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SECRETARY OF STATE TALLAHASSEE, FLORIDA

FLORIDA OFFICE OF



INTEROFFICE COMMUNICATION

DATE:

4/16/2020

TO:

Mr. Tim Burch, Department of State

Division of Corporations

FROM:

Jason M. Guevara, Financial Administrator, Division of Financial Institutions

RE:

Beach Bancorp, Inc.

Please file the attached articles for the above-reference entity.

Please make the following distribution of copies:

(1) One certified copy to:

Mr. John P. Greeley Smith Mackinnon, PA

301 East Pine Street

Suite 750

Email: jpg7300@aol.com Phone: 407-843-7300 2020 APR 16 AM 1: 18
SECRETARY OF STATE
TAIL AMASSEE, FLORIDA

Also attached is a check that represents payment of the filing fees and certified copies. If you have any questions, please call (850) 410-9513.

ARTICLES OF INCORPORATION OF BEACH BANCORP, INC.

The undersigned, being of legal age and desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Florida Business Corporation Act, as amended (such Act, as amended from time to time, is hereinafter referred to as the "Act"), executes the following Articles of Incorporation.

ARTICLE I

Name

The name of the Corporation is Beach Bancorp, Inc.

ARTICLE II

Duration

The Corporation shall commence its existence immediately upon the filing of these Articles of Incorporation and shall have perpetual duration unless sooner dissolved according to law.

ARTICLE III

Purpose

The general purpose of the Corporation shall be the transaction of any and all lawful business for which corporations may be incorporated under the Act. The Corporation shall have all of the powers enumerated in the Act and all such other powers as are not specifically prohibited to corporations for profit under the laws of the State of Florida.

ARTICLE IV

Capital Stock

The Corporation shall have the authority to issue a total of 45,000,000 shares of capital stock divided as follows:

	Number of Shares	Par Value
Common Stock	30,000,000	\$1.00
Preferred Stock	15,000,000	\$1.00

The relative rights, preferences, and limitations of the shares of are as follows:

Section 3.1. *Common Stock*. Each holder of shares of Common Stock shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which shareholders generally are entitled to vote.

Section 3.2 *Preferred Stock.* The shares of Preferred Stock, subject to applicable law and regulations, may be issued from time to time by the Corporation, and the Board of Directors may create and divide such shares into classes or series, and such shares and the shares of each such class or series shall have such voting powers, full or limited, or no voting powers, and such designations, preferences, limitations and relative rights (or qualifications, conditions or restrictions thereon) as the Board of Directors may and hereby is authorized to determine.

(a) The attached <u>Exhibit A</u> sets forth the preferences, limitations and relative rights of the Corporation's Convertible Perpetual Preferred Stock, Class A.

ARTICLE V

Initial Registered Office and Agent; Principal Place of Business

The initial registered office of this Corporation shall be located at the City of Fort Walton Beach. County of Okaloosa, State of Florida, and its address there shall be, at present, 17 SE Eglin Parkway. Fort Walton Beach, Florida 32549 and the initial registered agent of the Corporation at that address shall be Richard Mocsari. The Corporation may change its registered agent or the location of its registered office, or both, from time to time without amendment of these Articles of Incorporation. The principal place of business and the mailing address of the Corporation shall be: 17 SE Eglin Parkway, Fort Walton Beach, Okaloosa County, Florida 32549.

ARTICLE VI

Initial Board of Directors

The initial Board of Directors of the Corporation shall consist of one (1) director. The name and street address of the initial director of this Corporation is Charles N. Reeves. 17 S.E. Eglin Parkway, Fort Walton Beach, Florida 32549.

The number of Directors of this Corporation shall be the number from time to time fixed by the Shareholders, or by the Directors, in accordance with the terms and conditions of the Bylaws, but at no time shall said number of Directors be less than one.

ARTICLE VII

<u>Incorporator</u>

The name and street address of the person signing these Articles of Incorporation as Incorporator are:

ARTICLE VIII

Bylaws

The power to adopt, alter, amend or repeal bylaws shall be vested in the Board ors. Directors.

ARTICLE IX

Indemnification

- The Corporation shall indemnify any person who was or is a party to any (a) proceeding (other than an action by, or in the right of, the Corporation), by reason of the fact that he or she is or was a director or officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself. create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
- (b) The Corporation shall have the power to indemnify any person, who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expenses of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- To the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in the defense of any proceeding referred to in subsections (a) or (b), or in the defense of any claim, issue, or matter therein, he or

she shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

- (d) Any indemnification under subsections (a) or (b), unless pursuant to a determination by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth herein.
- (e) Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons designated by independent legal counsel shall evaluate the reasonableness of expenses and may authorize indemnification.
- (f) Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the Corporation in advance of any final disposition of such proceeding upon receipt of an undertaking by or behalf of such director or officer to repay such amount if he is ultimately found not to be entitled to indemnification by the Corporation pursuant to this Article.
- (g) The indemnification and advancement of expenses provided pursuant to this Article are not exclusive, and the Corporation may make any other or further indemnification or advancement of expenses of any of its directors, officer, employees or agents, under any bylaw, agreement, vote of shareholders, or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. However, indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions or omissions to act, were material to the cause of action so adjudicated and constitute:
 - (i) a violation of criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful:
 - (ii) a transaction from which the director received an improper personal benefit;
 - (iii) in the case of a director, a circumstance under which the liability provisions of Section 607.0834 of the Act are applicable;
 - (iv) in a proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interests of the Corporation or willful misconduct; or
 - (v) in a proceeding by or in the right of someone other than the Corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or

with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

ARTICLE X

Amendment

This Corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation, or any amendment hereto, and any right conferred upon the shareholders is subject to this reservation.

ARTICLE XI

Headings and Captions

The headings or captions of these various Articles of Incorporation are inserted for convenience and none of them shall have any force or effect, and the interpretation of the various articles shall not be influenced by any of said headings or captions.

IN WITNESS WHEREOF, the undersigned does hereby make and file these Articles of Incorporation declaring and certifying that the facts stated herein are true, and hereby subscribes thereto and hereunto sets his hand and seal this 10⁴ day of April, 2020.

Charles N. Recycs

SECRETARY OF STATE

Exhibit A

Section 1. Designation. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a class of preferred stock designated as the "Convertible Perpetual Preferred Stock, Class A" (the "Class A Preferred Stock"). The number of shares constituting such class shall be 6.000,000. The Class A Preferred Stock shall have a par value of \$1.00 per share.

Section 2. *Ranking*. The Class A Preferred Stock will rank subordinate and junior to all future issuances of preferred stock other than those which, by their respective terms, rank *pari passu* with or junior to the Class A Preferred Stock, and shall rank *pari passu* with the Common Stock with respect to all terms (other than voting, as set forth herein), including, the payment of dividends or distributions, and payments and rights upon liquidation, winding up and dissolution.

Section 3. Definitions.

The following initially capitalized terms shall have the following meanings, whether used in the singular or the plural:

- (a) "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act of 1933, as amended.
 - (b) "Board of Directors" means the board of directors of the Corporation.
- (c) "Business Day" means a day, other than a Saturday or Sunday, on which banks in Florida are open for the general transaction of business.
- (d) "Common Stock" means the Corporation's shares of common stock, par value \$1.00 per share.
 - (e) "Corporation" means Beach Bancorp, Inc., a Florida corporation.
 - (f) "Dividends" has the meaning set forth in Section 4.
- (g) "Holder" means the Person in whose name the shares of the Class Appreherred Stock are registered, which may be treated by the Corporation as the absolute of the shares of Class A Preferred Stock for the purpose of making payment and settling the elated conversions and for all other purposes.
- (h) "Initial Holder" means the Person in whose name shares of the Class A Preferred Stock were registered pursuant to a Stock Subscription Agreement dated April 6, 2018 entered into by such Person and Beach Community Bank.
 - (i) "Mandatory Conversion" has the meaning set forth in Section 6.
 - (j) "Mandatory Conversion Date" has the meaning set forth in Section 6.

- (k) "Notice of Conversion" has the meaning set forth in Section 6.
- (1) "Permissible Transfer" means a transfer by the Holder (i) to an Affiliate of the Holder or to the Corporation, (ii) in a widespread public distribution of Common Stock or Class A Preferred Stock, (iii) in which no transferee (or group of Affiliated transferees) would receive 2% or more of any class of voting securities of the Corporation, or (iv) to a transferee that would control more than a majority of the voting securities of the Corporation (not including voting securities such person is acquiring from the transferor).
- (m) "Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.
- (n) "Reorganization Event" means (i) any consolidation, merger or other similar business combination of the Corporation with or into another Person, in each case pursuant to which the Common Stock will be converted through liquidation or otherwise into eash, securities or other property of the Corporation or another Person: (ii) any sale, transfer, lease or conveyance to another Person of all or substantially all of the property or assets of the Corporation, in each case pursuant to which the Common Stock will be converted into eash, securities or other property of the Corporation or another Person: or (iii) any change, including by capital reorganization, reclassification or otherwise (other than a transaction resulting in an adjustment pursuant to Section 4 below), of the Common Stock into securities including securities other than Common Stock.
 - (o) "Class A Preferred Stock" has the meaning set forth in Section

Section 4. Dividends and Distributions: Adjustments for Combinations and Divisions of Common Stock

- Holders of Class A Preferred Stock will be entitled to recense when, as (a) and if declared by the Board of Directors or a duly authorized committee of to Board of Directors, out of funds legally available therefor, non-cumulative dividends ("Dividends") in the same per share amount as the Dividends paid on a share of Common Stock, and no more. No Dividends may be paid on the Common Stock or any other class of capital stock ranking with respect to Dividends pari passu with the Common Stock unless an identical Dividend is paid at the same time on the Class A Preferred Stock; provided, however, that if a stock Dividend is paid on Common Stock in Common Stock, the Holders will be paid an equivalent stock Dividend payable solely in shares of Class A Preferred Stock. Dividends that are payable on Class A Preferred Stock will be payable to the Holders of record of Class A Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, as determined by the Board of Directors, which record date will be the same as the record date for the equivalent Dividend of the Common Stock. In the event that the Board of Directors does not declare or pay any Dividends with respect to shares of Common Stock, then the Holders will have no right to receive any Dividends.
- (b) Subject to Section 9 below, in the event that the Corporation at any time or from time to time will effect a division of the Common Stock into a greater number of shares (by

stock split, reclassification or otherwise than by payment of a Dividend in Common Stock or in any right to acquire the Common Stock), or in the event the outstanding Common Stock will be combined or consolidated, by reclassification, reverse stock split or otherwise, into a lesser number of shares of the Common Stock, then the Class A Preferred Stock will, concurrently with the effectiveness of such event, be proportionately split, reclassified, combined, consolidated, reverse-split or otherwise, as appropriate, such that the number of shares of Common Stock and Class A Preferred Stock outstanding immediately following such event shall bear the same relationship to each other as did the number of shares of Common Stock and Class A Preferred Stock outstanding immediately prior to such event.

Section 5. Liquidation.

- (a) In the event the Corporation voluntarily or involuntarily liquidates, dissolves or winds up, the Holders at the time shall be entitled to receive liquidating distributions per share of Class A Preferred Stock in an amount equal to the amount the holder of such share of Class A Preferred Stock would receive in respect of such share if such share had been converted into Common Stock immediately prior to such liquidation, dissolution, or winding up (assuming the conversion of all shares of Class A Preferred Stock at such time, without regard to any limitations on conversion of the Class A Preferred Stock), plus an amount equal to any authorized and declared but unpaid dividends thereon, to and including the date of such liquidation, out of assets legally available for distribution to the Corporation's shareholders.
- (b) The Corporation's consolidation or merger with or into any other entity, the consolidation or merger of any other entity with or into the Corporation, or the sale of all or substantially all of the Corporation's property or business will not constitute its liquidation, dissolution or winding up.

Section 6. Conversion.

- (a) Mandatory Conversion. On the date a Holder transfers any shares of Class A Preferred Stock to a non-Affiliate of the Holder in a Permissible Transfer (the "Mandatory Conversion Date"), each such transferred share of Class A Preferred Stock will automatically convert, immediately following such transfer and without any further action on the part of any Holder, into one share of Common Stock (a "Mandatory Conversion").
- (b) Optional Conversion. The Initial Holder of each share of Class A Preferred Stock shall be permitted to convert, or upon the written request of the Corporation shall convert, each such share of Class A Preferred Stock into a share of Common Stock at any time and from time to time; provided, that upon such conversion the Holder, together with all Affiliates of the Holder, will not own or control in the aggregate more than 9.9% of the Common Stock (or any class of voting securities issued by the Corporation), excluding for the purpose of this calculation any reduction in ownership resulting from transfers by such Holder of voting securities of the Corporation (which, for the avoidance of doubt, does not include Glass A Preferred Stock (an "Optional Conversion")). For the avoidance of doubt, the Optional Conversion right shall only be available to the Initial Holder of each share of Class A Preferred Stock and shall not attach to any share of Class A Preferred Stock that is transferred by stock Initial Holder in a non-Permissible Transfer.

- No later than three (3) Business Days following any Mandatory (c) Conversion, or at least three (3) Business Days before any Optional Conversion at the election of the Holder, the Holder of the converted shares shall provide the Corporation a written notice of such conversion, or at least three (3) Business Days before any Optional Conversion at the election of the Corporation, the Corporation shall provide the Holder a written notice of such conversion (each such notice, a "Notice of Conversion"). In addition to any information required by applicable law or regulation, the Notice of Conversion shall state (i) the number of shares of Common Stock to be issued in respect of such conversion, (ii) the name in which shares of Common Stock to be issued upon such conversion should be registered, and (iii) the manner in which certificates of Class A Preferred Stock held by such Holder are to be surrendered for issuance of certificates representing shares of Common Stock. As promptly as practicable following delivery of the Notice of Conversion, with respect to any shares of Class A Preferred Stock as to which a Mandatory Conversion or Optional Conversion shall have occurred, the Corporation shall issue and deliver certificates representing shares of Common Stock to the Holder thereof or such Holder's designee upon presentation and surrender of the certificate evidencing such Class A Preferred Stock to the Corporation and, if required, furnishing appropriate endorsements and transfer documents and the payment of all transfer and similar taxes, and, in the event that such conversion is with respect to some, but not all, of the shares of Class A Preferred Stock represented by the certificate surrendered, the Corporation shall issue and deliver a certificate or certificate(s) representing the number of shares of Class A Preferred Stock that were not converted to Common Stock.
- (d) The Person or Persons entitled to receive the Common Stock issuable upon conversion of Class A Preferred Stock in the case of a Mandatory Conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock and/or securities as of the close of business on the Mandatory Conversion Date with respect thereto. Notwithstanding anything herein to the contrary, in the event that a Holder shall not by written notice designate the name in which shares of Common Stock to be issued or paid upon conversion of shares of Class A Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Corporation shall be entitled to withhold issuance of the Common Stock until such time as the Holder provides the required information.
- (e) Shares of Class A Preferred Stock converted in accordance with this Section 6 will resume the status of authorized and unissued preferred stock, undesignated as to class and available for future issuance.
- (f) Prior to the close of business on the Mandatory Conversion Date with respect to any share of Class A Preferred Stock, shares of Common Stock issuable upon conversion thereof shall not be deemed outstanding for any purpose, and the Holder thereof shall have no rights with respect to the Common Stock (including voting rights) by virtue of holding such share of Class A Preferred Stock.

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(g) All shares of Common Stock delivered upon conversion of the Class A Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable free and clear of all liens, claims, security interests, charges and other encumbrances other than those established by the Holder thereto.

Section 7. Restriction on Transfer.

- A Holder may not self or transfer any shares of capital stock of the Corporation other than to an Affiliate of the Holder or to the Corporation if, as a result of the transfer, the Holder would have transferred to persons other than Affiliates of the Holder or the Corporation in the aggregate, since the date of these Articles of Incorporation, ownership or control of 33.3 percent or more of any class of the Corporation's voting securities. percentage set forth in the previous sentence shall be calculated using the following formula: (i) the numerator, which will be the total number of shares of Corporation stock (Common Stock, Class A Preferred Stock and any other shares of stock convertible into Common Stock) owned or controlled by the Holder as of the date of these Articles of Incorporation or subsequently acquired or controlled by the Holder, that the Holder has sold or transferred to any person other than Affiliates of the Holder or the Corporation (reflecting any conversion as a result of such sales or transfers), plus the number of such shares that the Holder proposes to sell or transfer (reflecting any conversion as a result of such proposed sale or transfer), divided by: (ii) the denominator, which will be the total number of shares of Common Stock outstanding immediately following the proposed sale or transfer plus the number of shares of Class A Preferred Stock and any other shares of stock convertible into Common Stock owned or controlled by the Holder immediately following the proposed sale or transfer (reflecting any conversion that would result from such sale or transfer).
- (b) If any sale or transfer of shares by a Holder would cause the Holder's aggregate sales or transfers to exceed the limitation set forth in Section 7(a), such sale or transfer shall be null and void with respect to only that number of shares that would cause such sale or transfer to exceed such limitation.

Section 8. Voting Rights.

Holders will not have any voting rights, including the right to elect any directors, except (i) voting rights, if any, required by law and (ii) voting rights described in this Section 8. So long as any shares of Class A Preferred Stock are outstanding, and subject to Section 9 herein, the vote or consent of the Holders of a majority of the shares of Class A Preferred Stock at the time outstanding, voting as a single class, given in person or by proxy. either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any amendment, alteration or repeal (including by means of a merger, consolidation or otherwise) of any provision of the Corporation's Articles of Incorporation that would alter or change the rights, preferences or privileges of the Class A Preferred Stock so as to affect them significantly and adversely; provided, however, that any increase in the amount of the authorized preferred stock, common stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of any class of preferred stock or any securities convertible into preferred stock ranking senior to, equally with and/or junior to the Class A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Corporation's liquidation, dissolution or winding up will-not, in and of itself, be deemed to adversely affect rights, preferences or privileges of the Thass 🎥 Preferred Stock and, to the fullest extent permissible by Florida law, Holders will have no right

to vote solely by reason of such an increase, creation or issuance, so long as the Class A Preferred Stock remains *pari passu* with the Common Stock.

- (b) Notwithstanding the foregoing. Holders shall not have any voting rights if, at or prior to the effective time of the act with respect to which such vote would otherwise be required, all outstanding shares of Class A Preferred Stock shall have been converted into shares of Common Stock.
- (c) If the Federal Deposit Insurance Corporation, the Florida Office of Financial Regulation or the Board of Governors of the Federal Reserve System determines that the Class A Preferred Stock is classified as "voting stock" for the purposes of the Bank Holding Company Act, the Change in Bank Control Act, or any other change-in-control type limitation under federal or Florida law, the Holders and the Corporation will make such reasonable modifications to the voting rights in this Section 8 so that the Class A Preferred Stock is no longer considered "voting stock."

Section 9. Reorganization Events.

- So long as any shares of Class A Preferred Stock are outstanding, if there (a) occurs a Reorganization Event, then a Holder shall, effective as of the consummation of such Reorganization Event, automatically receive for such Class A Preferred Stock the type and amount of securities, cash and other property receivable in such Reorganization Event by a Holder of the number of shares of Common Stock into which the number of shares of Class A Preferred Stock held by such Holder would then be convertible; provided that if upon receipt of such securities, cash and other property, such Holder, together with all Affiliates of the Holder, would own or control in the aggregate more than the Reorganization Threshold of any class of voting securities of the Person surviving such Reorganization Event or the parent company of such Person, as the case may be, then, in lieu of any securities that would cause the Reorganization Threshold to be exceeded, such Holder shall instead receive substantially identical preference securities to the Class A Preferred Stock (with voting and conversion provisions similar to those contained in these Articles of Incorporation) of the Person surviving such Reorganization Event or the parent company of such Person, as the case may be. For purposes of this Section 9(a), the "Reorganization Threshold" means the lesser of the proportionate amount of the outstanding Common Stock of the Corporation held by the Holder immediately prior to the Reorganization Event and 9.99%.
- (b) In the event that holders of shares of Common Stock have the opportunity to elect the form of consideration to be received in such transaction, the Holders of Class A Preferred Stock shall be entitled to participate in such elections as if they had converted all of their Class A Preferred Stock into Common Stock immediately prior to the election deadline.

Section 10. Reservation of Shares Issuable upon Conversion. The Corporation will be tall times reserve and keep available out of its authorized but unissued Common Stock solely for the purpose of effecting the conversion of the Class A Preferred Stock such number of shares of Common Stock as will from time to time be sufficient to effect the conversion of all outstanding Class A Preferred Stock.

Section 11. Maturity: Redemption. The Class A Preferred Stock shall be perpetual, unless converted in accordance with these Articles of Incorporation. The Class A Preferred Stock will not be redeemable at the option of the Corporation or any Holder at any time. Notwithstanding the foregoing, nothing contained herein shall prohibit the Corporation from repurchasing for cash, exchanging for other securities of the Corporation or otherwise acquiring shares of Class A Preferred Stock in voluntary transactions with the Holders; provided that to the extent any approval of any regulatory authority is or would be required for the capital treatment of such securities or to effect such transaction, such regulatory approval should be a condition thereafter. Any shares of Class A Preferred Stock repurchased, exchanged or otherwise acquired may be cancelled by the Corporation and thereafter be reissued as shares of any class of preferred stock of the Corporation.

Section 12. Replacement Certificates.

- (a) The Corporation shall replace any mutilated certificate at the Holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates that become destroyed, stolen or lost at the Holder's expense upon delivery to the Corporation of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Corporation.
- (b) The Corporation shall not be required to issue any certificates representing the Class A Preferred Stock on or after the Mandatory Conversion Date. In place of the delivery of a replacement certificate following the Mandatory Conversion Date, the Corporation, upon delivery of the evidence and indemnity described in clause (a) above, shall deliver the shares of Common Stock pursuant to the terms of the Class A Preferred Stock formerly evidenced by the certificate.

Section 13. Miscellaneous.

- (a) All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or five Business Days after the mailing thereof if sent by registered or certified mail (unless first-class mail shall be specifically permitted for such notice under the terms of these Articles of Incorportion) with postage prepaid, addressed: (i) if to the Corporation, to its office at 17 S.E. Eglin Parkway. Fort Walton Beach, FL 32548, Attention: Chief Executive Officer, (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Corporation or (iii) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given.
- (b) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Class A Preferred Stock or shares of Common Stock or other securities issued on account of Class A Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Class A Preferred Stock or other securities in a name other than that in which the shares of Tass A Preferred Stock with respect to which such shares or other securities are issued or delivery were

registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

- (c) All payments on the shares of Class A Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by applicable law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by the holders thereof.
- (d) No share of Class A Preferred Stock shall have any rights of preemption whatsoever under these Articles of Incorporation as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated issued or granted.
- (e) The shares of Class A Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of Incorporation or as provided by applicable law.

SECRETARY OF STATE TALLAHASSEF FI CATE

CERTIFICATE DESIGNATING PLACE OF BUSINESS FOR THE SERVICE OF PROCESS WITHIN FLORIDA AND REGISTERED AGENT UPON WHOM PROCESS MAY BE SERVED

In compliance with Sections 48.091 and 607.0501, Florida Statutes, the following is submitted:

Beach Bancorp, Inc. (the "Corporation") desiring to organize as a domestic corporation or qualify under the laws of the State of Florida has named and designated Richard Mocsari as its Registered Agent to accept service of process within the State of Florida with its registered office located at 17 SE Eglin Parkway, Fort Walton Beach, Okaloosa County, Florida 32549.

<u>ACKNOWLEDGMENT</u>

Having been named as Registered Agent for the Corporation at the place designated in this Certificate, I hereby agree to act in this capacity; and I am familiar with and accept the obligations relating to service as a registered agent, as the same may apply to the Corporation; and I further agree to comply with the provisions of Florida Statutes, Section 48.091 and all other statutes, all as the same may apply to the Corporation relating to the proper and complete performance of my duties as Registered Agent.

Dated this 10th day of April, 2020.

Richard Mocsari, Registered Agent

Vall Womi

2020 APR 16 AH 1: 18
SECKETARY OF STATE
TALLAHASSEE, FIRE

APPROVED by the Office of Financial Regulation this 15th day of April 2020.

Tallahassee, Leon County, Florida

Jeremy W. Smith

Director

Office of Financial Regulation

2020 APR 16 AM 1: 18