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04 AUG 26 PM 3:53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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8/27/04
Share Exchange
[Signature]

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August 25, 2004

VIA FEDERAL EXPRESS

Secretary of State
Florida Department of State
Division of Corporations
R. A. Gray Building
500 S. Bronough
Tallahassee, FL 32399-0250

RECEIVED
04 AUG 25 AM 9:28
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RE: Articles of Share Exchange Between Beach Community Bank and Beach Community Bancshares, Inc.

To Whom It May Concern:

Enclosed please find the following documents:

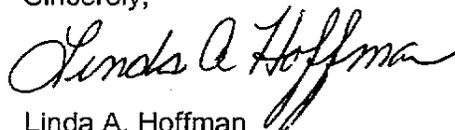
1. Original and one copy of the Articles of Share Exchange Between Beach Community Bank and Beach Community Bancshares, Inc., with Exhibit A, which is the Agreement and Plan of Share Exchange; and
2. Our Check No. 42597 in the amount of \$43.75 to cover your filing fee.

Please date stamp the additional copy that we have provided and return the date stamped copy and your certification in the enclosed self-addressed envelope that we have provided for your convenience.

I would appreciate your notifying me if you anticipate that the Articles will not be filed by August 30, 2004. I can be reached at 1-800-433-6581.

If you have any questions, please call me.

Sincerely,



Linda A. Hoffman
For the Firm

LAH:ccb
Enclosures
cc: Gary Johns (w/o encls.)

FILED

**ARTICLES OF SHARE EXCHANGE BETWEEN BEACH COMMUNITY BANK
AND BEACH COMMUNITY BANCSHARES, INC.**

4 AUG 26 PM 3:53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The following Articles of Share Exchange between BEACH COMMUNITY BANK and BEACH COMMUNITY BANCSHARES, INC., are filed in accordance with the provisions of Sections 607.1102 and 607.1105, Florida Statutes.

1.

The acquired corporation is Beach Community Bank, a Florida banking corporation. The street address of its main office and principal place of business is 17 SE Eglin Parkway, Fort Walton Beach, Florida, 32548, and its Florida corporate number is P01000030320.

2.

The acquiring corporation is Beach Community Bancshares, Inc., a Florida corporation. The street address of its main office and principal place of business is 17 SE Eglin Parkway, Fort Walton Beach, Florida, 32548, and its Florida corporate number is P04000100717.

3.

The attached Agreement and Plan of Share Exchange, attached hereto as Exhibit "A" (the "Agreement"), which provides for the exchange of the shares of Beach Community Bank for the shares of Beach Community Bancshares, Inc. (the "Exchange"), was duly adopted and affirmed by the Board of Directors of Beach Community Bank on August 24, 2004, and was approved by the shareholders of Beach Community Bank on March 20, 2004. The number of shares voted in favor of the Agreement and the Shares was sufficient for approval, and no shareholders exercised their dissenters' rights. The Agreement was duly adopted by the Board of Directors of Beach Community Bancshares, Inc. on August 24, 2004 and no approval of the Agreement or the Exchange by the shareholders of Beach Community Bancshares was required.

4.

Upon consummation of the Exchange, Beach Community Bank will become a wholly owned subsidiary of Beach Community Bancshares, Inc.

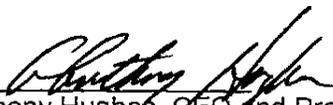
5.

The Exchange shall be effective as August 31, 2004.

BEACH COMMUNITY BANK,
a Florida banking corporation

BEACH COMMUNITY BANCSHARES, INC.,
a Florida corporation

4 AUG 26 PM 3:53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA
FILED

By: 
A. Anthony Hughes, CEO and President

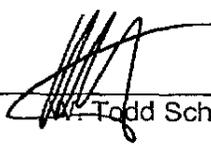
By: 
Todd Schweizer, Chairman

EXHIBIT "A"

AGREEMENT AND PLAN OF SHARE EXCHANGE

The Agreement and Plan of Share Exchange (this "Agreement") is executed this 24th day of August, 2004, by and between BEACH COMMUNITY BANK (hereinafter the "Bank") and BEACH COMMUNITY BANCSHARES, INC. (hereinafter the "Holding Company"), are filed in accordance with the provisions of Sections 607.1102 and 607.1105 of the Florida Statutes.

RECITALS

WHEREAS, the Holding Company has been formed for the purpose of acquiring each share of the issued and outstanding common stock, par value \$5.00 per share, of the Bank stock (hereinafter the "Bank Stock"), in exchange for one (1) share of the common stock, par value \$5.00 per share, of the Holding Company (the "Holding Company Stock"), pursuant to Section 607.1102 of the Florida Business Corporation Act (hereinafter the "Exchange"); and

WHEREAS, the Board of Directors of the Bank believes that the Exchange would be in the best interests of the Bank and its shareholders, and recommends adoption of this Exchange;

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties hereby agree as follows:

1. **Terms of Exchange.** Subject to the terms and conditions of this Agreement, on the Effective Date (as defined below), the Holding Company shall issue one share of the Holding Company Stock in exchange for each outstanding share of the Bank Stock pursuant to Section 607.1102 of the Florida Business Corporation Act.

2. **Effective Date.** Promptly after the fulfillment of each of the conditions set forth in Section 6 hereof, the parties shall prepare and file Articles of Share Exchange with the Secretary of State of the State of Florida. The effective date (the "Effective Date") of the Exchange shall be the date on which the Articles of Share Exchange are accepted for filing by the Secretary of State of the State of Florida.

3. **Covenants of the Holding Company.**

a. The Holding Company shall use its best efforts to take all actions necessary to consummate the Exchange including, but not limited to the preparation and filing of all notices, applications for approval and other filings with governmental agencies required to consummate the Exchange and shall bear all expenses associated with the Exchange.

b. After the consummation of the Exchange, the Holding Company shall promptly notify the shareholders of the Bank who have not exercised their dissenters rights of the procedure for surrendering the certificates representing their Bank Stock and for receiving certificates representing their Holding Company Stock. The exchange of stock certificates shall be conducted pursuant to the procedures which the Holding Company delivers to each such shareholder of the Bank.

4. **Covenants of the Bank.** The Bank shall utilize its best efforts to take all actions necessary to consummate the Exchange, including but not limited to, the following: i) submitting

this Agreement and the Exchange to the Bank's shareholders for their consideration and approval; ii) solicit proxies in connection with such meeting in favor of the Exchange; iii) making all filings with any governmental agencies required to consummate the Exchange; and iv) cooperating with the Holding Company in preparing and filing any required notices, applications or other filings with respect to the issuance of the Holding Company Stock in connection with the Exchange.

5. **Securities.** The certificates representing shares of the Holding Company Stock to be issued to affiliates of the Bank pursuant to this Agreement shall bear a restrictive legend in substantially the following form:

The shares represented by this certificate may not be sold, transferred or assigned, and the issuer may not be required to give effect to any attempted sale, transfer or assignment except: i) pursuant to an effective registration statement under the Securities Act of 1933 (the "Act"); or ii) in a transaction which, in the opinion of counsel satisfactory to the issuer, is not required to be registered under the Act.

6. **Conditions of the Obligations of the Parties.** The obligations of the parties to consummate the Exchange are subject to the fulfillment of each of the following conditions, any or all of which may be waived, either in whole or in part, by the parties hereto:

a. Each of the parties shall have performed all of its material obligations under this Agreement on or prior to the Effective Date.

b. There shall have been no material adverse change in the financial condition of the Bank or of the Holding Company on or prior to the Effective Date.

c. The Bank and the Holding Company shall not be engaged in, or a party to or threatened with, any legal action or other proceeding or investigation before any court arbitrator or government agency of any kind which, in the reasonable opinion of either of the parties, could adversely affect either the Bank or the Holding Company or their business or financial condition.

d. This Agreement and the Exchange shall have been approved and ratified by the affirmative vote of the holders of a majority of the outstanding shares of the Bank Stock.

e. The parties shall have received the opinion from their certified public accountants, acceptable to them, that the Exchange is a tax free transaction under Section 368 of the Internal Revenue Code and that no gain or loss will be recognized by any shareholder of the Bank Stock who receives Holding Company Stock in exchange for his or her shares of Bank stock (other than shareholders who exercise their dissenters rights).

f. All state securities and blue sky permits or approvals required (in the opinion of the parties) to carry out the transaction contemplated by this Agreement and the Exchange shall have been received.

g. All consents, approvals and permissions required by law to be received in connection with the Exchange, including the approval of the Board of Governors of the Federal Reserve System, shall have been received and shall be in effect, and all conditions and requirements prescribed by law or by such consent, approval or permissions shall have been satisfied.

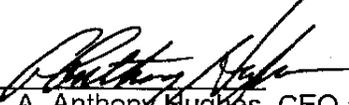
7. **Termination of Agreement.** This Agreement may be terminated at any time prior to, on or before the Effective date as follows: i) by mutual consent of the Board of Directors of the Bank and the Holding Company; or ii) by either the Bank or the Holding Company if any conditions set forth in Section 6 of this Agreement have not been satisfied by April 1, 2005.

8. **Construction.** This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter herein.

9. **Amendment.** The Board of Directors of the Bank and the Board of Directors of the Holding Company are authorized to amend this Agreement, by a written instrument signed by each party, to effect the reorganization of the Bank to become a subsidiary of the Holding Company.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year specified above.

BEACH COMMUNITY BANK,
a Florida banking corporation

By: 
A. Anthony Hughes, CEO and President

BEACH COMMUNITY BANCSHARES, INC.,
a Florida corporation

By: 
W. Todd Schweizer, Chairman