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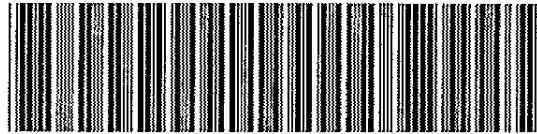
(Business Entity Name)

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TALLAHASSEE, FLORIDA

SHARE  
Exchange  
TRC 12/2

# GERRISH MCCREARY SMITH, PC

## Attorneys

700 Colonial Road, Suite 200  
Memphis, Tennessee 38117  
P.O. Box 242120  
Memphis, Tennessee 38124-2120  
Telephone: (901) 767-0900  
Facsimile: (901) 684-2339

December 19, 2006

**VIA FEDEX**

Florida Department of State  
Amendment Section Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

**Re: Share Exchange between FNBC Financial Corporation and First National Bank of Crestview**

To Whom It May Concern:

Enclosed please find the following:

- An original and one copy each of the Articles of Share Exchange for FNBC Corporation and First National Bank of Crestview with attached Agreement of Reorganization and Plan of Exchange,
- A check in the amount of \$78.75 to cover the \$35.00 filing fee for each entity and \$8.75 for the certified returned copy, and
- A pre-prepared FedEx letter to return the certified copy of the filings to our firm.

This Share Exchange will be effective as of January 1, 2007.

Thank you for your help in this matter and please do not hesitate to contact me directly at (901) 684-2311 if you have any questions or additional information requests.

Regards,

  
Lisa Ann LaVigne, Esq.

Enclosures

cc: J. D. Wingard, Jr. (with enclosures)  
T. Creg Jackson (with enclosures)  
Jeffrey Gerrish, Esq. (with enclosures)  
Robert Ducklo III, Esq. (with enclosures)

To ensure compliance with requirements imposed by the U.S. Internal Revenue Service, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (1) avoiding tax-related penalties under the U.S. Internal Revenue Code or (2) promoting, marketing or recommending to another party any transaction or tax-related matters addressed herein.

Nashville Office: 5214 Maryland Way, Suite 406 • Brentwood, Tennessee 37027  
Telephone: (615) 251-0900 • Facsimile: (615) 251-0975

EFF-DATE 1/1/07

**ARTICLES OF SHARE EXCHANGE**  
(Profit Corporations)

The following articles of share exchange are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, Florida Statutes.

**First:** The name and jurisdiction of the acquiror corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document</u>
FNBC Financial Corporation	Okaloosa County, Crestview, FL	(If known/ applicable) N/A P06000132997

**Second:** The name and jurisdiction of the acquiree corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document</u>
First National Bank of Crestview	Okaloosa County, Crestview, FL	(If known/ applicable) N/A

**Third:** The Plan of Share Exchange is attached.

**Fourth:** The merger shall become effective on January 1, 2007.

**Fifth:** Adoption of the Share Exchange by acquiror corporation:

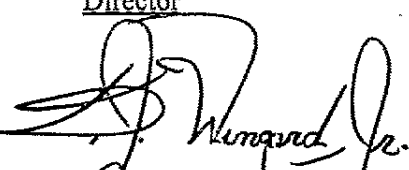
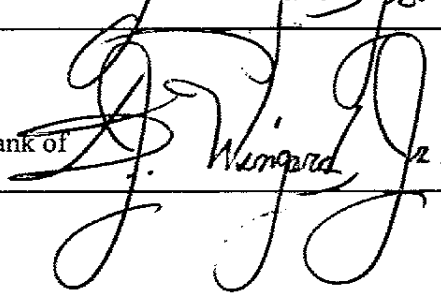
The Plan of Share Exchange was adopted unanimous consent of the board of directors of the acquiror corporation on October 4, 2006. Shareholder approval was not required.

**Sixth:** Adoption of the Share Exchange by acquiree corporation:

The Plan of Merger was adopted by the shareholders of the acquiree corporation(s) on December 13, 2006 by a vote of 94% of the outstanding shares voting "for" the transaction. The vote count is as follows:

Shares Voted "For" the Share Exchange	Shares Voted "Against" the Share Exchange	Shares Abstaining from the Vote	Total Outstanding Shares
9,045	140	80	9,583

**Seventh:** Signatures for each corporation

<u>Name of Corporation</u>	<u>Signature of an Officer or Director</u>	<u>Typed or Printed Name of Individual &amp; Title</u>
FNBC Financial Corporation		J.D. Wingard, Jr., President/CEO
First National Bank of Crestview		J.D. Wingard, Jr., Chairman

## **AGREEMENT OF REORGANIZATION AND PLAN OF EXCHANGE**

**THIS AGREEMENT OF REORGANIZATION AND PLAN OF EXCHANGE** (the "Agreement"), is made this 4<sup>th</sup> day of October, 2006, by and between First National Bank of Crestview, Crestview, Florida ("Bank") and FNBC Financial Corporation of Crestview, a Florida corporation located in Crestview, Florida ("Holding Company");

### **RECITALS:**

The parties acknowledge the following to be true and correct:

A. Bank is a national banking association duly organized and existing under the laws of the United States having its principal office in the City of Crestview, County of Okaloosa, State of Florida, with issued and outstanding common stock of \$282,125 divided into 11,285 shares of common stock, \$25.00 par value ("Bank Common Stock"). As of June 30, 2006, 11,285 shares of Bank Common Stock were validly issued and outstanding representing capital of \$282,000, surplus of \$752,000, and retained earnings of \$18,433,000 for a total capital of \$19,467,000.

B. The Holding Company is a corporation being organized under the laws of the State of Florida having its principal place of business in Crestview, Okaloosa County, Florida, and as of the effective date of the exchange, the Holding Company will have authorized and unissued 15,000 shares of common stock with a par value of \$1.00 each. At the time of the exchange, the Holding Company is expected to issue 9,583 common shares to Bank stockholders in exchange for all outstanding Bank shares.

C. A majority of the Board of Directors of the Bank, pursuant to the authority given by and in accordance with the provisions of the National Bank Act and relevant regulatory interpretations, has approved this Agreement under which the Bank shall be reorganized into a bank holding company structure by engaging in a direct exchange of stock with the Holding Company (the "Reorganization") and the Board has authorized the execution hereof. The Board of Directors of Holding Company has approved this Agreement, authorized Holding Company to join in and be bound by this Agreement, and authorized the undertakings herein made by Holding Company.

D. As and when required by the provisions of this Agreement, all such action as may be necessary or appropriate shall be taken by Bank and Holding Company in order to consummate the Reorganization.

In consideration of the premises, the Bank and the Holding Company hereby enter into this Agreement and Plan of Exchange and prescribe the terms and conditions of the

exchange (the "Exchange") of all the issued and outstanding shares of stock of the Bank for shares of stock of the Holding Company to be issued, and the mode of carrying it into effect as follows:

## **ARTICLE I -- THE REORGANIZATION**

Section 1.1 At the time when the Exchange shall become effective, each one (1) issued and outstanding share of stock of the Bank will be exchanged for one (1) share of stock of the Holding Company, pursuant to the provisions of and with the effect provided in Section 607.1301 et seq. of the Florida Business Corporation Act, as amended. As a result of the Exchange, the Holding Company shall become the sole stockholder of the Bank.

## **ARTICLE II -- CONVERSION OF SHARES**

Section 2.1 *Conversion of Shares of Bank.* At the Effective Time, by virtue of the exchange and Reorganization and without any action on the part of any holder thereof, pursuant to and in accordance with the terms and provisions of this Agreement, the 11,285 shares of capital stock of the Bank (other than dissenting shares as defined in Section 2.3 hereof) shall, by operation of law and without any further action on the part of holders thereof, be converted into the right to receive one share of Holding Company common stock in exchange for each one share of Bank common stock.

At the Effective Time, all holders of shares of common capital stock of Bank shall cease having rights as stockholders of the Bank except as provided in this Agreement, Florida law or pursuant to the National Bank Act.

Section 2.2 *Exchange of Certificates.* As soon as reasonably practicable after the Effective Time, each holder of a certificate theretofore evidencing outstanding shares of common capital stock of the Bank (other than Dissenting Shares) shall be entitled to receive in exchange therefor the consideration into which such certificates have been converted as provided in Section 2.1, above. After the effective time, each outstanding certificate which prior to the Effective Time represented shares of capital stock of Bank will be deemed for all corporate purposes to represent capital stock of the Holding Company. After the Effective Time, there shall be no further registry of transfers on the records of Bank of shares of common capital stock of Bank, and if a certificate representing such shares is presented to Holding Company after the Effective Time, such certificate shall be deemed to represent shares in the Holding Company.

Section 2.3 *Dissenting Stockholders.* Any stockholder of the Bank who has voted against the Reorganization at the meeting of stockholders called for that purpose or has given notice in writing at or prior to such meeting to the presiding officer that he or she dissents from this Agreement, and perfects his or her dissenters' rights all in accordance with the provisions of 12 USC §215a of the National Bank Act shall receive the fair value of the shares held by such stockholder as provided by such provisions of law and such shares held by such stockholder shall be deemed to be "Dissenting Shares".

### **ARTICLE III -- CONDITIONS PRECEDENT TO THE TRANSACTION; TERMINATION OF THE AGREEMENT**

Section 3.1 *Conditions Precedent.* The obligation of each party to consummate the consolidation Reorganization is subject to the satisfaction at or prior to the Effective Time of the following conditions:

- a. The Agreement shall have been duly approved by the Board of Directors of each of the Bank and the Holding Company.
- b. The Agreement shall have been duly approved by the holders of at least two-thirds of the shares of common capital stock of the Bank.
- c. Any and all approvals or consents required from any governmental agency having jurisdiction over the parties that are required for lawful consummation of the transaction shall have been received and any waiting periods imposed by applicable law shall have expired.
- d. Bank and Holding Company shall have obtained all other consents, permissions and approvals and taken all action required by law or agreement, or deemed necessary by either of them, prior to the Effective Date.

Section 3.2 *Abandonment, Termination of Agreement.* At any time prior to the Effective Time, this Agreement may be terminated and the consolidation and Reorganization may be abandoned at the election of the Board of Directors of Holding Company or Bank, whether before or after approval of this Agreement by the stockholders of either the Bank, if such Board of Directors shall have determined that the transaction is not in the best interest of Holding Company, Bank or their respective stockholders. Since time is of the essence to this Agreement, if for any reason the transaction shall not have been consummated by March 31, 2007, this Agreement shall terminate automatically as of that date unless extended in writing by mutual action of the Board of Directors of the constituent entities.

### **ARTICLE IV -- MISCELLANEOUS**

Section 4.1 *Governing Law.* This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Florida, and, as applicable, the laws of the United States of America.

Section 4.2 *Waiver.* Any of the terms or provisions of this Agreement may be waived at any time by any party hereto which is, or the stockholders of which are, entitled to the benefits thereof.

Section 4.3 *Amendments.* This Agreement may be amended, modified or supplemented by written agreement of Bank and Holding Company at any time prior to

the Effective Time, whether before or after approval of this Agreement by the stockholders of Bank, to the extent permitted by law.

Section 4.4 *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement is hereby executed on behalf of each of Bank and Holding Company by their respective officers hereunto duly authorized and by a majority of the directors of the Bank.

Attest

  
\_\_\_\_\_

FNBC FINANCIAL CORPORATION

By:

  
\_\_\_\_\_

Attest


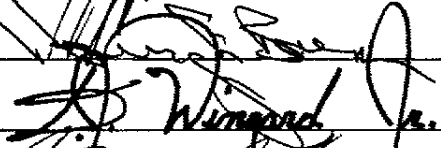

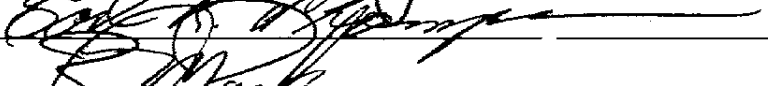

  
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FIRST NATIONAL BANK OF  
CRESTVIEW

By:

  
\_\_\_\_\_

A Majority of the Directors of  
**FIRST NATIONAL BANK OF CRESTVIEW**  
Crestview, Florida

  
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