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ESTABLISHED 1893

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P97000089093
January 30, 1998

VIA FEDERAL EXPRESS

Ms. Louise Fleming Jackson
Secretary of State of Florida
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32399

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Re: Articles of Amendment of Florida Banks, Inc.

Dear Ms. Jackson:

Please find enclosed for filing the following documents with respect to Florida Banks, Inc.:

- (i) executed Articles of Amendment of Florida Banks, Inc. creating a series of preferred stock to be designated as "Series A Preferred Stock;" and
- (ii) a check in the amount of \$35.00 in payment of the filing fee.

We would appreciate your returning the enclosed acknowledgment copy of this letter with the date of filing affixed thereto in the enclosed self-addressed, stamped envelope.

Thank you for your assistance in this matter. If you have any questions regarding the enclosed documents, please call me at 404/815-3782.

Very truly yours,

SMITH, GAMBRELL & RUSSELL, LLP

David W. Ghegan
David W. Ghegan

DWG/csl[120027]
Enclosures

cc: Nancy E. LaFoy
Robert C. Schwartz, Esquire

CORAPAMND
5 pages

Amend
1/31
2-2-98

FILED
98 FEB -2 PM 12:12
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT
OF
THE ARTICLES OF INCORPORATION
OF
FLORIDA BANKS, INC.

FILED
98 FEB -2 PM 12: 12
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.0602 of the Florida Business Corporation Act, the Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), of Florida Banks, Inc. (the "Corporation") are hereby amended according to these Articles of Amendment.

I.

The name of the Corporation is Florida Banks, Inc.

II.

On January 28, 1998, the Board of Directors of the Corporation duly adopted an amendment (the "Amendment") to the Articles of Incorporation which added an Appendix A to the end of the Articles of Incorporation. Pursuant to Section 607.1005, no shareholder vote is required for the adoption and approval of the Amendment. The text of the Amendment is included in Article III hereof.

III.

Article III of the Articles of Incorporation authorizes the issuance by the Corporation, as approved by its Board of Directors without the approval of its shareholders, of up to 1,000,000 shares of preferred stock, \$0.01 par value per share, in one or more series, with the shares of each such series having such preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption and liquidation as may be determined by the Board of Directors. In accordance with the provisions of Article III of the Articles of Incorporation, the Amendment creates a series of preferred stock, designated "Series A Preferred Stock," and establishes the preferences, limitations and relative rights thereof. Pursuant to said Article III, the Articles of Incorporation hereby are amended by adding the following to the end of the Articles of Incorporation as Appendix A:

APPENDIX A

SERIES A PREFERRED STOCK

1. Designation. 600,000 shares of the preferred stock, par value, \$0.01 per share, stated value \$10.00 per share, of the Corporation are hereby constituted as a series of the preferred stock designated as "Series A Preferred Stock" (the "Series A Preferred Stock") and having relative rights and preferences to all other classes and series of the capital stock of the Corporation as set forth herein.

2. Dividends.

No dividends or other distributions shall be declared or payable with respect to Series A Preferred Stock.

3. Preference on Liquidation.

(a) Liquidation Preference for Series A Preferred Stock. In the event that the Corporation shall commence a voluntary case under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or similar law, or consent to the entry of an order for relief in an involuntary case under such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due, or if a decree or order for relief in respect of the Corporation shall be entered by a court having jurisdiction in the premises in an involuntary case under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and on account of any such event the Corporation shall liquidate, dissolve or wind up, or if the Corporation shall otherwise liquidate, dissolve or wind up, no distribution of the assets of the Corporation shall be made to the holders of shares of Common Stock or other Junior Securities (as hereinafter defined) (and no monies shall be set apart for such purpose) unless (i) prior thereto, the holders of shares of Series A Preferred Stock shall have received from the assets of the Corporation an amount per share having a value equal to not less than \$10.00 (the "Series A Liquidation Preference").

(b) Pro Rata Payments. If, upon any such liquidation, dissolution or other winding up of the affairs of the Corporation, the assets of the Corporation shall be insufficient to permit the payment in full of the Series A Liquidation Preference for each share of Series A Preferred Stock then outstanding and the full liquidating payments on all Parity Securities (as hereinafter defined) then the assets of the Corporation remaining after the distribution to holders of any Senior Securities (as hereinafter defined) of the full amounts to which they may be entitled shall be ratably distributed among the holders of Series A Preferred Stock and of any Parity Securities in proportion to the full amounts to which they would otherwise be respectively entitled if all amounts thereon were paid in full.

(c) Sale not a Liquidation. Neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Corporation nor the consolidation, merger or other business combination of the Corporation with or into one or more corporations or other Person (as hereinafter defined) shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(d) Notice of Liquidation. Written notice of any liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when and the place or places where amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage prepaid, not less than thirty (30) days prior to any payment date specified therein, to the holders of record of the Series A Preferred Stock at their respective addresses as shall appear on the records of the Corporation.

4. Voting. Except as otherwise provided by law, the shares of the Series A Preferred Stock shall have no voting rights.

5. Redemption.

(a) Redemption Price. Any redemption of the Series A Preferred Stock pursuant to this Section 5 shall be at a price equal to \$10.00 per share (the "Redemption Price").

(b) Optional Redemption. At the option of the Corporation, shares of the Series A Preferred Stock may be redeemed at any time as a whole or in part from time to time, out of funds legally available therefor, at a cash redemption price of \$10.00 per share.

(c) Procedures for Redemption. In the event the Corporation shall elect to redeem shares of Series A Preferred Stock pursuant to Section 5(b), the Corporation shall give written notice of such redemption by first class mail, postage prepaid, mailed not less than thirty (30) nor more than ninety (90) days prior to the Redemption Date (as hereinafter defined), to each holder of record of the shares to be redeemed, at such holder's address as the same appears on the stock records of the Corporation. Each such notice shall state: (i) the date on which the shares of the Series A Preferred Stock shall be redeemed (the "Redemption Date"); (ii) the number of shares of Series A Preferred Stock to be redeemed; (iii) the Redemption Price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; (v) that payment will be made upon presentation and surrender of such Series A Preferred Stock; and (vi) that such redemption is mandatory. Notice having been mailed as aforesaid, from and after the Redemption Date, unless the Corporation shall be in default in the payment of the Redemption Price (A) shares of Series A Preferred Stock shall be deemed no longer outstanding, and (B) all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation any moneys payable upon redemption without interest thereon) shall cease.

Upon surrender in accordance with such notice of the certificates for any such shares so redeemed (properly endorsed or assigned for transfer with signatures guaranteed), such shares shall be redeemed by the Corporation at the applicable Redemption Price.

6. Shares to be Retired. Any share of Series A Preferred Stock repurchased or otherwise acquired by the Corporation shall be retired and canceled and shall upon cancellation be restored to the status of authorized but unissued shares of preferred stock, subject to reissuance by the Board of Directors as shares of preferred stock of one or more other series but not as shares of Series A Preferred Stock.

7. Definitions. As used herein, the following terms shall have the respective meanings set forth below:

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of Florida.

"Common Stock" means the Corporation's Common Stock, \$.01 par value per share, and any stock into which such Common Stock may hereafter be changed or for which such Common Stock may be exchanged after giving effect to the terms of such change or exchange (by way of reorganization, recapitalization, merger, consolidation or otherwise).

"Junior Securities" means the Common Stock and any other class of capital stock or series of preferred stock hereafter created by the Corporation which does not expressly provide that it ranks senior to or pari passu with the Series A Preferred Stock as to dividends, other distributions, liquidation preference or otherwise.

"Parity Securities" mean any class of capital stock or series of preferred stock hereafter created by the Corporation which expressly provides that it ranks pari passu with the Series A Preferred Stock as to dividends, other distributions, liquidation preference or otherwise.

"Person" or "person" shall mean an individual, partnership, corporation, trust, unincorporated organization, joint venture, government or agency, political subdivision thereof, or any other entity of any kind.

"Senior Securities" means any class or series of capital stock, debt instrument or security convertible into capital stock or debt securities of the Corporation other than Parity Securities or Junior Securities.

"Series A Liquidation Preference" shall have the meaning set forth in Section 3(a).

"Series A Preferred Stock" shall have the meaning set forth in Section 1.

8. Notices. Except as may otherwise be provided for herein, all notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of (x) receipt of such notice, (y) two Business Days after the mailing of such notice if sent by registered mail (unless first-class mail shall be specifically permitted for such notice under the terms hereof) or (z) the Business Day following the date such notice is put in the possession of an overnight courier, in any case with postage or delivery charges prepaid, addressed: if to the Corporation, to its temporary offices at 9755 Dogwood Road, Suite 310, Roswell, Georgia 30075, Attention: Nancy E. LaFoy, Secretary and Treasurer of the Corporation, or to an agent of the Corporation designated as permitted by the Articles of Incorporation, or, if to any holder of the Series A Preferred Stock, to such holder at the address of such holder of the Series A Preferred Stock as listed in the stock record books of the Corporation.

IN WITNESS WHEREOF, these Articles of Amendment have been signed by Nancy E. LaFoy, Secretary and Treasurer, all as of the 30 day of January, 1998.

FLORIDA BANKS, INC.

By: Nancy E. LaFoy
Nancy E. LaFoy, Secretary and Treasurer

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