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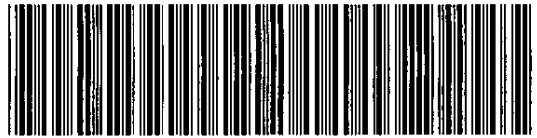
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FILED
09 SEP 25 PM 3:03
TALLAHASSEE, FLORIDA

Amend
Thurs
9-25-09

10

SMITH MACKINNON, PA

ATTORNEYS AT LAW

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JOHN P. GREELEY

September 24, 2009

Via Federal Express

Department of State
Attention: Karon Beyer
Division of Corporations
2661 Executive Center Circle
Tallahassee, FL 32301

Re: Grand Bankshares, Inc..
Amendment to the Articles of Incorporation

Dear Karon:

Enclosed are three manually signed originals of Articles of Amendment to the Articles of Incorporation of Grand Bankshares, Inc., accompanied by a check in the amount of \$52.50 payable to the Florida Secretary of State for the filing fee.

I would appreciate it if you could file the Articles of Amendment at your earliest convenience and have two certified copies returned to us.

If you have any questions regarding the enclosed, please do not hesitate to call me at your convenience. As always, we appreciate your assistance.

Very truly yours,


John P. Greeley

JPG:erw

Enclosures

Copy to: J. Russell Greene
President and Chief Executive Officer
Grand Bankshares, Inc.

**ARTICLES OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION OF
GRAND BANKSHARES, INC.
(Pursuant to Section 607.0602 of the
Florida Business Corporation Act)**

FILED
09 SEP 25 PM 3:03
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Grand Bankshares, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), in accordance with the provisions of Section 607.0602 of the Florida Business Corporation Act (the "Act"), does hereby amend its Articles of Incorporation ("Articles") by filing these Articles of Amendment in order to amend the dividend and voting rights of its Non-Cumulative Perpetual Series B Preferred Stock and, in connection therewith,

HEREBY CERTIFIES:

That the name of the Corporation is Grand Bankshares, Inc.

Pursuant to authority granted to the Board of Directors by Article IV, Section B of the Articles, the Section of the Articles relating to the dividend and voting rights attributable to the Non-Cumulative Perpetual Series B Preferred Stock (the "Series B Preferred Stock") are hereby amended to provide as follows:

(2) Dividends. Dividend rights attributable to the shares of Series B Preferred Stock are as follows:

(a) Rate. The holders of Series B Preferred Stock shall be entitled to receive on each share of Series B Preferred Stock such non-cumulative cash dividends if, as, and when declared by the Board of Directors out of funds legally available therefor, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year at the Coupon Rate on the Liquidation Amount per share. The "Coupon Rate" shall equal 8.00% per annum. In the event that any dividend payment date would otherwise fall on a day that is not a business day for the Corporation, the dividend payment due on that date will be postponed to the next day that is a business day for the Corporation and no additional dividends will accrue as a result of that postponement. Dividends that are payable on the Series B Preferred Stock shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on any date prior to the end of a calendar quarter, and for the initial calendar quarter, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month. Each declared dividend shall be payable to holders of record as they appear at the close of business on the stock books of the Corporation on the 15th calendar day preceding the dividend payment date therefor.

(b) Non-Cumulative. Dividends shall be non-cumulative. If the Board of Directors does not declare a dividend on the Series B Preferred Stock in respect of any calendar quarter, the holders of the Series B Preferred Stock shall have no right to receive any dividend for such calendar quarter, and the Corporation shall have no obligation to pay a dividend for such calendar quarter, whether or not dividends are declared for any subsequent calendar quarter with respect to the Series B Preferred Stock.

(c) Priority of Dividends. So long as any shares of Series B Preferred Stock are outstanding, no dividend may be declared or paid or set aside for payment or other distribution declared or made upon the Common Stock or Series A Preferred Stock by the Corporation (other than dividends payable solely in shares of Common Stock or Series A Preferred Stock) unless full dividends on all outstanding shares of Series B Preferred Stock for the most recently completed calendar quarter have been or are contemporaneously declared and paid (or have been paid in a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series B Preferred Stock on the applicable record date).

(3) Voting Rights. Holders of Series A Preferred Stock shall have no voting rights, except as provided under the Act. So long as any shares of Series A Preferred Stock are outstanding, in addition to any other vote or consent of the holders thereof required by law, the vote or consent of the holders of at least 50% of the shares of Series A Preferred Stock at the time outstanding, voting as a separate class, shall be required for approval of the consummation of a binding share exchange or reclassification involving the Series A Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless (i) (x) the shares of Series A Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remain outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series A Preferred Stock immediately prior to such consummation, taken as a whole, or (ii) such share exchange, reclassification, merger or consolidation constitutes a Change of Control and the Corporation has elected to redeem all shares of Series B Preferred Stock upon the closing of such Change of Control (as contemplated by Section (5) below) and the closing of such Change of Control is conditioned upon the redemption of all shares of Series B Preferred Stock.

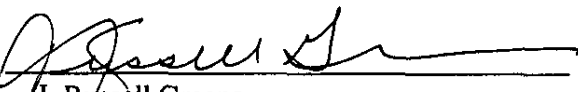
CERTIFICATE

The undersigned, being the duly elected and incumbent President and Chief Executive Officer of Grand Bankshares, Inc. (the "Corporation"), a corporation organized under the laws of the State of Florida, does hereby certify that the foregoing Articles of Amendment were duly adopted

by the Board of Directors on August 19, 2009 and continue in full force and effect as of the date of this Certificate without alteration or modification.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature effective September 14, 2009.

GRAND BANKSHARES, INC.

By: 
J. Russell Greene
As its: President and Chief Executive Officer