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MERGER OR SHARE EXCHANGE

HERITAGE BANCSHARES, INC.

Certificate of Status	0
Certified Copy	1
Page Count	06
Estimated Charge	\$78.75

Art: of Share Exchange

11/29/00 DC

11/29/2000 11:56 AM

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DIVISION OF CORPORATIONS

Fax Audit No. H00000062307

**ARTICLES OF SHARE EXCHANGE**  
for  
**HERITAGE BANCSHARES, INC.**  
and  
**HERITAGE BANK OF NORTH FLORIDA**

Heritage Bancshares, Inc., a valid and legally formed Florida corporation (the "Acquiring Corporation"), and Heritage Bank of North Florida, a valid and legally formed Florida banking corporation (the "Bank"), each having adopted an Agreement and Plan of Share Exchange (the "Plan of Share Exchange"), hereby submit these Articles of Share Exchange pursuant to Section 607.1105 of the Florida Business Corporation Act:

1. The Plan of Share Exchange is attached hereto as Exhibit A.
2. The effective date of the Share Exchange shall be the date of filing these Articles of Share Exchange with the Secretary of State of Florida.
3. The shareholders of the Acquiring Corporation approved the Plan of Share Exchange on June 20, 2000, by a majority of all the votes entitled to be cast on the plan.
4. The shareholders of the Bank approved the Plan of Share Exchange on July 11, 2000, by a majority of all the votes entitled to be cast on the plan.

IN WITNESS WHEREOF, these Articles of Share Exchange have been executed by the Acquiring Corporation and the Bank this 29th day of November, 2000.

HERITAGE BANCSHARES, INC.,  
the Acquiring Corporation

By: \_\_\_\_\_

Donald M. Pitts, President and Chief  
Executive Officer

HERITAGE BANK OF NORTH FLORIDA,  
the Bank

By: \_\_\_\_\_

Donald M. Pitts, President and Chief  
Executive Officer

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## AGREEMENT AND PLAN OF SHARE EXCHANGE

Heritage Bancshares, Inc. (the "Acquiring Corporation"), a Florida corporation, and Heritage Bank of North Florida (the "Bank"), a Florida banking corporation, enter into the following Agreement and Plan of Share Exchange (the "Plan") pursuant to Section 607.1102, Florida Statutes:

WHEREAS, the Bank desires to form a one-bank holding company and the Acquiring Corporation has been incorporated to serve as said holding company for the Bank;

WHEREAS, to accomplish the formation of a one-bank holding company, the Bank and the Acquiring Corporation have determined to effect a share exchange under Section 607.1102, Florida Statutes (the "Share Exchange");

WHEREAS, the Bank and the Acquiring Corporation intend the Share Exchange to qualify as a tax-free reorganization under Section 368(a)(1)(B) and Section 351(a) of the Internal Revenue Code of 1986, as amended;

WHEREAS, this Plan sets forth the terms and conditions of the Share Exchange and the manner and basis of exchanging shares; and

WHEREAS, the board of directors of each of the Bank and the Acquiring Corporation have approved this Plan and have directed that this Plan be submitted to the shareholders of the respective corporations for their approval and adoption in accordance with Section 607.1103, Florida Statutes;

NOW THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained herein, the Bank and the Acquiring Corporation hereby agree as follows:

1. Effective Date. The effective date of the Share Exchange shall be the date of filing of the Articles of Share Exchange with the Secretary of State of Florida (the "Effective Date").

2. Common Stock. On the Effective Date, the Acquiring Corporation will acquire all of the issued and outstanding capital stock of the Bank. Simultaneously, the Acquiring Corporation will cancel the one issued and outstanding share of its capital stock and will issue to each shareholder of the Bank that number of shares of common stock of the Acquiring Corporation as is equal to the number of shares of common stock of the Bank held by such shareholder. Notwithstanding anything in this Agreement to the contrary, shareholders who exercise dissenters' rights pursuant to Sections 607.1301, 607.1302 and 607.1320, Florida Statutes, shall be entitled only to receive the fair value of their shares as prescribed in such statutes. Shares subject to dissenters' rights shall not be exchanged for common stock of the Acquiring Corporation.

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3. SARS. On the Effective Date, each outstanding stock appreciation right ("SAR") granted under the Bank's Employee Stock and SAR Plan and any similar plan or arrangement providing for the issuance of stock appreciation rights, whether or not then exercisable or vested, shall be automatically converted into an SAR for an equal number of shares of common stock in the Acquiring Company, on the same terms and conditions as the original SAR.

4. Options. On the Effective Date, each outstanding option to purchase shares of common stock of the Bank (an "Option") granted under the Bank's Director Stock Option Plan and any similar plan or arrangement providing for the issuance of options, whether or not then exercisable or vested, shall be automatically converted into an option for an equal number of shares of common stock in the Acquiring Company, on the same terms and conditions as the original Option.

5. Delivery of Certificates. As soon as practicable after the Effective Date and upon surrender by the Bank's shareholders of certificates representing the common stock thereof, the Acquiring Corporation shall deliver to the Bank's shareholders certificates for the number of shares of common stock of the Acquiring Corporation to which they are entitled under this Plan. Until so surrendered, each outstanding certificate formerly representing common stock of the Bank shall be deemed for all purposes to evidence ownership of an equal number of shares of the Acquiring Corporation. No dividends or other distributions with a record date after the Effective Date shall be paid to the holder of any unsurrendered certificate of the Bank until so surrendered.

6. Additional Covenants of the Bank and the Acquiring Corporation.

(a) The Bank and the Acquiring Corporation each shall take all necessary and appropriate action to comply with applicable laws of the State of Florida to accomplish the Share Exchange, including the submission of this Plan to the shareholders of each corporation for their approval, which approval each corporation shall use its best efforts to obtain.

(b) The Bank and the Acquiring Corporation each shall take all necessary and appropriate action to comply with applicable laws, rules and regulations of regulatory authorities in connection with the formation of a one-bank holding company, including the laws, rules and regulations of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and all state regulatory agencies having jurisdiction over the Bank and the Acquiring Corporation, including the Florida Department of Banking and Finance.

7. Representations and Warranties of the Bank. The Bank hereby represents and warrants to the Acquiring Corporation as follows:

(a) That the Bank is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and has full power and authority to carry on its business as it is now being conducted.

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(b) The authorized capitalization of the Bank is 4,000,000 shares of common stock, par value \$1.00 per share, of which 1,633,181 shares are presently outstanding. All of the issued and outstanding shares of the Bank have been validly issued, fully paid and nonassessable.

(c) The Bank has full corporate power and authority to execute and deliver this Plan and, subject to the approval of the shareholders of the Bank and any regulatory approvals or consents, to consummate the transactions contemplated hereby.

(d) None of the information relating to the Bank to be included in the Consent Solicitation Statement which is to be mailed to the shareholders of the Bank in connection with the solicitation of their approval of this Plan will, at the time such Consent Solicitation Statement is mailed, be false or misleading with respect to any material fact, or omit to state any material fact, necessary in order to make a statement therein not false or misleading.

8. Representations and Warranties of the Acquiring Corporation. The Acquiring Corporation hereby represents and warrants to the Bank as follows:

(a) That the Acquiring Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and has full corporate power and authority to carry on its business as it is now being conducted.

(b) The authorized capitalization of the Acquiring Corporation is 8,000,000 shares of common stock, par value \$0.01 per share, of which 1 share is presently outstanding. The issued and outstanding share of the Acquiring Corporation has been validly issued, fully paid and nonassessable. There are no outstanding options, warrants, commitments, or other rights or instruments to purchase or acquire any shares of capital stock of the Acquiring Corporation, or any securities or rights convertible into or exchangeable for shares of capital stock of the Acquiring Corporation.

(c) The Acquiring Corporation has full corporate power and authority to execute and deliver this Plan and, subject to the approval of the shareholders of the Acquiring Corporation and any regulatory approvals or consents, to consummate the transactions contemplated hereby.

(d) None of the information relating solely to the Acquiring Corporation to be included in the Consent Solicitation Statement which is to be mailed to the shareholders of the Bank in connection with the solicitation of their approval of this Plan will, at the time such Proxy Statement is mailed or at the time of the meeting of shareholders to which such Proxy Statement relates, be false or misleading with respect to any material fact, or omit to state any material fact, necessary in order to make a statement therein not false or misleading.

9. Conditions. The consummation of the Share Exchange is subject to the fulfillment, or waiver, prior to or at the Effective Date, of each of the following conditions:

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(a) All corporate and regulatory approvals relating to the Share Exchange and the creation of a one-bank holding company shall have been received by the Bank and the Acquiring Corporation, as appropriate.

(b) The representations, warranties and agreements of the Bank and the Acquiring Corporation contained in this Plan shall be true and correct in all respects as of the Effective Date.

10. Termination and Abandonment. Anything in this Plan notwithstanding, the Share Exchange may be terminated and abandoned at any time prior to the filing of the Articles of Share Exchange if the board of directors of either the Bank or the Acquiring Corporation so determine, and no shareholder's approval shall be required for the Share Exchange to be so terminated and abandoned.

11. Amendment of Plan. Except as provided in Section 607.1103(8), Florida Statutes, this Plan may be amended by the board of directors of the Bank and the Acquiring Corporation at any time prior to the filing of the Articles of Share Exchange, without shareholder approval.

12. Integration. This Plan embodies the entire agreement between the Bank and the Acquiring Corporation. There have been no agreements, covenants, representations or warranties other than those expressly provided for herein.

13. Severability. If any provision of this Plan, or the application of a provision to any person or circumstance, is held invalid, the remainder of this Plan, or the application of such provision to persons or circumstances other than those to which it is held invalid, will not be affected thereby.

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14. Governing Law. This Plan will be governed and construed and enforced in accordance with the laws of the State of Florida without regard to conflict of law principles thereunder.

IN WITNESS WHEREOF, this Plan has been duly adopted and agreed to by the authorized officers of the Bank and the Acquiring Corporation as of the 29th day of November, 2000.

HERITAGE BANCSHARES, INC.,  
the Acquiring Corporation

By: 

Name: Donald M. Pitts  
Title: President/CEO

HERITAGE BANK OF NORTH  
FLORIDA, the Bank

By: 

Name: Donald M. Pitts  
Title: President/CEO