FLORIDA

Pursuant to the provisions of Sections 607.0602, of the Florida Business Corporation Act, this corporation, UNITED FINANCIAL HOLDINGS, INC. (the "Corporation") adopts the following Articles of Amendment to its Articles of Incorporation, filed with the Secretary of State for the State of Florida on January 28, 1982, as document number F65055. The Board of Directors of this Corporation has approved this resolution. Shareholder approval is not required for this Amendment. The Board of Directors adopted this amendment on March 27, 2001.

1. Name of Corporation: United Financial Holdings, Inc.
2. Text of Amendment Adopted Pursuant to Florida Statutes 607.0602

Pursuant to the authority granted to the Board of Directors in Article Four, Paragraph (d), the Certificate and Articles of Incorporation and Florida Statutes Section 607.0602, the Board of Directors adopts the following Amendment to the Articles of Incorporation of this Corporation, defining a new series of preferred stock, to be known as "Series One Preferred Stock:"

1. Seven Hundred Fifty Thousand (750,000) shares of the \$0.01 par value Preferred Stock of this Corporation are classified as "Series One Preferred Stock," to be issued hereafter.

2. Each share of the Series One Preferred Stock shall have the following preferences, limitations and relative rights:

- A. Liquidation Preference. In the event of the liquidation of the Corporation, the holders of shares of the Series One Preferred Stock shall be entitled, after the debts of the Corporation have been paid, to receive, out of the assets remaining, \$8.00 per share whether or not earned or declared, before any payment is made or assets set apart for payment to the holders of the Common Stock or any class or series of stock having preferential rights that are inferior to those of the Series One Preferred Stock, and shall be entitled to no further payments or distributions except any declared and unpaid dividends which shall be paid on par with dividends on the Corporation's Common Stock. The Corporation reserves the right to issue one or more additional classes or series of Preferred Stock with a lesser preference to the net assets of

the Corporation upon liquidation, but in no event shall a class or series of Preferred Stock subsequently approved by the Corporation have a liquidation preference greater than the Series One Preferred Stock shares. If upon liquidation the net assets remaining after payment of the corporate debts be insufficient to pay the full amount of the liquidation preference on all classes or series of stock (including Series One Preferred Stock) having the same priority and preference as the Series One Preferred Stock, such net assets as remain shall be divided among the holders of the Series One Preferred Stock and each other series or class of Preferred Stock with the same liquidation preference on a pro rata basis in proportion to the relative aggregate dollar amount of the liquidation preference of each such class or series then issued and outstanding.

B. **Contingent Automatic Conversion.** Exhibit 1 to this Amendment sets forth the conversion terms for the Series One Preferred Stock. Upon one or more of the events described in Exhibit 1 all or the specified portion of the Series One Preferred Stock shall convert to Common Stock of the Corporation, on a share-for-share basis. (One share of Series One Preferred Stock shall convert into one share of Common Stock of the Corporation.) Provided, however if a Common Stock stock dividend, stock split, share combination, exchange of shares, recapitalization, consolidation, reorganization, or liquidation of or by this Corporation shall occur prior to the conversion of all of the Series One Preferred Stock into Common Stock of the Corporation, the Corporation shall adjust the Common Stock conversion ratio of the remaining, unconverted shares of the Series One Preferred Stock to the extent the Board of Directors of the Corporation in good faith determines appropriate to reflect the equity of the applicable transaction. The Corporation shall notify each holder of the Series One Preferred Stock of the conversion. Upon notification, each holder shall promptly surrender his or her shares to the Corporation or to the Corporation's designated transfer agent, duly endorsed with signatures guaranteed. However, surrender of Series One Preferred Stock shall not be necessary to effectuate a conversion pursuant to Exhibit 1. In the event less than all of the outstanding shares of the Series One Preferred Stock automatically convert under paragraph 2 of Exhibit 1 at the end of a calendar year the conversion shall be pro rata among all of the outstanding shares.

C. **Redemption Right.** The Corporation may, at any time and from time to time after March 31, 2008, at the option of the Board of Directors, redeem the whole or any part of the outstanding and unconverted Series One Preferred Stock on any March 31<sup>st</sup> after the

issuance thereof (the designated date is the "Redemption Date"), by paying a price for each of the Series One Preferred Stock shares that is equal to 150% of the value ascribed to each share when the Corporation purchased First Security Bank, together with the sum equivalent to all unpaid dividends accrued thereon, upon sixty (60) days notice by mail to the holders of record thereof. If less than all the shares of the Series One Preferred Stock are to be redeemed, the shares to be redeemed shall be selected pro rata among the holders, as Board of Directors shall determine. At any time prior to the Redemption Date, the holder of the shares of the Series One Preferred Stock to be redeemed may exercise his or her right to convert such Preferred Stock into Common Stock, as heretofore provided.

D. Voting Rights. Each share of the Series One Preferred Stock issued and outstanding shall entitle the holder to one vote on all matters coming before the shareholders of the Corporation on parity with each of the shares of Common Stock issued and outstanding. In addition, the holders of the Series One Preferred Stock shall have any special voting rights reserved to them under applicable Florida Law.

E. Dividend Rights. Except as provided in this paragraph, the Series One Preferred Stock shall not have a preference as to dividends but shall participate on parity with any dividend payable on the Common Stock, as and when declared. Anything contained herein to the contrary notwithstanding, if, and only if:

1. The "Target Level" of \$2,460,000 specified in Exhibit 1 hereto as the first target causing a conversion of the Series One Preferred Shares is not achieved by March 31, 2003, the Series One Preferred Shares outstanding April 1, 2003 shall thereafter (until the earlier of their redemption, conversion or April 1, 2004) have an annual cumulative dividend preference on each outstanding Share over the Common Stock (the "Preference Dividend") in the amount of \$0.32 per Share, and shall also participate with any dividend payable on the Common Stock, with the participation fixed at two-thirds (2/3) of the dividend amounts paid on the shares of Common Stock.

2. The "Target Level" of \$6,030,000 specified in Exhibit 1 hereto as the second target causing a conversion of the Series One Preferred Shares is not achieved by March 31, 2004, the Series One Preferred Shares outstanding on April 1, 2004 shall thereafter (until the earlier of their redemption, conversion or April 1, 2005) have an annual cumulative dividend preference on each outstanding Share over the Common Stock (the "Preference Dividend") in the amount of \$0.64 per

Share, and shall also participate with any dividend payable on the Common Stock, with the participation fixed at one-third (1/3) of the dividend amounts paid on the shares of Common Stock.

3. The "Target Level" of \$10,980,000 specified in Exhibit 1 hereto as the third target causing a conversion of the Series One Preferred Shares is not achieved by March 31, 2005, the Series One Preferred Shares outstanding on April 1, 2005 shall thereafter (until the earlier of their redemption or conversion) have an annual cumulative dividend preference on each outstanding Share over the Common Stock (the "Preference Dividend") in the amount of \$0.96 per Share, and shall also participate with any dividend payable on the Common Stock, but without participation in the dividend amounts paid on the shares of Common Stock.

The Preference Dividend shall be paid in the discretion of the Board of Directors of the Corporation, but shall cumulate until paid in full. Any shares of the Series One Preferred Stock converted or redeemed during a fiscal year shall participate in the Preference Dividend for that year and any unpaid cumulated dividends shall be paid at the time of redemption or conversion.

During the time the Series One Preferred Shares participate in dividends on parity with the Common Stock, no dividend in cash or property may be paid upon the Common Stock unless a like dividend "per share" is paid on each share of the Series One Preferred Stock then issued and outstanding. During the time the Series One Preferred Shares are entitled to a dividend preference, no dividend shall be paid on the Common Stock unless and until the preference dividends have been first fully paid.

3. Date Adopted: These Articles of Amendment were adopted March 27, 2001.

4. Approval by Board of Directors: These Articles of Amendment have been approved by the Board of Directors of this Corporation and are filed pursuant to Florida Statutes 607.0602. The vote of the Board of Directors was unanimous and sufficient to carry this Amendment. A vote of the shareholders is not required under the above Statutes.

IN WITNESS WHEREOF, the undersigned, as President, has executed this Amendment on behalf of this corporation this 27 day of March 2001.

  
President NEIL W. SAVAGE

**Exhibit 1**  
**Amendment to Articles of Incorporation**  
**United Financial Holdings, Inc.**  
**Series One Preferred Stock**

This Exhibit sets for the conversion terms applicable to each share of the Series One Preferred Stock issued by United Financial Holdings, Inc. (the "Corporation").

1. **Automatic Conversion on Change of Control.** Upon any Change of Control of the Corporation, each share of the Series One Preferred Stock then issued and outstanding shall automatically be converted into and become one (1) share of the \$0.01 par value Common Stock of the Corporation. For purposes of this Agreement, a "Change of Control" shall be deemed to occur if prior to April 1, 2006 a holding company change in control application filed with the Federal Reserve is finally approved by all federal and state agencies having jurisdiction thereof, permitting the direct or indirect transfer of fifty-one percent (51%), or more, of the voting common stock of United Financial Holdings, Inc., from its shareholder group, as that group exists on December 31, 2001 and the shares of United Financial Holdings, Inc., representing such Change of Control have in fact been lawfully transferred to the control group designated in the application.

2. **Automatic Conversion Based on Target.** If at any time after the later of March 31, 2001 or the date the Corporation's purchase of First Security Bank is closed, but prior to redemption of the Series One Preferred Shares by the Corporation (herein referred to as the "Reference Period"), the Cumulative Net Interest Income of First Security Bank, calculated through the Reference Period (after all proper adjustments) equals one or more "Target Level," the "Applicable Percentage" of the initially issued and outstanding shares of the Series One Preferred Stock shall automatically be converted as of the end of the calendar month following the month in which a Target Level was met. Upon meeting the Target Level, the Applicable Percentage of the Series One Preferred Stock shall automatically convert and become one (1) share of the Corporation's \$0.01 par value Common Stock, rounded in each case to the nearest whole share. The Target Levels and Applicable Percentages for this purpose are as set forth in the following table:

<u>Target Level</u>	<u>Applicable Percentage</u>
\$2,460,000	Thirty-three percent (33%)
\$6,030,000	Additional thirty three percent (33%)
\$10,980,000	Cumulative One hundred percent (100%)

The term "Cumulative Net Interest Income" is the cumulative amount of interest income earned by First Security during the Reference Period through the date the

year-end Target Level is being calculated from its loans and investments *reduced* by the cumulative amount paid or accrued by First Security Bank during the Reference Period of (i) any interest paid or accrued on any indebtedness of First Security Bank, including without limitation, deposit liabilities and obligations to the Corporation, (ii) any interest paid or accrued by the Corporation on any indebtedness for borrowed money that is allocable to funds invested as capital in First Security, and (iii) any additions (as determined and prescribed by the Corporation) that are made to First Security's loan loss reserve during the Reference Period.

The Cumulative Net Interest Income earned by First Security calculated during the Reference Period shall be determined by the Corporation on a consistent basis, without audit, in accordance with generally accepted accounting principles, on a consolidating basis (as opposed to a consolidated basis).

Within thirty (30) days after the Cumulative Net Interest Income as of the close of a calendar month within the Reference Period equals a Target Level, the Corporation shall send written notice to each holder of the Series One Preferred Stock. In the event of any dispute as to the amount of the Cumulative Net Interest Income, such dispute shall be resolved by the Holding Company's independent firm of Certified Public Accountants, and the determination of the accountants, unless patently erroneous, shall be final, and binding on all parties.