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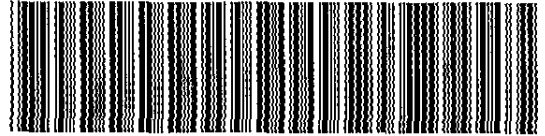
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2003 JAN 13 PM 3:04

merger/name change  
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1-13-03

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**OFFICE OF FINANCIAL INSTITUTIONS  
AND SECURITIES REGULATION  
DIVISION OF FINANCIAL INSTITUTIONS**

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**DATE:** January 13, 2003

**TO:** Louise Jackson, Department of State  
Division of Corporations

**FROM:** Bruce Ricca, Licensing and Chartering

**SUBJ:** Merger of Community National Bank of Mid-Florida  
with and into Community Interim Bank and under the  
title of Community United Bank of Florida

Please file the attached "Merger Documents" for the above-referenced institutions, using the CLOSE OF BUSINESS ON JANUARY 13, 2003, as the effective date.

Please make the following distribution of certified copies:

- (1) One copy to: Bruce Ricca  
Division of Banking  
101 East Gaines Street  
Fletcher Building, Suite 636  
Tallahassee, Florida 32399-0350
- (2) Two copies to: Mr. John P. Greeley  
Smith Mackinnon, P. A.  
Post Office Box 2254  
Orlando, Florida 32802-2254
- (3) One copy to: Mr. Tim Flono  
(Uncertified) Federal Deposit Insurance Corporation  
10 Tenth Street, N. E.  
Suite 800  
Atlanta, Georgia 30309-3906

Also attached is a check that represents payment of the filing fees, charter tax and certified copies. If you have any questions, please call 410-9528.

BR:mergeart

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

COMMUNITY NATIONAL BANK OF MID-FLORIDA, a national bank

INTO

COMMUNITY INTERIM BANK which changed its name to

**COMMUNITY UNITED BANK OF FLORIDA**, a Florida entity, P03000004234

File date: January 13, 2003

Corporate Specialist: Louise Flemming-Jackson

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS

2003 JAN 13 PM 3:05

## OFFICE OF FINANCIAL INSTITUTIONS AND SECURITIES REGULATION



Having been approved by the Comptroller of Florida on November 12, 2002, to merge Community National Bank of Mid-Florida, Lake Mary, Seminole County, Florida, and Community Interim Bank (a Successor Institution), Lake Mary, Seminole County, Florida, and being satisfied that the conditions of approval have been met, I hereby approve for filing with the Department of State, the attached "Plan of Merger and Merger Agreement," which contains the Articles of Incorporation of Community United Bank of Florida (the resulting bank), so that effective at the close of business on January 13, 2003, they shall read as stated herein.

Signed on this 10<sup>TH</sup> day of  
January 2003.

  
Deputy Director

**PLAN OF MERGER AND MERGER AGREEMENT**

2003 JAN 13 PM 3:05

THIS PLAN OF MERGER AND MERGER AGREEMENT, is dated this 15<sup>th</sup> day of April, 2002 (the "Plan"), by and among Community National Bank of Mid-Florida ("CNB") and United Heritage Bank ("UHB").

**RECITALS:**

A. **CNB.** CNB is a national banking association duly organized and existing in good standing under the laws of the United States, with its principal executive offices located in Lake Mary, Florida. As of the date hereof, CNB's authorized capital stock consisted of 2,000,000 shares of common stock, par value \$3.00 per share ("CNB Common Stock"), of which 836,740 shares of CNB Common Stock are outstanding.

B. **UHB.** UHB is a Florida banking corporation duly organized and existing in good standing under the laws of the State of Florida with its principal executive offices located in Orlando, Florida. As of the date hereof, UHB's authorized capital stock consisted of 3,000,000 shares of common stock, par value \$5.00 per share ("UHB Common Stock"), of which 2,000,000 shares are outstanding.

C. **Holding Company Formation.** CNB and UHB will incorporate and organize a corporation under the laws of the State of Florida under the name "United Community Bankshares of Florida, Inc." (the "BHC"). It is the intention of the parties that upon consummation of the Merger described below, the BHC will own all of the outstanding shares of CNB and UHB, which will be separate subsidiary banks of the BHC, and the shares of BHC Common Stock ("BHC Common Stock") will be owned by all of the former shareholders of CNB and UHB, as set forth in this Plan.

D. **Mergers.** Pursuant to this Plan, the parties have agreed that the BHC will form separate interim Florida banking corporations and CNB will merge with and into one of such interim banking corporations, as a result of which CNB will become a direct wholly-owned subsidiary of the BHC, and UHB will merge with and into the other interim banking corporation, as a result of which UHB will become a direct wholly-owned subsidiary of BHC. In the process of its merger, CNB will convert to a Florida banking corporation. For purposes of this Plan, the foregoing mergers are collectively referred to as the "Merger."

E. **Intention of the Parties.** It is the intention of the parties to this Plan that the Merger shall qualify as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

F. **Approvals.** The Boards of Directors of each of UHB and CNB have determined that this Plan and the transactions contemplated hereby are in their respective best interests and the best

interests of their respective stockholders, and have approved this Plan at meetings of each of such Boards of Directors.

**NOW, THEREFORE**, in consideration of their mutual promises and obligations, the parties hereto, intending to be legally bound, adopt and make this Plan and prescribe the terms and conditions hereof and the manner and basis of carrying the Plan into effect, as follows:

## **I. THE MERGER**

1.1 **The Merger.** In the event that all of the conditions set forth in Article VI hereof have been satisfied or waived:

(A) **The Merger.** On the Merger Effective Date (as hereinafter defined) (a) CNB shall merge into an interim Florida banking corporation subsidiary of BHC and the name of the continuing corporation following such merger shall be "Community United Bank of Florida," and (b) UHB shall merge into an interim Florida banking corporation subsidiary of BHC and the name of UHB following such merger shall be "United Heritage Bank." CNB and UHB following consummation of the Merger are sometimes referred to in this Plan collectively as the "Continuing Corporation."

(B) **Rights, Etc.** On the Merger Effective Date, the Continuing Corporation shall thereupon and thereafter possess all of the rights, privileges, immunities and franchises, of a public as well as of a private nature, of UHB and CNB, and all property, real, personal and mixed and all debts due on whatever account, and all other causes of action, all and every other interest of or belonging to or due to each of the corporations so merged shall be deemed to be vested in the Continuing Corporation without further act or deed. The title to any real estate, or any interest therein, vested in any of such corporations, shall not revert or be in any way impaired by reason of the Merger, as provided by the laws of the State of Florida.

(C) **Liabilities.** On the Merger Effective Date, the Continuing Corporation shall thereupon and thereafter be responsible and liable for all the liabilities, obligations and penalties of each of the corporations so merged. All rights of creditors and obligors and all liens on the property of each of UHB and CNB shall be preserved unimpaired.

(D) **Articles of Incorporation; Bylaws; Directors; Officers; Offices.**

(i) The articles of incorporation and bylaws of UHB following the Merger Effective Date shall be those of UHB, as in effect immediately prior to the Merger Effective Date and until such documents are changed in accordance with applicable law, and the articles of incorporation and bylaws of CNB following the Merger Effective Date, shall be as set forth in Exhibit 1 to this Plan and until such documents are changed in accordance with applicable law.

(ii) The directors of UHB and CNB following the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified, shall consist of those persons who were directors of UHB and CNB, respectively, immediately prior to the Merger Effective Date. The name and address of each director of UHB and CNB is set forth on Exhibit 2.

(iii) The officers of UHB and CNB following the Merger Effective Date, who shall hold office until such time as their successors are elected and qualified, shall consist of those persons who were officers of UHB and CNB, respectively, immediately prior to the Merger Effective Date. The name and address of each executive officer of UHB and CNB is set forth on Exhibit 3.

(iv) The banking offices of UHB and CNB following the Merger Effective Date shall be those banking offices of UHB and CNB, respectively, immediately prior to the Merger Effective Date. The name and location of the main office and each existing and proposed branch office of UHB and CNB is set forth on Exhibit 4.

**1.2 Merger Effective Date; Closing.** The Merger shall become effective at the date set forth in the certificate of merger issued by the Florida Department of Banking and Finance with respect to the Merger (the "Merger Effective Date") and the parties shall utilize their best efforts to cause such certificate of merger to be issued as soon as practicable after satisfaction of all conditions set forth in Article VI, including, without limitation, the receipt of the regulatory approvals referred to in Section 6.2. All documents required by the terms of this Plan to be delivered at or prior to consummation of the Merger shall be exchanged by the parties at the closing of the Merger (the "Closing"), which shall be held on the Merger Effective Date at such location as may be mutually agreed upon at 10:00 a.m.

**1.3 BHC Board of Directors and Bank Officers.** Following the Merger, the initial Board of Directors of BHC shall consist of James L. Hewitt (Chairman), J. Michael Hattaway (Vice Chairman), and David G. Powers (President, Chief Executive Officer and Secretary). As of the Merger Effective Date, the BHC shall adopt bylaws that will provide that the BHC Board always shall have at least one representative of CNB and two representatives of UHB. The presence of all BHC directors constitutes a quorum (as long as the BHC Board consists of only three members), and that the following items will require the approval of all three BHC directors:

- (A) Any merger, sale of substantially all the assets, or consolidation of BHC.
- (B) Any expansion of BHC by acquisition or de novo bank formation.
- (C) Any consolidation or other disposition of CNB or UHB.
- (D) The addition of a new member to the BHC Board.
- (E) Major capital expenses or strategic initiatives outside of the business plan or budget of each subsidiary bank.

- (F) The award of stock options.
- (G) Payment of BHC dividends.
- (H) Any recapitalization or reorganization of BHC, CNB or UHB.

The BHC Bylaws also shall provide that the following action shall be subject to prior approval of the BHC Board:

- (A) Loans of CNB and/or UHB over \$1 million in the aggregate.
- (B) The budget and business plan of each subsidiary bank.
- (C) The election of directors of each subsidiary bank.
- (D) The approval or change of any employee benefits.
- (E) Removal of any CNB or UHB director.

Following the closing of the Merger, the BHC Board will finalize the terms of a private placement offering to raise limited capital for the payment of BHC expenses and to fulfill its cash flow needs for an approximate two-year period. The offering will be allocated equally to employees of CNB and UHB, first to those below the Vice President level, next to employees at or above the level of Vice President, and any remaining amounts as the BHC board determines.

**1.4 Bank Boards of Directors.** CNB's Chairman and another CNB director will be non-voting invitees to UHB Board meetings, and UHB's Chairman and another UHB director will be non-voting invitees to CNB Board meetings.

**1.5 Stock Options.** Following the Merger Effective Date, BHC will have a director stock option plan and an employee stock option plan. The director stock option plan will have 275,380 options available, allocated 137,690 to the CNB directors and 137,690 to the UHB directors. The BHC employee stock option plan will have 332,132 options. As to these options, 140,000 will be allocated to outstanding UHB employee options, and 42,284 will be allocated to outstanding CNB employee options (after application of the Exchange Ratio set forth in Section 2.1(A)(i)). The remaining 149,848 options will be reserved for issuance under the BHC employee stock option plan.

**1.6 Employment Agreements.** At the Merger Effective Date, CNB will enter into separate employment agreements with its President and Chief Executive Officer, and senior lender, in form satisfactory to UHB.

**1.7 Trust Powers.** At the Merger Effective Date, neither CNB nor UHB will exercise trust powers.



## II. MERGER CONSIDERATION.

2.1 **Merger Consideration.** Subject to the provisions of this Plan, automatically, as a result of the Merger, and without any action on the part of any party or shareholder:

(A) **Outstanding CNB and UHB Common Stock.** Subject to the provisions of this Plan, as of the Merger Effective Date and by virtue of the Merger and without any further action on the part of the holder of any shares of CNB Common Stock or UHB Common Stock (a) each share of UHB Common Stock (excluding shares owned by UHB, if any) issued and outstanding immediately prior to the Merger Effective Date shall automatically become and be converted into the right to receive one share of BHC Common Stock, and (b) each share of CNB Common Stock (excluding shares owned by CNB, if any) issued and outstanding immediately prior to the Merger Effective Date shall become and be converted into the right to receive 1.24 shares of BHC Common Stock. The parties acknowledge that the ratio of shares of BHC Common Stock issuable to CNB and UHB shareholders in the Merger was set forth in a report issued to CNB and UHB by Allen C. Ewing & Co. ("Ewing"), which was jointly retained by CNB and UHB to provide such report. The parties agree that Ewing will update its report for CNB and UHB information as of the last day of the penultimate calendar month preceding the month during which the Merger Effective Date occurs; *provided, however*, that the amount of BHC Common Stock issued for each share of CNB Common Stock shall not be less than 1.24 shares of BHC Common Stock and no more than 1.34 shares of BHC Common Stock. The applicable amount of BHC Common Stock issuable in the Merger for each CNB Common Stock and UHB Common Stock pursuant to this Section, as may be adjusted as provided herein, shall be hereinafter referred to as the "Exchange Ratio." Any shares of CNB Common Stock owned by CNB, and any shares of UHB Common Stock owned by UHB, shall be canceled and retired upon the Merger Effective Date and no consideration shall be issued in exchange therefor. In the event that prior to the Merger Effective Date the shares of UHB Common Stock or CNB Common Stock shall be changed into a different number of shares or a different class of shares by reason of any recapitalization or reclassification, stock dividend, combination, stock split, or reverse stock split of such shares, an appropriate and proportionate adjustment shall be made in the number of shares of BHC Common Stock into which such shares shall be converted.

(B) **Outstanding Shares of BHC Common Stock.** The shares of BHC Common Stock issued in connection with the organization of BHC outstanding immediately prior to the Merger Effective Date shall be cancelled and no longer outstanding immediately following such date.

2.2 **Shareholder Rights; Stock Transfers.** On the Merger Effective Date, holders of CNB Common Stock and UHB Common Stock shall cease to be, and shall have no rights as stockholders of CNB or UHB, respectively, other than to receive the Merger consideration provided under Section 2.1 above or the amount set forth in Section 2.6 below (to the extent applicable). After the Merger Effective Date, there shall be no transfers on the stock transfer books of CNB or UHB of the shares of CNB Common Stock or UHB Common Stock which were issued and outstanding immediately prior to the Merger Effective Date.

**2.3 Fractional Shares.** Notwithstanding any other provision hereof, no fractional shares of BHC Common Stock, and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger. Instead, such fractional share interest shall be rounded up or down to the nearest whole share of BHC Common Stock.

**2.4 Exchange Procedures.** As promptly as practicable after the Merger Effective Date, BHC shall send or cause to be sent to each former stockholder of record of CNB and UHB immediately prior to the Merger Effective Date transmittal materials for use in exchanging such stockholder's certificates formerly representing CNB Common Stock and UHB Common Stock ("Old Certificates") for the consideration set forth in Section 2.1(A) above. The certificates representing the shares of BHC Common Stock ("New Certificates") issuable in exchange for the Old Certificates, will be delivered to such stockholder only upon delivery of Old Certificates representing all of such shares (or, if any of the Old Certificates are lost, stolen or destroyed, indemnity satisfactory to BHC). After the Merger Effective Date, to the extent required by law, former stockholders of record of CNB and UHB shall be entitled to vote at any meeting of holders of BHC Common Stock the number of whole shares of BHC Common Stock into which their respective shares of CNB Common Stock and UHB Common Stock are converted, regardless of whether such holders have exchanged their Old Certificates for certificates representing BHC Common Stock in accordance with the provisions of this Plan. Notwithstanding the foregoing, BHC shall not be liable to any former holder of CNB Common Stock and UHB Common Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

**2.5 Options and Warrants.**

(A) (i) Any valid option or warrant to purchase shares of CNB Common Stock (a "CNB Option"), outstanding and unexercised immediately prior to the Merger shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become and be converted into an option or a warrant to purchase that number of shares of BHC Common Stock as shall equal the Exchange Ratio multiplied by that number of shares of CNB Common Stock which such option or warrant entitled the holder thereof to purchase (rounded to the nearest whole share), and at an exercise price equal to the exercise price per share of the CNB Option divided by the Exchange Ratio (rounded to the nearest cent). BHC shall assume each such CNB Option in accordance with the terms of the plan or agreement by which it is evidenced, subject to the foregoing. A list of all outstanding CNB Options is set forth in Schedule 2.5(A)(i) of this Plan.

(ii) Any valid option or warrant to purchase shares of UHB Common Stock (a "UHB Option"), outstanding and unexercised immediately prior to the Merger shall, by virtue of the Merger, automatically and without any action on the part of the holder thereof, become and be converted into an option or warrant to purchase an equal number of shares of BHC Common Stock, and at an exercise price equal to the exercise price per share of the UHB Option. BHC shall assume each such UHB Option in accordance with the terms of the Plan or agreement by which it

is evidenced, subject to the foregoing. A list of all outstanding UHB Options is set forth on Schedule 2.5(A)(ii) of this Plan.

(iii) In addition to the foregoing, in order to preserve to the directors, executive officers and key employees of CNB and UHB benefits substantially equivalent to those provided by the CNB and UHB stock option plans in existence as of the date of this Plan, at the Merger Effective Date, or as soon as practicable thereafter, BHC will cause to be effective separate stock option plans for directors and employees (the "BHC Plans") which shall: (x) supersede and replace the existing CNB and UHB stock option plans as of and after that date; (y) assume the options outstanding of the Merger Effective Date issued under the CNB and UHB stock option plans; and (z) authorize the grant of options to purchase shares of BHC Common Stock as contemplated by Section 1.5.

**2.6. Dissenters' Rights.** Any shareholder of CNB and UHB who shall have perfected Dissenters' Rights in accordance with the provisions of the National Bank Act in the case of CNB, and the Florida Banking Code in the case of UHB (collectively, such laws are referred to as the "Dissent Provisions"), and has not effectively withdrawn or lost such holder's dissenters' rights, and shall not be converted into or represent a right to receive the BHC Common Stock issuable in the Merger but the holder thereof shall be entitled only to such rights as are granted by the Dissent Provisions. If after the Merger Effective Date a dissenting shareholder of CNB or UHB fails to perfect, or effectively withdraws or loses, such holder's dissenters right and payment for the shares of CNB Common Stock or UHB Common Stock, as the case may be, BHC shall issue and deliver the consideration to which such holder is entitled under Section 2.1(A) (without interest) upon surrender by such holder of the certificate or certificates representing the shares held by the holder.

### **III. ACTIONS PENDING MERGER.**

**3.1 Actions Pending Merger.** From the date hereof until the Merger Effective Date, except as expressly contemplated by this Plan, without the prior written consent or approval of the other, neither CNB nor UHB will:

(A) **Dividends.** Declare, make or pay any dividend, or declare or make any distribution on, any shares of its capital stock or directly or indirectly combine, redeem, reclassify, purchase or otherwise acquire any shares of its capital stock.

(B) **Compensation; Employment Agreements.** Enter into or amend any employment, severance or similar agreements or arrangements with, increase the rate of compensation or increase any employee benefit of (except normal individual increases in the ordinary course of business in accordance with existing policy consistent with past practice), or pay or agree to pay any bonus to, any of its directors, officers or employees, except in accordance with plans or agreements existing and as in effect on the date hereof disclosed in Schedule 3.1(B).

(C) **Benefit Plans.** Enter into or modify (except as may be required by applicable law) any pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance, or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement related thereto, in respect of any of its directors, officers or other employees, including without limitation taking any action that accelerates (i) the vesting or exercise of any benefits payable thereunder; or (ii) the right to exercise any employee stock options outstanding thereunder, except as disclosed in Schedule 3.1(C).

(D) **Acquisitions and Dispositions.** Except as disclosed in Schedule 3.1(D), dispose of or discontinue any portion of any material assets, business or properties (except for the sale of foreclosed properties, or properties received in lieu of foreclosure, in the ordinary course of business, consistent with past practice), or merge, consolidate or enter into a business combination with, or acquire all or any substantial portion of, the business or property of any other entity (except for properties received through, or in lieu of, foreclosure in the ordinary course of business, consistent with past practice).

(E) **Amendments.** Amend its articles of incorporation, articles of association, or bylaws.

(F) **Actions in Ordinary Course.** Except as disclosed in Schedule 3.1(F), take any other action or engage in any loan, deposit, investment or other transaction not in the usual, regular and ordinary course of business consistent with past practice, including, but not limited to, (i) significantly materially changing asset liability sensitivity, (ii) making loans which are not consistent with past practice or otherwise materially changing its credit policies or standards, (iii) purchasing or selling securities except for purchases and sales of investment securities in the ordinary course of business consistent with past practice, (iv) entering into any material contract, except for this Plan, to be performed after the date hereof, (v) incurring any indebtedness for borrowed money, (vi) changing its capital structure, (viii) materially changing its business practices and (viii) changing its accounting methods or practices.

(G) **Agreements.** Agree or commit to do or take any of the foregoing actions.

#### IV. REPRESENTATIONS AND WARRANTIES.

4.1 CNB hereby represents and warrants to UHB, and UHB hereby represents and warrants to CNB as follows:

(A) **Recitals.** The facts set forth in the Recitals of this Plan with respect to it or its subsidiary bank are true and correct.

(B) **Capital Shares.** The outstanding shares of it are duly authorized, validly issued and outstanding, fully paid and nonassessable, and subject to no preemptive rights. Except for the CNB Options and the UHB Options, there are no outstanding options, warrants, securities,

subscriptions, rights or other contractual agreements or arrangements that give any person the right to purchase or otherwise receive or be issued any capital stock of it or its subsidiary or any security of any kind convertible into or exercisable or exchangeable for any shares of capital stock of it or its subsidiary or to receive any benefits or rights similar to any rights enjoyed by or accruing to a holder of shares of capital stock (including any rights to participate in the equity, income or election of directors of it or its subsidiary (collectively, "Options")).

(C) **Qualification.** It is duly qualified to do business and is in good standing in the State of Florida and in any other states of the United States and foreign jurisdictions where their ownership, use or leasing of property or the conduct or nature of their business requires either of them to be so qualified, licensed or admitted and in which the failure to be so qualified, licensed or admitted and in good standing could reasonably be expected to have a Material Adverse Effect (as such term is defined in Section 8.8(B)). Each has the corporate power and authority to carry on its business as it is now being conducted and to own all its material properties and assets. Each has in effect all federal, state and local authorizations, licenses and approvals necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted.

(D) **Subsidiaries.** Each has no direct or indirect subsidiaries.

(E) **Authority.** Subject to receipt of any necessary approval by its stockholders and the regulatory approvals referred to in Section 6.2, it has the corporate power and authority to execute, deliver and perform its obligations under this Plan, this Plan has been authorized by all necessary corporate action by it, and is a valid and binding agreement of it enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, receivership, conservatorship and other laws of general applicability relating to or affecting creditors rights and to general equity principles.

(F) **No Conflict.** The execution, delivery and performance of this Plan and the consummation of the transactions contemplated hereby by it will not constitute (i) a breach or violation of, or a default under, any law, rule or regulation (collectively "Laws") or any judgment, decree or order (collectively "Orders"), governmental permit or license (collectively "Licenses"), or contract, agreement, indenture or instrument (collectively "Contracts") of it or to which it or any of its properties is subject or by which any of them are bound, which breach, violation or default is reasonably likely to have, either by itself or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it; (ii) a breach or violation of, or a default under, its articles of incorporation, articles of association, charter or bylaws (or other comparable corporate charter documents); (iii) result in or give any person any right of termination, cancellation, acceleration or modification in or with respect to any Orders, Licenses or Contracts, (iv) result in or give to any person any additional rights or entitlement to increased, accelerated or guaranteed payments under any Orders, Licenses or Contracts, or (v) result in the creation or imposition of any lien or encumbrance on the assets or properties of it; and the consummation of the transactions contemplated by this Plan will not require any consent or approval under any Laws, Orders, Licenses or Contracts or, except as set forth in Schedule 4.1(F), the consent or approval of

any other party to any Orders, Licenses or Contracts other than the required approvals of applicable regulatory authorities referred to in Section 6.2.

(G) **Financial Statements.** Prior to the execution of this Plan, each party has delivered to the other true and complete copies of the following financial statements (which are attached as Schedule 4.1(G)):

(i) the audited balance sheets of it as of December 31, 2001 and 2000 and the related audited statements of operations, stockholders' equity and cash flows for the fiscal year then ended (the "Audited Financial Statements"), together with a true and correct copy of the report on such audited information by their respective independent accountants, and all letters from such accountants with respect to the results of such audits; and

(ii) the unaudited balance sheets of it as of March 31, 2002 and the related unaudited statements of operations, stockholders' equity and cash flows for the period then ended (the "Unaudited Financial Statements") (the Audited Financial Statements and the Unaudited Financial Statements are sometimes hereinafter collectively referred to as the "Financial Statements"). All such Financial Statements were prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied and fairly present its financial condition and results of operations as of the respective dates thereof and for the respective periods covered thereby.

(H) **Absence of Changes.** Except for the execution and delivery of this Plan and the transactions to take place pursuant hereto on the Merger Effective Date, since December 31, 2001 there has not been any change, development or event which, individually or together with other such changes, developments or events, could reasonably be expected to have a Material Adverse Effect on its business, financial condition or results of operations. Without limiting the foregoing, except as disclosed in Schedule 4.1(H) or in the Unaudited Financial Statements, there has not occurred between December 31, 2001 and the date hereof:

(i) any declaration, setting aside or payment of any dividend or other distribution in respect of its capital stock, or any direct or indirect redemption, purchase or other acquisition by it of any such capital stock of or any Option with respect to it;

(ii) any authorization, issuance, sale or other disposition by it of any shares of capital stock of or Option or any modification or amendment of any right of any holder of any outstanding shares of capital stock of or Option (except for the issuance of shares upon the exercise of Options);

(iii) (x) any increase in the salary, wages or other compensation of any officer, employee or consultant of it whose annual salary is, or after giving effect to such change would be, \$100,000 or more; (y) any establishment or modification of (A) targets, goals, pools or similar provisions in respect of any fiscal year under any benefit plan, employment contract or other employee compensation arrangement or (B) salary ranges, increase guidelines or similar provisions

in respect of any benefit plan, employment contract or other employee compensation arrangement; or (z) any adoption, entering into, amendment, modification or termination (partial or complete) of any benefit plan except to the extent required by applicable Laws and, in the event compliance with legal requirements presented options, only to the extent the option which it reasonably believed to be the least costly was chosen;

(iv) any borrowing by it except in the ordinary course of business;

(v) with respect to any property securing any loan or other credit arrangement made by it, and to the knowledge of UHB or CNB, as the case may be, any physical damage, destruction or other casualty loss (whether or not covered by insurance) in an aggregate amount exceeding \$100,000;

(vi) any material change in (w) any pricing, investment, accounting, financial reporting, credit, allowance or tax practice or policy, (x) any method of calculating any bad debt, contingency or other reserve for accounting, financial reporting or tax purposes, (y) its fiscal year of it or (z) any credit policy or standard, including, without limitation, criteria relating to placement of a debtor on any credit watch or other similar list maintained by it;

(vii) with respect to any loan or other credit arrangement made by it, any write off or write down of or any determination to write off or write down any such loan or other credit arrangement in an aggregate amount exceeding \$10,000 per month;

(viii) except for the sale of foreclosed properties, or properties received in lieu of foreclosure in the ordinary course of business consistent with past practice, any acquisition or disposition of, or incurrence of a lien or other encumbrance on, any of its assets and properties;

(ix) any (x) amendment of its articles of incorporation, articles of association, or bylaws (or other comparable corporate charter documents), (y) reorganization, liquidation or dissolution of it (z) merger, consolidation or business combination involving it and any other person;

(x) any capital expenditures or commitments for additions to property, plan or equipment of it constituting capital assets in an aggregate amount exceeding \$100,000;

(xi) any commencement or termination by it of any line of business;

(xii) any transaction by it with any officer, director, affiliate or associate of it or any affiliate or associate of any such officer, director or affiliate (A) outside the ordinary course of business consistent with past practice or (B) other than on an arm's-length basis, other than pursuant to any Contract in effect on December 31, 2001 and disclosed in Schedule 4.1(H);

(xiii) any agreement to do or engage in any of the foregoing;

(xiv) any other transaction involving, or development affecting it outside the ordinary course of business consistent with past practice, except as disclosed in Schedule 4.1(H).

(I) **No Undisclosed Liabilities.** Except as referred to or reserved against in its Financial Statements, there are no liabilities against, relating to or affecting it or any of its assets and properties, other than liabilities incurred in the ordinary course of business consistent with past practice which in the aggregate are not material to its business, financial condition or results of operations.

(J) **Litigation; Regulatory Action.** Except as set forth in Schedule 4.1(J) or in its Financial Statements, no litigation, proceeding, or controversy before any court or governmental agency is pending which, either by itself or in the aggregate with one or more other events, occurrences or circumstances, is reasonably likely to have a Material Adverse Effect on it and, to the best of its knowledge, no such litigation, proceedings or controversy has been threatened; and except as set forth in Schedule 4.1(J), it is not a party to, or subject to any order, decree, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or has adopted any board resolution at the request of, any federal, state or other government, governmental agency or authority charged with the supervision or regulation of financial institutions or their holding companies or the issuance of securities or engaged in the insurance of deposits (including, without limitation, the Florida Department of Banking, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation) or the supervision or regulation of it or its properties (collectively, the "Regulatory Authorities"); and it has not been advised by any Regulatory Authority that such authority is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such order, decree, agreement, memorandum of understanding, commitment letter or similar submission or any such resolutions.

(K) **Compliance with Laws.** It is in material compliance, in the conduct of its business, with all applicable federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses, including, without limitation, the Equal Credit Opportunity Act, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act and all other applicable fair lending laws relating to discriminatory business practices; and it has all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Regulatory Authorities that are required in order to permit it to conduct its business substantially as presently conducted; all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to the best of its knowledge, no suspension or cancellation of any of them is threatened; and it has not received notification or communication from any Regulatory Authority (i) asserting that it is not in material compliance with any of the statutes, regulations, or ordinances which such Regulatory Authority enforces or (ii) threatening to revoke any license, franchise, permit, or governmental authorization or (iii) threatening or contemplating revocation or limitation of, or



which would have the effect of revoking or limiting, federal deposit insurance (nor, to its knowledge, do any grounds for any of the foregoing exist).

(L) **Material Contracts.** Except as set forth in Schedule 4.1(L) or in its Financial Statements, and except for this Plan, it is not bound by any material contract, agreement or other arrangement to be performed after the date hereof.

(M) **Defaults.** It is not in default under any material contract, agreement, commitment, arrangement, lease, insurance policy or other instrument to which it is a party, by which its assets, business, or operations may be bound or affected, or under which it or its assets, business, or operations receives benefits, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default. It is not subject to, or bound by, any Contract containing covenants which (i) limit its ability to compete in any material line of business or with any person, or (ii) involve any material restriction of geographical area in which, or method by which, it may carry on its business (other than as may be required by law or any applicable Regulatory Authority).

(N) **Real Property.** Except as set forth in Schedule 4.1(N), it does not own any real property. Schedule 4.1(N) also contains a true and correct list of each parcel of real property leased by it (as lessor or lessee).

(i) It has a valid and subsisting leasehold estate in and the right to quiet enjoyment of the real properties leased by it as lessee for the full term of the lease thereof. Each lease referred to in this paragraph (i) is a legal, valid and binding agreement, enforceable in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought), and there is no, and it has received no notice of any, default, or any condition or event which, after notice or lapse of time or both, would constitute a default thereunder. It does not owe any brokerage commissions with respect to any such leased space.

(ii) Except as disclosed in Schedule 4.1(N), the improvements on the real property identified therein are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, are adequate and suitable for the purposes for which they are presently being used and, to its knowledge, there are no condemnation or appropriation proceedings pending or threatened against any of such real property or the improvements thereon.

(O) **Tangible Personal Property.** It is in possession of and has good title to, or have valid leasehold interests in or valid rights under contract to use, all tangible personal property used in the conduct of its business, including all tangible personal property reflected on its Financial Statements and tangible personal property acquired subsequent to December 31, 2001, other than property disposed of since such date in the ordinary course of business consistent with past practice.

All such tangible personal property is free and clear of all liens, other than liens disclosed in Schedule 4.1(O), and is in good working order and condition, ordinary wear and tear excepted, and its use complies in all material respects with all applicable laws.

(P) **Intellectual Property Rights.** Schedule 4.1(P) lists all Intellectual Property (as such term is hereinafter defined) owned by it or used in its business and operations as currently conducted. Except as set forth in Schedule 4.1(P), it has such ownership and use (free and clear of all liens) of, or rights by license, lease or other agreement to use (free and clear of all liens), such Intellectual Property as is necessary to permit it to conduct its business and operations as currently conducted, except where the failure to have any such right would not have a material adverse effect on its business, financial condition or results of operations. Except as disclosed in Schedule 4.1(P), (i) all registrations with and applications to Regulatory Authorities in respect of such Intellectual Property are valid and in full force and effect and are not subject to the payment of any taxes or maintenance fees or the taking of any other actions to maintain their validity or effectiveness, (ii) there are no restrictions on the direct or indirect transfer of any license, or any interest therein in respect of such Intellectual Property, (iii) it has taken reasonable security measures to protect the secrecy, confidentiality and value of their trade secrets, (iv) it has not received any notice that it is, in default (or with the giving of notice or lapse of time or both, would be in default) under any license to use such Intellectual Property and (v) it has no knowledge that such Intellectual Property is being infringed by any other person. It has not received notice that it is infringing any Intellectual Property of any other person, no claim is pending or, to its knowledge (after having made due inquiry), has been made to such effect that has not been resolved and, to its knowledge (after having made due inquiry), it is not infringing any Intellectual Property rights of any other person. For purposes of this Plan "Intellectual Property" means all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, brand names, inventions, processes, formulae, copyrights and copyright rights, trade dress, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, methodologies, computer programs (including all source codes) and related documentation, software license and sub-license agreements, end-user license agreements for software, software maintenance agreements, technical information, manufacturing, engineering and technical drawings, know-how and all pending applications for and registrations of patents, trademarks, service marks and copyrights.

(Q) **No Brokers.** Except for the joint engagement by CNB and UHB of Ewing, all negotiations relative to this Plan and the transactions contemplated hereby have been carried on by it and its agents directly with the other parties hereto and their agents and no action has been taken by it that would give rise to any valid claim against any party hereto for a brokerage commission, finder's fee or other like payment.

(R) **Employee Benefit Plans.** Except as Previously Disclosed:

(i) Each party has delivered to the other a true and complete copy of each "employee benefit plan" within the meaning of section 3(3) of the Employee Retirement Income

Security Act of 1974, as amended ("ERISA"), covering employees or former employees of it (the "Employees").

(ii) All employee benefit plans of each party covering Employees, to the extent subject to ERISA (the "ERISA Plans"), have been operated and administered, and are in material compliance with, applicable law, including ERISA, the Code, the Securities Act, the Exchange Act, the Age Discrimination in Employment Act or any rules or regulations thereunder, and all filings, disclosures and notices required by any such laws have been timely made, except for failures to so comply which are not reasonably likely, either by themselves or in the aggregate with one or more other events, occurrences or circumstances, to have a Material Adverse Effect on it. Each ERISA Plan which is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA ("Pension Plan") and which is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), has either (a) received a favorable determination letter from the Internal Revenue Service; or (b) is or will be the subject of an application for a favorable determination letter, and it is not aware of any circumstances likely to result in the revocation or denial of any such favorable determination letter. There is no pending or, to the best of its knowledge, threatened litigation relating to the ERISA Plans which is reasonably likely, either by itself or in the aggregate with one or more other events, occurrences or circumstances, to have a Material Adverse Effect on it; and has not engaged in a transaction with respect to any ERISA Plan that, assuming the taxable period of such transaction expired as of the date hereof, would subject it to a tax or penalty imposed by either Section 4975 of the Code or Section 502 of ERISA in an amount which is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect on it.

(iii) No liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by it with respect to any ongoing, frozen or terminated "single-employer plan", within the meaning of Section 4001(a) (15) of ERISA, currently or formerly maintained by any of them or any entity which is considered one "employer" with it under Section 4001 (a) (14) of ERISA or Section 414 of the Code (an "ERISA Affiliate"), which liability is reasonably likely to have either by itself or in the aggregate with one or more other events, occurrences or circumstances a Material Adverse Effect on it. It has not incurred and does not expect to incur any withdrawal liability with respect to a multi-employer plan under Subtitle E of Title IV of ERISA. No notice of a "reportable event" within the meaning of Section 4043 of ERISA for which the 30-day reporting requirement has not been waived, has been required to be filed for any Pension Plan or the Pension Plan of an ERISA Affiliate ("ERISA Affiliate Plan") within the 12-month period ending on the date hereof. To its knowledge, there is no pending investigation or enforcement action by the Pension Benefit Guaranty Corporation ("PBGC"), the Department of Labor (the "DOL") or the IRS or any other governmental agency with respect to any employee benefit plan.

(iv) All contributions required to be made under the terms of any ERISA Plan or any ERISA Affiliate have been timely made; and no pension plan of either party or any ERISA Affiliate has an "accumulated funding deficiency" (whether or not waived) within the meaning of Section 412 of the Code or Section 302 of ERISA.

(v) Under each Pension Plan or ERISA Affiliate Plan, as of the last day of the most recent plan year ended prior to the date hereof, the actuarially determined present value of all "benefit liabilities," within the meaning of Section 4001(a) (16) of ERISA (as determined on the basis of the actuarial assumptions contained in the Pension Plan's or ERISA Affiliate Plan's most recent actuarial valuation) did not exceed the then current value of the assets of such Pension Plan or ERISA Affiliate Plan, and there has been no material adverse change in the financial position of such Pension Plan or ERISA Affiliate Plan since the last day of the most recent plan year nor any amendment or other change to such Pension Plan or ERISA Affiliate Plan that would increase the amount of benefits thereunder which in either case reasonably could be expected to change such result.

(vi) There are no material current or projected liabilities for retiree health or life insurance benefits;

(S) **No Regulatory Impediment.** It knows of no reason why the regulatory approvals referred to in Section 6.2 should not be obtained.

(T) **Labor Matters.** It is not a party to, or bound by any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor is it the subject of a proceeding asserting that it has committed an unfair labor practice (within the meaning of the National Labor Relations Act) or seeking to compel it to bargain with any labor organization as to wages and conditions of employment, nor is there any strike or other labor dispute involving it, pending or, to the best of its knowledge, threatened, nor is it aware of any activity involving its employees seeking to certify a collective bargaining unit or engaging in any other organization activity.

(U) **Insurance.** Schedule 4.1(U) contains a true and complete list (including the names and addresses of the insurers, the expiration dates thereof, the annual premiums and payment thereof and a brief description of the interests insured thereby) of all liability, property, workers' compensation, directors' and officers' liability and other insurance policies currently in effect that insure the business, operations or employees of it or affect or relate to the ownership, use or operation of any of its assets and properties and that (i) have been issued to it or (ii) have been issued to any person for their benefit. The insurance coverage provided by the policies described in clause (i) above will not terminate or lapse by reason of the transactions contemplated by this Plan. Each policy listed in Schedule 4.1(U) is valid and binding and in full force and effect, no premiums due thereunder have not been paid and neither it nor the person to whom such policy has been issued has received any notice of cancellation or termination in respect of any such policy or is in default thereunder. The insurance policies listed in Schedule 4.1(U), in light of its business, operations and assets and properties, are in amounts and have coverages that are reasonable and customary for persons engaged in such businesses and operations and having such assets and properties. It has not received notice that any insurer under any insurance policy (x) is denying liability with respect to a claim thereunder or defending under a reservation of rights clause or (y) has filed for protection

under applicable bankruptcy or insolvency laws or is otherwise in the process of liquidating or has been liquidate. Schedule 4.1(U) sets forth a complete and accurate list of all claims in excess of \$25,000 made under the policies and binders described in clause (i) above since December 31, 2000. It does not have or maintain any self-insurance arrangement.

(V) **Affiliate Transactions.** Except as disclosed in Schedule 4.1(V), in any other Schedule to this Plan or in the Financial Statements, as of the date of this Agreement there are no intercompany liabilities between CNB and UHB Bank. Neither any officer, director, affiliate or associate of CNB or UHB, nor any associate of any such officer, director or affiliate, provides or causes to be provided any assets, services or facilities to CNB or UHB, respectively; neither CNB nor UHB provides or causes to be provided any assets, services or facilities to any such officer, director, affiliate or associate; and neither CNB nor UHB beneficially owns, directly or indirectly, any assets of any such officer, director, affiliate or associate. Except as disclosed in Schedule 4.1(V), in any other Schedule to this Plan or in the Financial Statements, each of the liabilities and transactions referred to in the previous sentence was incurred or engaged in, as the case may be, on an arm's length basis. Except as disclosed in Schedule 4.1(V), since December 31, 2001, all settlements of intercompany liabilities between CNB and UHB, and all such settlements between CNB and UHB and their respective officers, directors, affiliates and associates, have been made, and all allocations of intercompany expenses have been applied, in the ordinary course of business consistent with past practice.

(W) **Asset Classification.** Set forth on Schedule 4.1(W) is a list, accurate and complete in all material respects, of all loans, extensions of credit or other assets that are classified as of December 31, 2001 by it (the "Asset Classification"); and no amounts of loans, extensions of credit or other assets that are classified by CNB and UHB as of December 31, 2001 by any regulatory examiner as "Other Assets Especially Mentioned", "Substandard", "Doubtful," "Loss," or words of similar import are excluded from the amounts disclosed in the Asset Classification, other than amounts of loans, extensions of credit or other assets that were charged off by CNB and UHB, respectively, prior to December 31, 2001. The allowances for loan losses disclosed in the Financial Statements were, and the allowances for loan losses for periods ending after the date of this Plan will be, adequate as of the date thereof, under generally accepted accounting principles consistently applied to banks and bank holding companies and under all other regulatory requirements, for all losses reasonably anticipated in the ordinary course of business as of the date thereof based on information available as of such date, and the assets comprising other real estate owned and in-substance foreclosures included in any of their non-performing assets are carried net of reserves at the lower of cost or market value based on current independent appraisals or current management appraisals.

(X) **Takeover Laws; Dissenters' Rights.** It has taken all necessary action to exempt the transactions contemplated by this Plan from, or the transactions contemplated by this Plan are otherwise exempt from, the requirements of any "moratorium," "control share," "fair price," "affiliate transaction," "control transaction," "business combination" or other anti-takeover laws and

regulations (collectively, the "Takeover Laws") of the State of Florida, including, without limitation, Sections 607.0901 and 607.0902, Florida Statutes.

(Y) **Environmental Matters.** Except as set forth in Schedule 4.1(Y), to the best of its knowledge:

(i) neither it, nor any properties owned or operated by it, has been or is in violation of or liable under any Environmental Law (as such term is defined in subsection (iii) below), except for such violations or liabilities that, either by themselves or in the aggregate with one or more other events, occurrences or circumstances, would not have a Material Adverse Effect on its assets, business, financial condition or results of operations taken as a whole. There are no (and there is no reasonable basis for any) actions, suits or proceedings, or demands, claims, notices or investigations including, without limitation, notices, demand letters or requests for information from any environmental agency or other person, instituted, pending or threatened relating to the liability of any property owned or operated by it under any Environmental Law.

(ii) it has not received any notice, citation, summons or order, complaint or penalty assessment by any governmental or other entity or person with respect to a property in which it holds a security interest or other lien for (i) any alleged violation of Environmental Law, (ii) any failure to have any environmental permit, certificate, license, approval, registration, and (iii) any use, possession, generation, treatment, storage, recycling, transportation or disposal of any Hazardous Material (as such term is defined in subsection (3), below).

(iii) The following definitions apply for purposes of this Plan: "Environmental Law" means (i) any federal, state or local law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, legal doctrine, order, judgment, decree, injunction, requirement or agreement with any governmental entity, relating to (a) the protection, preservation or restoration of the environment, (including, without limitation, air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety, or (b) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Material, in each case as amended and as in effect on or prior to the date of this Plan and includes, without limitation, the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund Amendments and Reauthorization Act, the Federal Water Pollution Control Act of 1972, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the Federal Solid Waste Disposal and the Federal Toxic Substances Control Act, and the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Occupational Safety and Health Act of 1970, each as amended and as now in effect, and (ii) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Material; "Hazardous Material" means any substance

presently listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental Law, whether by type or quantity, and includes, without limitation, any oil or other petroleum product, toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos, asbestos containing material, urea formaldehyde foam insulation, lead and polychlorinated biphenyl;

(Z) **Tax Matters.** Except as set forth in Schedule 4.1(Z), (i) all reports and returns with respect to Taxes (as defined below) that are required to be filed by or with respect to it (collectively, the "Tax Returns"), have been duly filed, or requests for extensions have been timely filed and have not expired except to the extent any such filing is not yet due or all such failures to file, taken together, are not reasonably likely to have either by themselves or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it, and such Tax Returns were true, complete, accurate and correct in all material respects, (ii) all taxes (which shall mean federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, occupancy, license, excise, franchise, employment, withholding or similar taxes imposed on the income, properties, operations or activities of it, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties, collectively the "Taxes") shown to be due on the Tax Returns have been paid in full on or before the due date or are being contested in good faith and adequately reserved for on its consolidated balance sheet, (iii) the Tax Returns have never been examined by the Internal Revenue Service, (iv) no notice of deficiency, pending audit or assessment with respect to the Tax Returns has been received from the appropriate state, local or foreign taxing authority, or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired, (v) all Taxes due with respect to completed and settled examinations have been paid in full, (vi) no issues have been raised by the relevant taxing authority in connection with the examination of any of the Tax Returns which are reasonably likely to result in a determination that would have, either by themselves or in the aggregate with one or more other events, occurrences or circumstances, a Material Adverse Effect on it, except as reserved against in its Financial Statements, and (vii) no waivers of statutes of limitations have been given by or requested with respect to any Taxes of it.

(AA) **Reorganization.** It is aware of no reason why the Merger will fail to qualify as a reorganization under Section 368(a) of the Code.

(BB) **Articles and Bylaws.** It has previously delivered to the other party its articles of incorporation, articles of association, and bylaws (or other comparable corporate charter documents) which are true, correct and complete copies of such documents as in effect on the date of this Plan.

(CC) **Disclosure.** All material facts to its business, financial condition or results of operations have been disclosed to the other party in connection with this Plan. No representation or warranty contained in this Plan, and no statement contained in the Schedules hereto or in any certificate, list or other writing furnished pursuant to any provision of this Plan contains any untrue

statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein, in the light of the circumstances under which they were made, not misleading.

## V. COVENANTS.

CNB hereby covenants to UHB, and UHB hereby covenants to CNB, that:

5.1 **Reasonable Best Efforts.** Subject to the terms and conditions of this Plan, it shall use its best efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, as promptly as practicable so as to permit consummation of the Merger at the earliest possible date and to otherwise enable consummation of the transactions contemplated hereby and shall cooperate fully with the other party hereto, and each party shall use its best efforts to cause to be satisfied the conditions referred to in Article VI, to lift or rescind any injunction, restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated by this Plan, to obtain all consents (governmental or other) necessary or desirable for the consummation of the transactions contemplated by this Plan and to defend any litigation seeking to enjoin, prevent or delay the consummation of the transactions contemplated by this Plan.

5.2 **Press Releases.** Unless approved by the other party hereto in advance, it will not issue any press release or written statement for general circulation relating to the transactions contemplated hereby, except as otherwise required by law.

### 5.3 **Access; Information.**

(A) Upon reasonable notice, it will afford the other party hereto, and its officers, employees, counsel, accountants and other authorized representatives, access, during normal business hours throughout the period prior to the Merger Effective Date to all of its properties, books, contracts, commitments and records and, during such period, it shall furnish promptly to the other party hereto, (i) a copy of each material report, schedule and other document filed by it pursuant to the requirements of federal or state banking or other laws, and (ii) all other information concerning its business, properties and personnel as the other parties hereto may reasonably request. No party shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client or similar privilege with respect to such information or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or agreement entered into prior to the date hereof. The parties will use their reasonable best efforts to make appropriate substitute disclosure arrangements, to the extent practicable, in circumstances in which the restrictions of the preceding sentence apply.

(B) No investigation pursuant to this Section 5.3 by any party shall affect or be deemed to modify or waive any representation or warranty made by any other party hereto or the conditions to the obligation of the first party to consummate the transactions contemplated by this Plan; and each party hereto will not use any information obtained pursuant to this Section 5.3 for any



purpose unrelated to this Plan, the consummation of the transactions contemplated hereby and, if the Merger is not consummated, will hold all information and documents obtained pursuant to this paragraph in confidence (as provided in Section 8.6) unless and until such time as such information or documents become publicly available other than by reason of any action or failure to act by such party or as it is advised by counsel that any such information or document is required by law to be disclosed, and in the event of the termination of this Plan, each party will, upon request by the other party, deliver to the other all documents so obtained by it or destroy such documents.

**5.4 Acquisition Proposals.** It shall not solicit or encourage inquiries or proposals with respect to, or, except as required by the fiduciary duties of its Board of Directors (as advised in writing by its counsel), furnish any nonpublic information relating to or participate in any negotiations or discussions concerning, any tender offer or exchange offer for, or any proposal for the acquisition or purchase of all or a substantial portion of its assets, or a substantial equity interest in it, or any merger or other business combination other than as contemplated by this Plan, and it shall instruct its officers, directors, agents, advisors and affiliates to refrain from doing any of the foregoing; provided that, notwithstanding the foregoing, it may communicate information about any such proposal to its stockholders if and to the extent that it is legally required to do so (as advised in writing by its counsel); it shall notify the other party immediately if any such inquiries or proposals are received by it or if any person seeks to initiate such negotiations or discussions.

**5.5 Securities Agreements.** It will cause each of its executive officers and directors to execute and deliver to BHC on or before the Merger Effective Date any agreement required under applicable federal or state securities laws with respect to the Merger or the BHC Common Stock.

**5.6 Takeover Laws.** It shall not take any action that would cause the transactions contemplated by this Plan to be subject to any applicable state takeover statute in effect as of the date of this Plan and shall take all necessary steps to exempt (or ensure the continued exemption of) the transactions contemplated by this Plan from, or if necessary challenge the validity or applicability of, any applicable state takeover law, as now or hereafter in effect, including, without limitation, the provisions of Section 607.0902, Florida Statutes.

**5.7 No Rights Triggered.**

(A) It shall take all necessary steps to ensure that the entering into of this Plan and the consummation of the transactions contemplated hereby and thereby (including without limitation the Merger) and any other action or combination of actions, or any other transactions contemplated hereby or thereby do not and will not (i) result in the grant of any rights or claims under its articles of incorporation or bylaws or under any agreement to which it is a party, or (ii) restrict or impair in any way the ability of the other party to exercise the rights granted hereunder.

(B) It shall not adopt any plan or arrangement that would adversely affect in any way the rights of the other party under this Plan.

**5.8 Regulatory Applications.** It undertakes and agrees to use its best efforts to cause the Merger to be effected, including, without limitation, promptly preparing and filing any and all regulatory applications and disclosure documents.

**5.9 Monthly Information.** It shall promptly after the end of each calendar month after the date of this Plan and before the Merger Effective Date provide the other party with a list of all of its loans, extensions of credit or other assets that have been classified internally or by any regulatory examiner since the date it provided the other party with the Asset Classification.

**5.10 Notification of Certain Matters.** It shall give prompt notice to the other party of any fact, event or circumstance known to it that (i) is reasonably likely, individually or taken together with all other facts, events and circumstances known to it, to result in any Material Adverse Effect with respect to it, or (ii) would cause or constitute a material breach of any of its representations, warranties, covenants or agreements contained herein.

**5.11 Securities Act Matters.** The parties intend that the BHC Common Stock issuable in the Merger will qualify for exemption from the registration requirements of the Securities Act of 1933 (the "Securities Act") and applicable state securities laws, pursuant to the exemption therefrom contained in Section 3(a)(10) of the Securities Act and other exemptions contained in such state securities laws, respectively. To cause the exemption from registration contained in Section 3(a)(10) of the Securities Act to be applicable to the issuance of the BHC Common Stock in the Merger, the parties further agree to submit appropriate requests to the Florida Department, in connection with the regulatory applications filed by the parties for approval of the Merger, pursuant to Chapter 655 of the Florida Statutes and the Administrative Rules of the Florida Department, for a public hearing upon the fairness of the valuation of the consideration to be received by CNB and UHB shareholders in the Merger and the fairness of the terms and conditions of the issuance of the BHC Common Stock. Each CNB and UHB shareholder shall have the right to appear at such hearing or hearings. Upon the scheduling of such public hearing, CNB and UHB agree promptly to provide each of their respective shareholders with notice of such public hearing in accordance with the Florida Statutes and the Administrative Rules of the Florida Department, and otherwise in accordance with any other conditions of requirements imposed by the Florida Department with respect to such public hearings. The parties shall use their best efforts to cause the Florida Department to hold the foregoing public hearing prior to consummation of the Merger and that, in the absence of registering the BHC Common Stock pursuant to the applicable federal and state securities laws, such hearing is a condition precedent to the Merger.

**5.12 Indemnification.** For a period of four years after the Merger Effective Date, BHC shall indemnify, defend and hold harmless each director of CNB and UHB against all liabilities arising out of actions or omissions occurring upon or prior to the Merger Effective Date (including without limitation the transactions contemplated by this Plan) to the extent authorized under Florida law.

## VI. CONDITIONS TO CONSUMMATION OF THE MERGER.

Consummation of the Merger is conditioned upon:

6.1 **Stockholder Vote.** Approval of the Merger and the other transactions contemplated hereby by the required vote of the stockholders of CNB and UHB as and to the extent required by law, and (a) the number of dissenting CNB shares shall not exceed 5% of the number of CNB Common Stock issued and outstanding immediately prior to the Merger Effective Date, and (b) the number of dissenting UHB shares shall not exceed 5% of the number of UHB Common Stock issued and outstanding immediately prior to the Merger Effective Date.

6.2 **Regulatory Approvals.** Procurement by UHB and CNB of all requisite approvals and consents of Regulatory Authorities, and the expiration of applicable statutory waiting periods relating thereto, provided, however, that no such approval or consent shall have imposed any condition or requirement (other than conditions or requirements set forth in any Schedule hereto) which would so materially and adversely impact the economic or business benefits to UHB or CNB, or their respective stockholders, of the transactions contemplated by this Plan that, had such condition or required been known, such party would not, in its reasonable judgment, have entered into this Plan.

6.3 **Third Party Consents.** All consents or approvals of all persons (other than Regulatory Authorities) required for the consummation of the Merger shall have been obtained and shall be in full force and effect, unless the failure to obtain any such consent or approval is not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on CNB or UHB.

6.4 **No Prohibition.** There not being in effect any law, order, decree or injunction of any court or agency of competent jurisdiction that restrains, enjoins or otherwise prohibits or makes illegal consummation of the Merger or which could be reasonably expected to result in a material diminution of the benefits of the transaction to UHB or CNB, and there shall not be pending or threatened on the Merger Effective Date any action or proceeding which could reasonably be expected to result in the enactment or issuance of any such law, order, decree or injunction.

6.5 **Litigation.** No action, suit, or proceeding shall be pending or threatened before any court or administrative agency of any federal, state, local or foreign jurisdiction wherein an unfavorable judgment, order, decree, stipulation, injunction or charge could (a) prevent consummation of any of the transactions contemplated by the Plan, (b) cause any of the transactions contemplated by this Plan to be rescinded following consummation, or (c) affect adversely the right after the Merger Effective Date of the BHC to own, operate, or control substantially all of the assets and operations of CNB and UHB.

**6.6 Representations, Warranties and Covenants.** (i) Each of the representations and warranties contained herein of any party being true and correct as of the date of this Plan and upon the Merger Effective Date with the same effect as though all such representations and warranties had been made on the Merger Effective Date, except (x) for any such representations and warranties made as of a specified date, which shall be true and correct as of such date, (y) as expressly contemplated by this Plan, or (z) for representations and warranties (other than the representations and warranties set forth in Paragraph (A) of Article IV, which shall be true and correct in all material respects) the inaccuracies of which relate to matters that, individually or in the aggregate, do not materially adversely affect the Merger and the other transactions contemplated by this Plan; (ii) each and all of the agreements and covenants contained herein of any party to be performed and complied with pursuant to this Plan and the other agreements contemplated hereby prior to the Merger Effective Date shall have been duly performed and complied with in all material respects, and (iii) each of CNB and UHB shall have received a certificate signed by the Chief Executive Officer and the Chief Financial Officer of the other party dated the Merger Effective Date, to such effect.

**6.7 Securities Agreements.** BHC shall have received a completed and executed securities agreement from each of CNB's and UHB's executive officers and directors as may be required pursuant to Section 5.5.

**6.8 Tax Opinion.** UHB and CNB shall have received an opinion from Osburn Henning and Company, to the effect that the Merger constitutes a reorganization under Section 368 of the Code and that no gain or loss will be recognized by the shareholders of CNB and UHB who receive shares of BHC Common Stock in the Merger, which such opinion may rely upon factual representations contained in certificates of officers of UHB, CNB and others.

**6.9 Opinion of Financial Advisor.** CNB and UHB having received the written opinion of Ewing, in form and substance satisfactory to CNB and UHB, as to the fairness of the Exchange Ratio to the stockholders of CNB and UHB from a financial point of view, dated as of the date of this Plan and as of the date of any solicitation of proxies from the stockholders of CNB and UHB for a vote to approve this Plan and the Merger.

**6.10 Shareholders' Equity.** The shareholders' equity on the last day of the calendar month immediately preceding the Merger Effective Date, as determined in accordance with GAAP (a) of CNB shall not be less than 8% of its total assets, and (b) of UHB shall not be less than 95% of its shareholders' equity as of September 30, 2001.

**6.11 Allowance for Loan Losses.** The allowance for loan losses on the last day of the calendar month immediately preceding the Merger Effective Date, as determined in accordance with GAAP (a) of CNB shall not be less than 1.10% of its total loans, and (b) of UHB shall not be less than 1.25% of its total loans.

6.12 **Certificates.** The parties shall have delivered to the other a certificate (without qualification as to knowledge or materiality or otherwise) to the effect that each of the conditions set forth above in this Section has been satisfied in all respects.

Provided, however, a failure to satisfy any of the conditions set forth in Sections 6.10(a) and 6.11(a) shall only constitute conditions if asserted by UHB; and a failure to satisfy any of the conditions set forth in Sections 6.10(b) and 6.11(b) of this Article VI shall only constitute conditions if asserted by CNB.

## **VII. TERMINATION.**

7.1 **Termination.** This Plan may be terminated prior to the Merger Effective Date either before or after receipt of required shareholder approvals:

(A) **Mutual Consent.** At any time prior to the Merger Effective Date, by the mutual consent of UHB and CNB, if the Board of Directors of each so determines by vote of a majority of the members of its entire Board;

(B) **Breach.** At any time prior to the Merger Effective Date, by UHB or CNB, if its Board of Directors so determines by vote of a majority of the members of its entire Board, in the event of (i) a breach by the other party of any representation or warranty contained herein, which breach has not been cured within thirty (30) days after the giving of written notice to the breaching party of such breach and which breaches, individually or in the aggregate, could reasonably be anticipated to have a Material Adverse Effect on such breaching party, or (ii) a material breach by the other party of any of the covenants or agreements contained herein, which breach has not been cured within thirty (30) days after the giving of written notice to the breaching party of such breach.

(C) **Delay.** By UHB or CNB, if its Board of Directors so determines by vote of a majority of the members of its entire Board, in the event that the Merger is not consummated by March 31, 2003; provided, however, that such date may be extended by an agreement in writing among the parties hereto approved by their respective Boards of Directors and executed in the same manner as this Plan;

(D) **No Stockholder Approval.** By CNB or UHB, if its Board of Directors so determines by a vote of a majority of the members of its entire Board, in the event that any stockholder approval contemplated by Section 6.1 is not obtained at a meeting or meetings called for the purpose of obtaining such approval;

(E) **Failure of CNB to Recommend.** By UHB, at any time prior to the stockholders' meeting of CNB, if the Board of Directors of CNB shall have failed to recommend approval of the Merger, withdrawn such recommendation or modified or changed such recommendation in a manner adverse to the interests of UHB;

(F) **Failure of UHB to Recommend.** By CNB, at any time prior to the stockholders' meeting of UHB, if the Board of Directors of UHB shall have failed to recommend approval of the Merger, withdrawn such recommendation or modified or changed such recommendation in a manner adverse to the interests of CNB; or

(G) **Material Adverse Effect.** By UHB or CNB, if its Board of Directors so determines by a vote of a majority of the members of its entire Board, in the event that there shall have occurred a Material Adverse Effect with respect to the other.

**7.2 Effect of Termination and Abandonment.** In the event of termination of this Plan and the abandonment of the Merger pursuant to this Article VII, no party to this Plan shall have any liability or further obligation to any other party hereunder except (i) as set forth in Section 8.1, and (ii) that termination will not relieve a breaching party from liability for any breach of this Plan giving rise to such termination.

## **VIII. OTHER MATTERS.**

**8.1 Survival.** If the Merger Effective Date occurs, the agreements of the parties in Article II of this Plan and in Sections 5.12, 8.1, 8.3, 8.4, 8.6, 8.7 and 8.9 of the Plan shall survive the Merger Effective Date; the representations, warranties, agreements and covenants contained in this Plan shall be deemed to be conditions of the Merger and shall not survive the Merger Effective Date. If this Plan is terminated prior to the Merger Effective Date, the agreements and representations of the parties in Sections 4.1(Q), 5.3(B), 7.2, 8.1, 8.4, 8.5, 8.6 and 8.9 shall survive such termination.

**8.2 Waiver or Amendment.** Prior to the Merger Effective Date, any provision of this Plan may be (i) waived by the party benefitted by the provision, or (ii) amended or modified at any time (including the structure of the transaction), by an agreement in writing among the parties hereto approved by their respective Boards of Directors and executed in the same manner as this Plan, except that, after the vote by the stockholders of CNB and UHB, the consideration to be received by the stockholders of such party for each share of CNB Common Stock or UHB Common Stock, as the case may be, shall not thereby be decreased.

**8.3 Counterparts.** This Plan may be executed in one or more counterparts, each of which shall be deemed to constitute an original. This Plan shall become effective when one counterpart has been signed by each party hereto.

**8.4 Governing Law.** This Plan shall be governed by, and interpreted in accordance with, the substantive laws of the State of Florida without regard to its principles of conflicts of laws, except as federal law may be applicable.

**8.5 Expenses.** Each party hereto will bear all expenses incurred by it in connection with this Plan and the transactions contemplated hereby; *provided, however*, that each of UHB and CNB shall pay one-half (½) of all (i) filing fees related to all applications and supplements thereto filed

by the parties with federal and state banking authorities for prior approval of the Merger, (ii) fees and expenses relating to obtaining the Tax Opinion contemplated by Section 6.8, (iii) fees and expenses relating to obtaining the fairness opinions contemplated by Section 6.9, and (iv) fees and expenses of Smith Mackinnon, P.A. Notwithstanding the foregoing, if any legal action or other proceeding is brought for the enforcement of this Plan, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Plan, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and expenses, incurred in that action or proceeding, in addition to any other relief which such party or parties may be entitled.

**8.6 Confidentiality.** Except as otherwise provided in Section 5.3, each of the parties hereto and their respective agents, attorneys and accountants will maintain the confidentiality of all information provided in connection herewith which has not been publicly disclosed.

**8.7 Notices.** All notices, requests and other communications hereunder to a party shall be in writing and shall be deemed to have been duly given when delivered by hand, courier service, by facsimile transmission, or mailed (by registered or certified mail) postage prepaid, return receipt requested, addressed to (confirmed in writing) to such party at its address set forth below or such other address as such party may specify by notice to the parties hereto:

If to UHB, to	David G. Powers President and Chief Executive Officer United Heritage Bank 1411 Edgewater Drive, Suite 200 Orlando, Florida 32804 Facsimile: (407) 447-0386
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If to CNB, to:	Michael R. Scures President and Chief Executive Officer Community National Bank of Mid-Florida Post Office Box 950430 Lake Mary, Florida 32795-0430 Facsimile: (407) 323-8325
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With, in each instance, a copy to:	John P. Greeley, Esquire Smith Mackinnon, PA 255 South Orange Avenue, Suite 800 Orlando, Florida 32801 Facsimile: (407) 843-2448
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Each such notice shall be deemed delivered (a) on the date delivered if by hand delivery; (b) on the date of transmission with confirmed answer back if by facsimile or other telegraphic method;

and (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

**8.8 Definitions.** Any term defined anywhere in this Plan shall have the meaning ascribed to it for all purposes of this Plan (unless expressly noted to the contrary). In addition:

(A) the term "knowledge" when used with respect to a party shall mean the knowledge, after due inquiry, of any "Executive Officer" of such party, as such term is defined in Regulation O of the Federal Reserve Board;

(B) the term "Material Adverse Effect" shall mean (a) an event, occurrence or circumstance, which individually or in the aggregate, results, or is reasonably likely to result, in a decrease in the shareholders' equity account of a party, as determined in accordance with GAAP and as measured from its Unaudited Financial Statements in an amount equal to or greater than \$100,000, including, without limitation, (i) the making of any provisions for possible loan and lease losses, write-downs of other real estate and taxes, (ii) operating losses and (iii) a breach of a representation or warranty, or (b) a breach of a representation or warranty which would materially impair the party's ability to perform its obligations under this Plan or the consummation of the Merger and the other transactions contemplated by this Plan; provided, however, that the term Material Adverse Effect shall not be deemed to include the impact of (a) changes in banking and similar laws of general applicability or interpretations thereof by courts or governmental authorities; and (b) changes in generally accepted accounting principles or regulatory accounting requirements applicable to banks and bank holding companies generally.

**8.9 Entire Understanding; No Third Party Beneficiaries.** This Plan represents the entire understanding of the parties hereto with reference to the transactions contemplated hereby and thereby and supersedes any and all other oral or written agreements heretofore made. Nothing in this Plan expressed or implied, is intended to confer upon any person, other than the parties hereto or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Plan.

**IN WITNESS WHEREOF**, the parties hereto have caused this Plan to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

**Community National Bank of Mid-Florida**

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

J. Michael Hattaway  
Chairman of the Board

**United Heritage Bank**

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

James L. Hewitt  
Chairman of the Board



**EXHIBIT 1**  
**TO PLAN OF MERGER AND MERGER AGREEMENT**

**EXHIBIT 2**  
**TO PLAN OF MERGER AND MERGER AGREEMENT**

**Community National Bank of Mid-Florida**  
**Board of Directors:**

Thomas B. Ball, III  
213 Shady Oaks Circle  
Lake Mary, FL 32746

Robley R. Bruce  
1657 Windy Bluff Point  
Longwood, FL 32750

Robert G. Dello Russo  
109 Commerce Street  
Lake Mary, FL 32746

C. William Harkins  
3444 Fox Meadow Court  
Longwood, FL 32779

J. Michael Hattaway  
900 Arabian Avenue  
Winter Springs, FL 32708

H. D. Holsombach  
1285 West Langley Court  
Lake Mary, FL 32746

Philip F. Keidaish, Jr.  
505 Wekiva Springs Road, Suite 800  
Longwood, FL 32779

Thomas W. Moore  
1735 State Road 419  
Post Office Box 8001  
Sanford, FL 32773

Timothy L. Murphy  
925 Seville Place  
Orlando, FL 32804

Michael R. Scures  
8324 Amber Oak Drive  
Orlando, FL 32817

Jack E. Spillane  
931 State Road 434, Suite 1201  
Altamonte Springs, FL 32714

Arthur E. West  
1841 Lake Terrace Drive  
Eustis, FL 32726-5713

**United Heritage Bank  
Board of Directors:**

James P. Caruso  
738 Hardman Drive  
Orlando, Florida 32806

John T. Cash, Jr.  
1621 Laurel Road  
Winter Park, Florida 32789

Willard D. Frederick, Jr. (Bill)  
105 West New Hampshire Street  
Orlando, Florida 32804

M.A. Garcia III (Manny)  
941 Tuskawilla Trail  
Winter Springs, Florida 32708

James L. Hewitt  
811 N. Lake Adair Blvd.  
Orlando, Florida 32804

Vincent S. Hughes  
560 Ivanhoe Blvd.  
Orlando, Florida 32804

Richard I. McCree, Sr.  
945 N. Lake Adair  
Orlando, Florida 32804

David G. Powers  
104 Green Leaf Lane  
Altamonte Springs, Florida 32714

Jack G. Prevost  
1129 Country Lane  
Orlando, Florida 32804

Donald F. Wright  
4450 F. Lake Drive  
Winter Springs, Florida 32708

**EXHIBIT 3**  
**TO PLAN OF MERGER AND MERGER AGREEMENT**

**Community National Bank of Mid-Florida**

**Executive Officers:**

Michael R. Scures 8324 Amber Oak Drive Orlando, FL 32817	President and Chief Executive Officer
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Jerry H. Johns, III 513 Fernwood Drive Altamonte Springs, FL 32701	Senior Vice President
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Linda K. Sawyer 1234 Munster Street Orlando, FL 32803	Vice President and Chief Financial Officer
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**United Heritage Bank**

**Executive Officers:**

James L. Hewitt 811 N. Lake Adair Blvd. Orlando, Florida 32804	Chairman
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David G. Powers 104 Green Leaf Lane Altamonte Springs, Florida 32714	President & CEO-Vice Chairman
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Shirley L. Tyler 314 Hazelnut Street Winter Springs, Florida 32708	Senior Vice President, CFO & Cashier
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David M. McLeod 930 N. Texas Avenue Orlando, Florida 32804	Executive Vice President
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Jack G. Prevost 1129 Country Lane Orlando, Florida 32804	Sr. Executive Vice President
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**UHB Officers:**

James L. Hewitt	Chairman of the Board
David G. Powers	President & CEO
Jack G. Prevost	Senior Executive Vice President & Senior Loan Officer
Shirley L. Tyler	Senior Vice President & Cashier
David M McLeod	Executive Vice President
Russell Salerno	Senior Vice President
Betty R Miller	Vice President
Deborah M. Hill	Asst Vice President
Janice C. Richards	Asst Vice President
Susan G. Stoddard	Asst Vice President
Kathleen H. Clements	Personal Banking Officer
John O. Burden	Asst Vice President
David L. Rankin	Senior Vice President

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**EXHIBIT 4**  
**TO PLAN OF MERGER AND MERGER AGREEMENT**

**Community National Bank of Mid-Florida**  
**Banking Offices:**

Community National Bank of Mid-Florida  
Lake Mary Office  
3001 West Lake Mary Boulevard  
Lake Mary, Florida 32746

Community National Bank of Mid-Florida  
Winter Park Office  
1211 Orange Avenue, Suite 101  
Winter Park, FL 32789

Community National Bank of Mid-Florida  
Sanford Office  
413 West First Street  
Sanford, F L 32771

**United Heritage Bank**  
**Banking Offices:**

College Park Office  
3378 Edgewater Drive  
Orlando, Florida 32804

Administrative Office  
1411 Edgewater Drive, Suite 200  
Orlando, Florida 32804

Longwood Office  
162 E. State Road 434  
Longwood, Florida 32750

Apopka Office  
21 E. Third Street  
Apopka, Florida 32703

**ARTICLES OF INCORPORATION  
OF  
COMMUNITY UNITED BANK OF FLORIDA**

The undersigned, acting as directors for the purpose of forming a corporation under and by virtue of the laws of the State of Florida, adopt the following Articles of Incorporation.

**ARTICLE I**

The name of the corporation shall be Community United Bank of Florida and its initial place of business shall be 3001 Lake Mary Boulevard, Lake Mary, Florida 32746.

**ARTICLE II**

The general nature of the business to be transacted by this corporation shall be that of a general commercial banking business with all the rights, powers, and privileges granted and conferred by the Florida Financial Institutions Codes, regulating the organization, powers, and management of banking corporations.

**ARTICLE III**

The total number of shares authorized to be issued by the corporation shall be 2,000,000. Such shares shall be of a single class and shall have a par value of \$5.00 per share.

**ARTICLE IV**

The term for which said corporation shall exist shall be perpetual unless terminated pursuant to the Florida Financial Institutions Codes.

**ARTICLE V**

The number of directors shall not be fewer than five (5). A majority of the full board of directors may, at any time during the years following the annual meeting of shareholders in which such action has been authorized, increase the number of directors by not more than two and appoint persons to fill resulting vacancies. The names and street addresses of the directors of the corporation are:

<u>Name</u>	<u>Street Address</u>
Thomas B. Ball, III	215 Shady Oaks Circle, Lake Mary, FL 32746
Robley R. Bruce	1657 Windy Bluff Point, Longwood, FL 32750
Robert G. Dello Russo	109 Commerce Street, Lake Mary, FL 32746
C. William Harkins	3444 Fox Meadow Court, Longwood, FL 32779
J. Michael Hattaway	900 Arbaian Avenue, Winter Springs, FL 32708

H. D. Holsombach  
Philip F. Keidaish, Jr.  
Thomas W. Moore  
Timothy L. Murphy  
Michael R. Scures  
Jack E. Spillane  
Arthur E. West

1285 West Langley Court, Lake Mary, FL 32746  
505 Wekiva Springs Road, Suite 800, Longwood, FL 32779  
Post Office Box 8001, Sanford, FL 32773  
925 Seville Place, Orlando, FL 32804  
8324 Amber Oak Drive, Orlando, FL 32817  
931 State Road 434, Suite 1201, Altamonte Springs, FL 32714  
1841 Lake Terrace Drive, Eustis, FL 32726-5713

#### ARTICLE VI

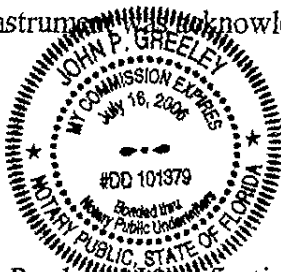
The name and street address of the person signing these Articles of Incorporation as incorporator is Michael R. Scures, 3001 Lake Mary Boulevard, Lake Mary, Florida 32746.

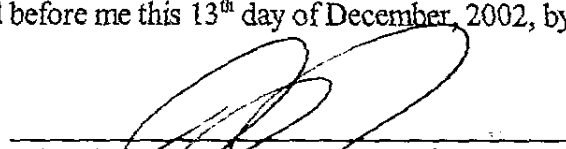
In witness of the foregoing, the undersigned incorporator has executed these Articles of Incorporation declaring and certifying that the facts stated herein are true, and hereby subscribe thereto and hereunto set his hand and seal this 13<sup>th</sup> day of December, A.D. 2002.

  
Michael R. Scures

STATE OF FLORIDA     )  
COUNTY OF SEMINOLE    )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of December, 2002, by Michael R. Scures.



  
Printed Name: John P. Greeley  
Notary Public - State of Florida at Large

Personally known ☒ or Produced Identification ☐  
Type of Identification Produced \_\_\_\_\_



## Shareholder's Meeting

A meeting of the Shareholder's of Community National Bank of Mid-Florida, a national Bank was held at the main office located at 3001 W. Lake Mary Blvd, Lake Mary, Florida, Seminole County on Monday, December 9, 2002 at 4:00 p.m., pursuant to notice dated November 25, 2002.

The Meeting was called to order by Michael R. Scures, President/CEO. Mr. Scures welcomed the Bank shareholders and introduced Mr. J. Michael Hattaway, Chairman of the Board.

Chairman Hattaway stated that the purpose of the meeting was to consider the approval of our Plan of Merger and Merger Agreement with United Heritage Bank.

Chairman Hattaway turned to the secretary of the meeting Ms. Linda Sawyer, Vice President/CFO. Ms. Sawyer presented a certified list of the shareholders of record at the close of business on November 8, 2002, the record date fixed by the Board of Directors. She also presented an affidavit as to the mailing of the notice of this meeting and the Bank's Proxy Statement dated November 25, 2002 that was mailed to every shareholder of record of Common Stock.

Chairman Hattaway stated the affidavit of notice was approved. Chairman Hattaway ordered the affidavit of notice affixed to the minutes of the meeting.

Chairman Hattaway appointed Linda Sawyer and Jerry Johns to act as the Inspectors of Election and ask that anyone who wished to present a proxy to submit the proxies to Ms. Sawyer, the Secretary of the meeting.

Chairman Hattaway directed the Secretary to report whether or not there is present a quorum at this meeting.

Ms. Sawyer, Secretary of the Meeting, stated as of the record date, 836,740 shares of Common Stock were outstanding and entitled to vote at this meeting. The presence in person or by proxy of a majority of the shares of Common Stock Ms. Sawyer reported that there were 620,462 shares of Common Stock present in person or by proxy. The required quorum is present at this meeting.

Chairman Hattaway directed that the report of the Secretary be annexed to the minutes of this meeting. Chairman Hattaway stated that a majority of the issued and outstanding Common Stock of the Bank entitled to vote at this meeting being present in person or by proxy, and thus constituting a quorum the meeting is now declared lawfully and properly opened for the transaction of business.

Chairman Hattaway stated the formal business of the meeting is to approve the Merger Agreement.

Chairman Hattaway requested that Ms. Sawyer read the resolutions relating to the agreement.

Ms. Sawyer read the resolution "Be it resolved, that the Plan of Merger and Merger Agreement dated April 15, 2002 between the Bank and United Heritage Bank and the transactions contemplated by the Agreement, are hereby authorized, adopted and approved."

Chairman Hattaway entertained a motion from the shareholders to approve the resolution. With a motion by Mr. Don Collins, seconded by Dennis Dolgner, the resolution was approved.

Chairman Hattaway stated that the holders of record of Common Stock at the close of business on November 8, 2002 are entitled to cast one vote per share on the resolution. In order for the resolution to be approved, it must receive the affirmative vote of a majority of the outstanding shares.

Chairman Hattaway requested that the ballots or proxies be submitted to close the voting and to tabulate the results.

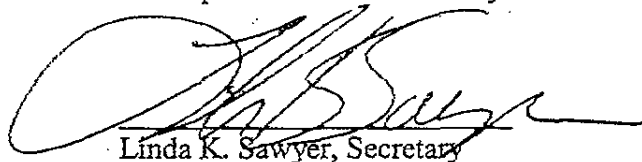
Chairman Hattaway directed the Secretary, Ms. Sawyer to tabulate the results of the vote and make her report to the meeting.

While results were tabulated, Chairman Hattaway highlighted several of the Bank's recent accomplishments and discussed the goals and objectives the bank is working towards.

Chairman Hattaway called on the Secretary for her report. The secretary reported that subject to final verification of the balloting, the holders of record of in excess of a majority of the outstanding shares of Common Stock of this bank have voted for approval of the Merger Agreement. The secretary reported that from a total of 836,740 shares of outstanding and entitled to vote at the meeting, 620,462 shares were represented at the meeting, 0 shares in person and 620,462 shares by proxy filed with the secretary, constituting a majority of the outstanding shares of the association.

Chairman Hattaway directed the report of the Secretary be annexed to the minutes of this meeting.

There being no further business to come before the meeting, by motion duly made by Mr. Jack Spillane and seconded by Mr. Dennis Dolgner, the meeting was adjourned.

A handwritten signature in black ink, appearing to read "L. Sawyer", is written over a horizontal line.

Linda K. Sawyer, Secretary  
December 9, 2002


## CERTIFICATION

The undersigned President and Chief Executive Officer of United Community Bankshares of Florida, Inc. ("BHC") does hereby certify that by the execution of this certificate by the undersigned officer, BHC, as the sole shareholder of United Interim Bank and Community Interim Bank, does hereby authorize, adopt, and approve the Plan of Merger and Merger Agreement dated April 15, 2002 by and between United Heritage Bank and Community National Bank of Mid-Florida.

IN WITNESS of my signature this 13<sup>th</sup> day of December, 2002.

**UNITED COMMUNITY BANKSHARES OF  
FLORIDA, INC.**

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

  
David G. Powers  
President and Chief Executive Officer