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P95000023557

August 7, 1997

Florida Secretary of State
Division of Corporations
Bureau of Corporate Records
Post Office Box 6327
Tallahassee, FL 32314-6327

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Re: First Bankshares, Inc.

Dear Sir/Madam:

Enclosed are the following documents relating to the above-referenced corporation:

1. Original Articles of Amendment to the Restated Articles of Incorporation submitted for filing;
2. One check in the amount of \$87.50 (\$35.00 for filing fee and \$52.50 for one certified copy of the Articles of Amendment to the Restated Articles of Incorporation); and
3. A photocopy of the executed Articles of Amendment to the Restated Articles of Incorporation.

Please file the enclosed document as soon as possible and return to us a certified copy of the Restated Articles of Incorporation. A prepaid self-addressed envelope is enclosed. If you have any questions regarding the enclosed, please call me immediately.

Thank you for your assistance.

Very truly yours,

John P. Greeley

JPG:erw
Enclosures
Copy to:

Mr. Corey J. Coughlin
Mr. Alan N. Stager

OM
P95000023557
Amend
* cert copy
8-11-97
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

APPROVED
AND
FILED

**ARTICLES OF AMENDMENT
OF THE
RESTATED ARTICLES OF INCORPORATION OF
FIRST BANKSHARES, INC.
(Pursuant to Section 607.0602 of the
Florida Business Corporation Act)**

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

97 AUG 11 PM 12:15

APPROVED
AND
FILED

First Bankshares, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), in accordance with the provisions of Section 607.0602 of the Florida Business Corporation Act (the "Act"), does hereby amend its Restated Articles of Incorporation ("Restated Articles") by filing these Articles of Amendment in order to create a new series of preferred stock designated as Series B Preferred Stock and, in connection therewith,

HEREBY CERTIFIES:

That the name of the Corporation is First Bankshares, Inc.

That pursuant to the authority conferred upon the Board of Directors by the Restated Articles, the Board of Directors on December 20, 1996 duly adopted without shareholder approval the following Articles of Amendment to the Restated Articles in order to create a series of preferred stock designated as Series B Preferred Stock:

Pursuant to authority granted to the Board of Directors by Article IV, Section C of the Articles, there is hereby created and the Corporation be, and hereby is, authorized to issue 2,000 shares of preferred stock which shall have, in addition to the terms set forth in the Restated Articles, the following terms, designations, preferences and privileges, relative, participating, optional and other special rights, and qualifications, limitations, and restrictions:

(1) **Designation.** There shall be 2,000,000 shares of the preferred stock of the Corporation hereby constituted as a class of preferred stock with a par value of \$0.01 per share, designated as Series B Preferred Stock (hereinafter called "Series B Preferred Stock").

(2) **Dividends.** The holders of shares of Series B Preferred Stock shall be entitled to receive cumulative cash dividends out of funds legally available therefor, from the date of original issuance, payable quarterly in arrears on March 1, June 1, September 1, and December 1 of each year (commencing March 1, 1997) at the rate of 7% per annum on the consideration paid to the Corporation in exchange for such shares. Each declared dividend shall be payable to holders of record as they appear at the close of business on the stock books of the Corporation on such record dates, not more than 30 calendar days and not less than 10 calendar days preceding the dividend payment date therefor, as determined by the Board of Directors. Notwithstanding the foregoing, after the holders of the shares of Series B Preferred Stock have received written authorization from

the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to acquire a controlling interest in the Corporation pursuant to the Change in Bank Control Act and Regulation Y issued by the Federal Reserve Board (the "Regulatory Approval"), the cash dividend payable on each share of Series B Preferred Stock shall be reduced from 7% to a rate equal to 5% per annum and shall be payable on June 1 and December 1 of each year.

(3) Voting Rights. The holders of Series B Preferred Stock shall have no voting rights, except as provided under the Act.

(4) Conversion Rights. Subject to the terms of a Relationship Agreement dated December 23, 1996 between the Corporation and the holders of Series B Preferred Stock and the receipt of Regulatory Approval, the holder of any share of Series B Preferred Stock may at such holder's option at any time, and from time to time, convert any such shares into shares of Common Stock on the basis of one share of Common Stock for each share of Series B Preferred Stock surrendered in exchange therefor; provided, however, that if there is any subdivision or combination of the outstanding shares of Common Stock into a greater or lesser number of shares (without a proportionate and corresponding subdivision or combination of the outstanding Series B Preferred Stock), or if there is a dividend payable in Common Stock to holders of record of Common Stock or the holders of Common Stock are entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into or entitling the holder thereof to receive additional shares of Common Stock without payment of any consideration by such holder for such other securities, rights or additional shares of Common Stock, then the number of shares of Common Stock into which shares of Series B Preferred Stock may be converted shall be adjusted by the Board of Directors in its sole discretion taking into account the effect of the Common Stock transaction.

(5) Merger or Consolidation. Upon any merger or consolidation of the Corporation, each share of Series B Preferred Stock shall be entitled to receive the same value and consideration received by a holder of a number of shares of Common Stock of the Corporation into which the shares of Series B Preferred Stock might have been converted immediately prior to such merger or consolidation.

(6) Redemption Rights. The shares of Series B Preferred Stock shall have no redemption rights nor shall such shares be subject to call by the Corporation.

(7) Liquidation Preference. Upon any voluntary liquidation, or appointment of a conservator or receiver, the amount payable with respect to the Series B Preferred Stock shall be an amount equal to the consideration paid to the Corporation in exchange for such shares. If, upon any voluntary liquidation, or appointment of a conservator or receiver, the amounts payable with respect to the Series B Preferred Stock are not paid in full, the holders of Series A Preferred Stock, Gooding's Preferred Stock and Series B Preferred Stock will share ratably in each such distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled based upon the consideration paid to the Corporation in exchange for

such shares. After payment of the full amount of the liquidating distribution to which the Series B Preferred Stock are entitled, the holders of such shares will not be entitled to any further participation in any distribution of assets of the Corporation. All distributions made with respect to the Series B Preferred Stock in connection with such liquidation or dissolution of the Corporation shall be made prorata to the holders of each such series entitled thereto.

(8) Preemptive Rights. Holders of Series B Preferred Stock shall not have as a matter of right any preemptive or preferential right to subscribe for, purchase, receive, or otherwise acquire any part of any new or additional issue of stock of any class, whether now or hereafter authorized, or of any bonds, debentures, notes, or other securities of the Corporation, whether or not convertible into shares of stock of the Corporation.

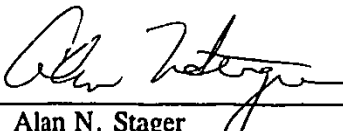
(9) Certain Events. If any event occurs as to which in the sole discretion of the Board of Directors of the Corporation the other provisions of the foregoing would not protect the conversion or other rights of the Series B Preferred Stock in accordance with the essential intent and principles of the foregoing, then such Board of Directors shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles as determined by the Board of Directors, so as to protect such rights as aforesaid.

CERTIFICATE

The undersigned, being the duly elected and incumbent Chairman of the Board of First Bankshares, Inc. (the "Corporation"), a corporation organized under the laws of the State of Florida, does hereby certify that the foregoing Articles of Amendment were duly adopted at a meeting of the Board of Directors on August 5, 1997 without shareholder approval, and continue in full force and effect as of the date of this Certificate without alteration or modification.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 6th day of August, 1997.

FIRST BANKSHARES, INC.

By: 
Alan N. Stager
As its: Executive Vice President and Chief
Financial Officer