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November 5, 2004

VIA FEDERAL EXPRESS

Florida Department of State

Division of Corporations

409 East Gaines Street

Tallahassee, Florida 32399

RE: The Prosperity Banking Company - Articles of Amendment

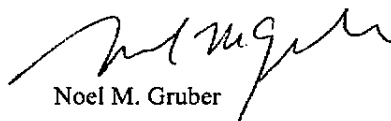
Ladies and Gentlemen:

On behalf of The Prosperity Banking Company, a Florida corporation (the "Company"), we hereby enclose for filing Articles of Amendment to the Articles of Incorporation of the Company, and one copy of said articles.

Also enclosed is a check, payable to the Florida Department of State, in the amount of forty three dollars and seventy five cents (\$43.75) in payment of the fee for this filing and the cost of one certified copy of this filing.

We would appreciate it if you would contact the undersigned by telephone, fax or email as soon as possible after the amendment has been accepted for record in order that the Company can promptly fulfill its notice obligations under Section 607.0704 (with respect to nonconsenting shareholders) and Section 607.1304 (with respect to shareholders who have given notice of dissent). Please send evidence of the acceptance of this filing to the attention of the undersigned as soon as it is. If you have any questions regarding this filing, please contact the undersigned at 301.229.3400, extension 18, by fax at 301.229.2443 or by email at nmgruber@kblbanklaw.com. Thank you for your prompt attention to this matter.

Very truly yours,



Noel M. Gruber

Enclosures

NMG/hs

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
THE PROSPERITY BANKING COMPANY

FILED
04 NOV 12 14 3 23
SECRETARY
TREASURER

The undersigned duly appointed and currently serving officers of The Prosperity Banking Company, a corporation organized under the laws of the State of Florida (the "Company"), do hereby certify that the Board of Directors of the Company approved and recommended to the shareholders of the Company an amendment to the Articles of Incorporation of the Company as set forth herein, and that thereafter, by action in writing in lieu of a meeting in accordance with the provisions of Sections 607.0704 and 607.1003 of Florida Statutes, the holders of a majority of the votes entitled to be cast by each voting group entitled to vote, on October 28, 2004, adopted and approved a resolution amending the Articles of Incorporation of the Company as follows:

Article IV of the of the Articles of Incorporation is amended and restated to read in its entirety as follows:

"The aggregate number of all classes of stock which the corporation shall have authority to issue shall be three million shares (3,000,000), consisting of seven hundred and fifty thousand (750,000) shares of Class A common stock, par value \$.01 per share, two hundred and fifty thousand (250,000) shares of Class B common stock, par value \$.01 per share, one million shares (1,000,000) of Class C common stock, par value \$.01 per share, and one million shares (1,000,000) of preferred stock, par value \$.01 per share.

The Class A common stock shall be entitled to cast one vote per share in respect of all matters submitted to a vote of the shareholders. The Class B common stock shall be entitled to cast ten votes per share in respect of all matters submitted to the vote of shareholders. The Class C common stock shall be entitled to cast one vote per share in respect of all matters submitted to the vote of shareholders. The Class A, Class B and Class C common stock shall vote together as a single class on all matters submitted to the vote of shareholders, except as otherwise provided by law.

The Class A common stock shall be entitled to receive dividends in an amount per share twenty-five percent greater than the amount per share paid upon any other authorized class of common stock. The Class A common stock shall be entitled to such dividends as and when declared by the Board of Directors. The Class A Common Stock shall not be entitled to receive any dividends at a time when dividends are not also declared and paid in respect of all other classes of common stock of which shares are then outstanding. The Class A common stock shall not be entitled to receive payment of any dividends prior to, or in preference to, shares of any other outstanding class of common stock.

The Class C Common Stock shall be entitled to receive dividends in an amount per share twenty-five percent greater than the amount per share paid upon any other class of common stock, other than the Class A Common Stock. The Class C common stock shall be entitled to such dividends as and when declared by the Board of Directors. The Class C Common Stock shall not be entitled to receive any dividends at a time when dividends are not also declared and paid in respect of all other classes of common stock of which shares are then outstanding. The Class C common stock shall not be entitled to receive payment of any dividends prior to, or in preference to, shares of any other outstanding class of common stock.

Except as expressly set forth herein, the shares of authorized common stock of every class whatsoever shall be identical and shall have equal rights and privileges.

The Board of Directors, by action of a majority of the full Board of Directors, shall have the authority to issue the shares of preferred stock from time to time on such terms as it may determine, and to divide the preferred stock into one or more classes or series, and, in connection with the creation of such classes or series to fix by resolution or resolutions the designations, voting powers, preferences, participation, redemption, sinking fund, conversion, dividend, and other optional or special rights of such classes or series, and the qualifications, limitations or restrictions thereof.

Commencing April 1, 1997 and until March 31, 2002, the corporation shall be entitled, at its option, to repurchase shares of Class A Common Stock. The repurchase price shall be not less than \$12.70 per share during the

period of April 1, 1997 to March 31, 1998, increased by 9% during each subsequent twelve month period. Notwithstanding the foregoing, the corporation shall not be entitled to repurchase in excess of 49% of the Class A Common Stock outstanding as of April 1, 1997 prior to April 1, 2000. Any shares of Class A Common Stock not repurchased prior to April 1, 2002 shall be converted into Class B Common Stock.

The corporation, by action of the Board of Directors, shall be entitled, at its option and without prior notice, to call for repurchase and to repurchase shares of Class C Common Stock at any time prior to April 1, 2009. The repurchase price shall be equal to the amounts set forth below during the periods shown:

Date	Repurchase Price
April 1, 2002 - March 31, 2003	\$19.54
April 1, 2003 - March 31, 2004	\$21.30
April 1, 2004 - March 31, 2005	\$23.20
April 1, 2005 - March 31, 2006	\$25.28
April 1, 2006 - March 31, 2007	\$27.55
April 1, 2007 - March 31, 2008	\$30.02
April 1, 2008 - March 31, 2009	\$32.72

At the time of repurchase as specified in the resolution of the Board of Directors authorizing such repurchase, all rights of the holders of the Class C common stock repurchased shall terminate, except for the right to receive the applicable repurchase price.

Any shares of Class C Common Stock which shall continue to be outstanding at April 1, 2010, shall be automatically converted into Class B Common Stock on the basis of one share of Class B common stock for each share of Class C common stock.

The holders of the capital stock of the corporation shall not have any preemptive or preferential rights to purchase or otherwise acquire any shares of any class of capital stock of the corporation, whether now or hereafter authorized, except as the Board of Directors may specifically provide.

Series A Preferred Stock. (a) *Designation.* The series of preferred stock shall be designated and known as "Series A Preferred Stock."

(b) *Number of Shares.* The Series A Preferred Stock shall consist of up to forty thousand (40,000) shares of the authorized preferred stock, \$0.01 par value, of the corporation.

(c) *Dividends and Distributions.* Subject to the prior or superior rights of the holders of any shares of any series of preferred stock ranking prior or superior to the Series A Preferred Stock with respect to dividends, whether now existing or hereafter created, the holders of shares of Series A Preferred Stock shall be entitled to receive prior to payment of any cash dividends on any class of Common Stock or other class of stock junior to the Series A Preferred Stock during the quarter to which such dividend relates, out of funds legally available therefore, non-cumulative dividends payable on the fifteenth day of January, April, July and October of each year (each a "Dividend Payment Date") commencing on the first Dividend Payment Date after the issuance of any shares of Series A Preferred Stock until and including April 15, 2001, in an amount per share equal to nine percent (9%) of the Original Purchase Price of the Series A Preferred Stock (as hereinafter defined) divided by four (4), which such amount shall thereafter increase with respect to each subsequent Dividend Payment Date to an amount equal to one fourth of the annual dividend rate as a percentage of the Original Purchase Price of the Preferred Stock as set forth below:

Dividend Payment Dates Commencing	Dividend Payment Dates Ending	Annual Dividend Rate As a Percentage of Original Liquidation Amount
June 15, 2001	April 15, 2002	10%
June 15, 2002	April 15, 2003	11%
June 15, 2003	Until called	12%

Dividends shall be declared and paid in respect of each Dividend Payment Date unless the corporation determines, in consultation with counsel to the corporation, that the corporation may not pay the dividend with respect to any Dividend Payment Date for legal or regulatory reasons. For purposes hereof the "Original Purchase Price of the Series A Preferred Stock" shall be fifty dollars (\$50) per share of Series A Preferred Stock. In the event that the corporation shall at any time declare and pay or effect in respect of the Series A Preferred Stock any stock split, (whether or not in the form of a stock dividend), reverse stock split, or other reclassification or combination of the Series A Preferred Stock or other transaction (including a merger, consolidation or share exchange) which has the effect of increasing or decreasing the number of shares of Series A Preferred Stock, then the Original Purchase Price of the Series A Preferred Stock shall be deemed to have been proportionately adjusted to reflect such transaction or event. In the event that any share of Series A Preferred Stock is outstanding for only a part of the quarterly period preceding any Dividend Payment Date, then the dividend payable with respect to such share shall be prorated for the period such share was outstanding during such period. Dividends declared and paid in an amount less than the total amount payable on all shares of Series A Preferred Stock shall be allocated pro rata among the shares of Series A Preferred Stock outstanding.

(d) *Voting Rights.* Except as may be expressly required by the laws of general applicability of the State of Florida, the holders of the Series A Preferred Stock shall not be entitled to vote on any matter submitted for the vote of stockholders, including but not limited to the election of directors.

(e) *Redemption.* Shares of the Series A Preferred Stock may be redeemed, in whole or in part, at the option and in the sole discretion only of the corporation, at any time or from time to time, without notice at a redemption price (the "Redemption Price") equal to the Original Purchase Price of the Series A Preferred Stock, as adjusted in accordance with the provision of (c) above *provided, however*, that the corporation shall not be entitled to redeem any shares of Series A Preferred Stock prior to April 1, 1998. Any such redemption shall be subject to the receipt by the corporation of the prior approval of the Federal Reserve Board. At the time of such redemption as specified in the resolution of the Board of Directors authorizing such redemption, all rights of the holders of the Series A Preferred Stock redeemed shall terminate, except for the right to receive the Redemption Price.

(f) *Conversion.* The Series A Preferred Stock shall not be convertible into or otherwise exchangeable for shares of any other class of stock or securities of the corporation.

(g) *Liquidation, Dissolution or Winding Up.* Subject to the prior or superior rights of the holders of any series of preferred stock ranking prior or superior to the Series A Preferred Stock with respect to liquidation, whether now existing or hereafter created, upon any liquidation, dissolution or winding up of the corporation, the holders of the Series A Preferred Stock shall be entitled to receive, prior to the payment of any amounts in liquidation, dissolution or winding up in respect of any Common Stock or other class of stock junior to the Series A Preferred Stock, but after the payment or provision for all amounts due to creditors of the corporation, an amount per share equal to the Original Purchase Price of the Series A Preferred Stock as adjusted in accordance with the provisions of (c) above. Following receipt of such amount, the holders of the Series A Preferred Stock shall have no right to receive any other amounts in connection with the liquidation, dissolution or winding up of the corporation.

(h) *Preemptive Rights.* The holders of the Series A Preferred Stock shall not have any preemptive or preferential right to acquire any shares of any class of capital stock of the corporation, whether now or hereafter authorized, except as the Board of Directors may specifically provide.

(i) *Relationship to Redemption of Class A Common Stock.* Notwithstanding anything to the contrary contained herein, nothing contained herein shall restrict or diminish the ability or power of the corporation to repurchase any or all of the shares of the Class A Common Stock at any time in accordance with the provisions of this Article IV, whether or not any dividend on the Series A Preferred Stock on any Quarterly Payment Date has been paid.

Series B Preferred Stock. (a) *Designation.* The series of preferred stock shall be designated and known as "Series B Preferred Stock."

(b) *Number of Shares.* The Series B Preferred Stock shall consist of up to forty thousand (40,000) shares of the authorized preferred stock, \$0.01 par value, of the corporation.

(c) *Ranking.* The Series B Preferred Stock shall rank on a parity with the Series A Preferred Stock, and any class of series of stock hereafter created ranking on a parity therewith.

(d) *Dividends and Distributions.* Subject to the prior or superior rights of the holders of any shares of any series of preferred stock ranking prior or superior to the Series B Preferred Stock with respect to dividends, whether now existing or hereafter created, the holders of shares of Series B Preferred Stock shall be entitled to receive prior to payment of any cash dividends on any class of Common Stock or other class of stock junior to the Series B Preferred Stock during the quarter to which such dividend relates, out of funds legally available therefore, non-cumulative dividends payable on the fifteenth day of January, April, July and October of each year (each a "Dividend Payment Date") commencing on the first Dividend Payment Date after the issuance of any shares of Series B Preferred Stock until and including April 15, 2008, in an amount per share equal to nine percent (9%) of the Original Liquidation Amount of the Series B Preferred Stock (as hereinafter defined) divided by four (4), which such amount shall thereafter increase with respect to each subsequent Dividend Payment Date to an amount equal to one fourth of the annual dividend rate as a percentage of the Original Liquidation Amount of the Series B Preferred Stock as set forth below:

<u>Dividend Payment Dates Commencing</u>	<u>Dividend Payment Dates Ending</u>	<u>Annual Dividend Rate As a Percentage of Original Liquidation Amount</u>
June 15, 2008	April 15, 2009	10%
June 15, 2009	April 15, 2010	11%
June 15, 2010	Until called	12%

Dividends shall be declared and paid in respect of each Dividend Payment Date unless the corporation determines, in consultation with counsel to the corporation, that the corporation may not pay the dividend with respect to any Dividend Payment Date for legal or regulatory reasons. For purposes hereof the "Original Liquidation Amount of the Series B Preferred Stock" shall be fifty dollars (\$50) per share of Series B Preferred Stock. In the event that the corporation shall at any time declare and pay or effect in respect of the Series B Preferred Stock any stock split, (whether or not in the form of a stock dividend), reverse stock split, or other reclassification or combination of the Series B Preferred Stock or other transaction (including a merger, consolidation or share exchange) which has the effect of increasing or decreasing the number of shares of Series B Preferred Stock, then the Original Liquidation Amount of the Series B Preferred Stock shall be deemed to have been proportionately adjusted to reflect such transaction or event. In the event that any share of Series B Preferred Stock is outstanding for only a part of the quarterly period preceding any Dividend Payment Date, then the dividend payable with respect to such share shall be prorated for the period such share was outstanding during such period. Dividends declared and paid in an amount less than the total amount payable on all outstanding shares of Series B Preferred Stock and any class or series of stock ranking on a parity with the Series B Preferred Stock shall be allocated pro rata among the shares of Series B Preferred Stock and the shares of any other class or series of stock ranking on a parity with the Series B Preferred Stock outstanding, so that the ratio of dividends declared and paid per share on the Series B Preferred Stock to the amount of dividends not declared and paid for such period is the same as the ratio of dividends declared and paid to dividends not declared and paid during such period on any other class or series of stock ranking on a parity with the Series B Preferred Stock.

(e) *Voting Rights.* Except as may be expressly required by the laws of general applicability of the State of Florida, the holders of the Series B Preferred Stock shall not be entitled to vote on any matter submitted for the vote of stockholders, including but not limited to the election of directors.

(f) *Redemption.* Shares of the Series B Preferred Stock may be redeemed, in whole or in part, at the option and in the sole discretion only of the corporation, at any time or from time to time on or after October 15, 2004, without notice, at a redemption price (the "Redemption Price") equal to the Original Liquidation Amount of the Series B Preferred Stock, as adjusted in accordance with the provisions of (d) above *provided, however*, that any such redemption shall be subject to the receipt by the corporation of the prior approval of the Federal Reserve Board. At the time of such redemption as specified in the resolution of the Board of Directors authorizing such redemption, all rights of the holders of the Series B Preferred Stock redeemed shall terminate, except for the right to receive the Redemption Price.

Notwithstanding anything to the contrary contained herein, nothing contained herein shall restrict or diminish the ability or power of the corporation to redeem any or all of the shares of the Series A Preferred Stock at any time in accordance with the provisions of this Article IV, whether or not any dividend on the Series B Preferred Stock on any Dividend Payment Date has been paid.

(g) *Conversion.* The Series B Preferred Stock shall not be convertible into or otherwise exchangeable for shares of any other class of stock or securities of the corporation.

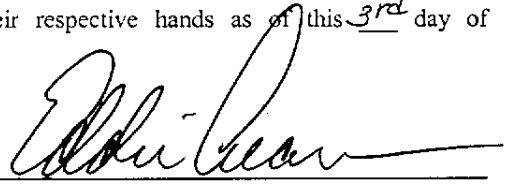
(h) *Liquidation, Dissolution or Winding Up.* Subject to the prior or superior rights of the holders of any series of preferred stock ranking prior or superior to the Series B Preferred Stock with respect to liquidation, whether now existing or hereafter created, upon any liquidation, dissolution or winding up of the corporation, the holders of the Series B Preferred Stock shall be entitled to receive, prior to the payment of any amounts in liquidation, dissolution or winding up in respect of any Common Stock or other class of stock junior to the Series B Preferred Stock, but after the payment or provision for all amounts due to creditors of the corporation, an amount per share equal to the Original Liquidation Amount of the Series B Preferred Stock as adjusted in accordance with the provisions of (d) above. Following receipt of such amount, the holders of the Series B Preferred Stock shall have no right to receive any other amounts in connection with the liquidation, dissolution or winding up of the corporation. In the event that upon any liquidation, dissolution or winding up of the corporation, the assets of the corporation are insufficient to pay in full the liquidation preference of the outstanding shares of Series B Preferred Stock and the liquidation preferences of any class or series of stock ranking on a parity with the Series B Preferred Stock, then the aggregate amount available for distribution in respect of the liquidation preferences of the Series B Preferred Stock and of any class or series of stock ranking on a parity with the Series B Preferred Stock shall be distributed so that the same percentage of the liquidation preference is paid in respect of the Series B Preferred Stock as is paid in respect of the liquidation preference on any class or series of stock ranking on a parity with the series B Preferred Stock.

(i) *Preemptive Rights.* The holders of the Series B Preferred Stock shall not have any preemptive or preferential right to acquire any shares of any class of capital stock of the corporation, whether now or hereafter authorized, except as the Board of Directors may specifically provide.

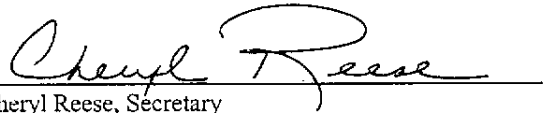
(j) *Relationship to Redemption of Class A and Class C Common Stock.* Notwithstanding anything to the contrary contained herein, nothing contained herein shall restrict or diminish the ability or power of the corporation to repurchase any or all of the shares of the Class A or Class C Common Stock at any time in accordance with the provisions of this Article IV, whether or not any dividend on the Series B Preferred Stock on any Dividend Payment Date has been paid.

[Signatures appear on following page]

IN WITNESS WHEREOF, the undersigned have set their respective hands as of this 3rd day of November, 2004.



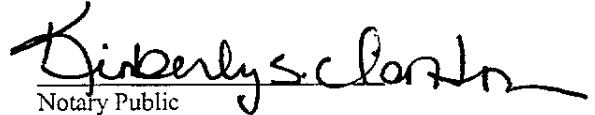
James E. Creamer, President



Cheryl Reese, Secretary

State of Florida
County of St Johns

The foregoing instrument was acknowledged before me this 3rd day of Nov., 2004 by James E. Creamer, President, and Cheryl Reese, Secretary of The Prosperity Banking Company, a Florida corporation, on behalf of the corporation.



Notary Public
State of Florida at Large

My Commission Expires:



Kimberly S Clanton
My Commission DD160905
Expires October 27 2006