

ARTICLES OF INCORPORATION
OF
COLUMBIANA BANCSHARES, INC.

I, the undersigned natural person of the age of eighteen (18) years or more, acting as an incorporator of a corporation (hereinafter call the "Corporation") under the Alabama Business Corporation Act, do hereby adopt the following Articles of Incorporation for the Corporation:

ARTICLE ONE

NAME

The name of the Corporation is Columbiana Bancshares, Inc.

ARTICLE TWO

DURATION

The Corporation's period of duration is perpetual.

ARTICLE THREE

PURPOSE

The purpose or purposes for which the Corporation is organized are:

- (a) To act as a bank holding company;
- (b) To transact any and all lawful business for which corporations may be incorporated under the Alabama Business Corporation Act;
- (c) To buy, sell, lease, and deal in services, personal property, and real property;
- (d) To do each and every thing necessary, suitable, or proper for the accomplishment of any of the purposes or for the attainment of any one or more of the objects herein enumerated or which at any time appear conducive

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to or expedient for the protection or benefit of the Corporation.

The foregoing clauses shall be construed as powers as well as objects and purposes, and the matter expressed in each clause shall, unless herein otherwise expressly provided, be in nowise limited by reference to or inference from the terms of any other clause, but shall be regarded as independent objects, purposes and powers, and shall not be construed to limit or restrict in any manner the meaning of the general terms or the general powers of the Corporation.

ARTICLE FOUR

STOCK

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The Corporation is authorized to issue two classes of shares to be designated respectively "preferred" and "common." The total number of shares which the Corporation is authorized to issue is 75,000 shares. The number of preferred shares authorized is 25,000 shares, and the par value of each such share is \$17.25. The number of common shares authorized is 50,000 shares, and the par value of each such share is \$10.00.

- (a) The holders of the preferred shares shall be entitled to receive dividends, out of any funds legally available therefor, at the rate of eight percent (8%) per annum of the par value thereof, and no more, payable in cash semi-annually, or at such intervals as the Board of Directors may from time to time determine. Such dividends shall accrue from the date of issuance of the respective preferred shares and shall be deemed to accrue from day to day whether or not earned or declared.

Such dividends shall be payable before any dividends shall be paid, declared, or set apart for the common shares, and shall be cumulative so that if for any dividend periods such dividends on the outstanding preferred shares at the rate of eight percent (8%) per

annum of the par value thereof are not paid or declared and set apart therefor, the deficiency shall be fully paid or declared and set apart for payment, without interest, before any distribution, by dividend or otherwise, shall be paid on, declared, or set apart for the common shares.

- (b) On any voluntary or involuntary liquidation of the Corporation, the holders of the preferred shares shall receive an amount equal to the par value of such shares plus any dividends declared and unpaid thereon, and no more, before any amount shall be paid to the holders of the common shares. If the assets of the Corporation should be insufficient to permit payment to the preferred shareholders of their full preferential amounts as herein provided, then such assets shall be distributed ratably among the outstanding preferred shares. Subject to such preferential rights, the holders of the common shares shall receive, ratably, all remaining assets of the Corporation. A consolidation or merger of the Corporation with or into any other corporation or a sale of all or substantially all of the assets of the Corporation shall not be deemed a liquidation, dissolution, or winding up of the Corporation within the meaning of this paragraph.
- (c) The Corporation, at the option of the Board of Directors, may at any time redeem the whole, or from time to time redeem any part, of the preferred shares outstanding by paying in cash therefor the sum of \$17.25 per share, plus all dividends declared but unpaid thereon as provided in this Article Four to and including the date of redemption, hereinafter referred to as the "redemptive price," and by giving to each preferred shareholder of record at his last known address, as shown on the records of the Corporation, at least twenty (20), but not more than fifty (50), days' prior notice personally or in writing, by mail, postage prepaid, stating the class or series or part of the class or series of shares to be redeemed and the date and plan of redemption, the redemptive price, and the place where the shareholders may obtain payment of the redemptive price on surrender of their respective share certificates, hereinafter called the "redemption notice." Should only a part of the outstanding preferred shares be redeemed, such redemption shall be effected by lot, or pro rata, as prescribed by the Board of Directors. On or after the date fixed for redemption, each holder of shares called for redemption shall surrender his certificate for such shares to the Corporation at the place designated in the redemption notice and shall thereupon be entitled to receive payment of the redemptive price. Should less than all

the shares represented by any surrendered certificate be redeemed, a new certificate for the unredeemed shares shall be issued. If the redemption notice is duly given and if sufficient funds are available therefor on the date fixed for redemption, then, whether or not the certificates evidencing the shares to be redeemed are surrendered, all rights with respect to such shares shall terminate on the date fixed for redemption, except for the right of the holders to receive the redemptive price, without interest, on surrender of their certificate therefor.

- (d) If, on or prior to any date fixed for redemption of preferred shares as herein provided, the Corporation deposits with any bank or trust company in Alabama, or any bank or trust company in the United States duly appointed and acting as transfer agent for the Corporation, as a trust fund, a sum sufficient to redeem, on the date fixed for redemption thereof, the shares called for redemption, with irrevocable instructions and authority to the bank or trust company to publish the notice of redemption thereof, or to complete such publication if theretofore commenced, and to pay, on and after the date fixed for redemption or prior thereto, the redemptive price of the shares to their respective holders on surrender of their share certificates, then from and after the date of the deposit, even though such date may be prior to the date fixed for redemption, the shares so called shall be deemed to be redeemed and dividends on those shares shall cease to accrue after the date fixed for redemption. The deposit shall be deemed to constitute full payment of the shares to their holders and from and after the date of the deposit, the shares shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto, except the right to receive from the bank or trust company payment of the redemptive price of the shares, without interest, on surrender of their certificates therefor.
- (e) Shares redeemed by the Corporation shall be restored to the status of authorized but unissued shares of the Corporation.
- (f) Except where otherwise provided in these Articles of Incorporation or by law, the holders of the common shares shall have the exclusive voting rights and powers, including the exclusive right to notice of shareholders' meetings.

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(g) In addition to any voting rights and provided as herein provided in these Articles of Incorporation or by law to holders of preferred shares, if at any time an arrearage in preference dividends (as hereinafter defined) shall have existed for at least thirty days and be continuing, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the outstanding preferred shares shall have the exclusive and special right, at any annual meeting of shareholders or at a special meeting of holders of preferred shares called as hereinafter provided, voting together as a single class (with each share being entitled to one vote), to elect two directors of the Corporation to fill such newly created directorships, provided that such right shall not apply at any such meeting if or to the extent that two members of the Board of Directors whose terms of office do not expire at the meeting have previously been elected by the holders of outstanding preferred shares as aforesaid. Such right to elect two directors shall continue until such time as there shall not exist any arrearage in preference dividends. Each director so elected (a "Preferred Director") shall continue to serve as such director for the lesser of (i) a period of six months following the date on which there is no longer an arrearage in preference dividends, or (ii) the full term for which such director has been elected. Any Preferred Director may be removed by, and shall not be removed except by, the vote of the holders of the outstanding preferred shares, voting together as a single class, at any annual meeting of the shareholders of the Corporation or any special meeting called for that purpose. So long as any arrearage in preference dividends shall exist (i) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (ii)) by an instrument in writing signed by the remaining Preferred Director and filed with the secretary of the Corporation and (ii) in case two such vacancies exist or in the case of the removal of any Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding preferred shares, voting together as a single class, at the next annual meeting of shareholders or any special meeting called for that purpose. Each director elected as aforesaid by the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and no arrearage in preference dividends shall exist, the number of directors constituting the Board of Directors of the Corporation shall be reduced by two. For purposes of this Article Four (g) an "arrearage in preference dividends" shall be deemed to have occurred whenever dividends on

preferred shares for two or more dividend periods shall be in arrears and unpaid, in whole or in part, whether or not earned or declared, and, having so occurred, such arrearage shall be deemed to exist thereafter until, but only until, full cumulative dividends on all outstanding preferred shares shall have been paid, or a sufficient sum set apart for the payment of such dividends, to and including the end of the last preceding dividend period. For purposes of this Article Four (g), a "dividend period" shall mean a period of six months.

At any time when such special voting power has vested in the holders of preferred shares, a proper officer of the Corporation will, upon the written request of the holders of at least 5% of the preferred shares at the time outstanding, addressed to the secretary of the Corporation, call a special meeting of the holders of preferred shares for the purpose of electing directors. Such meeting will be held at the earliest legally permissible date at the principal office of the Corporation. If such meeting has not been called by a proper officer of the Corporation within ten days after personal service of said written request upon the secretary of the Corporation or within 20 days after mailing the same by registered mail addressed to the secretary of the Corporation at its principal office, then the holders of record of at least 5% of the preferred shares at the time outstanding may designate in writing one of their number to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of shareholders and will be held at the Corporation's principal office. Any holder of preferred shares so designated will be given access to the stock record books of the Corporation for the purpose of causing meetings of shareholders to be called pursuant to these provisions.

At any meeting or at any adjournment or adjournments thereof held for the purpose of electing directors at which the holders of preferred shares have the special right, voting separately as a class, to elect directors as provided in this Article Four (g), the presence, in person or by proxy, of the holders of 50% of the preferred shares at the time outstanding will be required to constitute a quorum for the election of any director by the holders of preferred shares exercising such special right. The election of directors at any such meeting shall be by plurality vote.

ARTICLE FIVE

PREEMPTIVE RIGHTS

Neither the holders of shares of common stock nor the holders of shares of preferred stock shall have preemptive rights to receive, purchase, or subscribe to (a) any unissued or treasury shares of any class of stock of the Corporation, (b) any obligations, evidences of indebtedness, or other securities of the Corporation convertible into or exchangeable for, or carrying or accompanied by any rights to receive, purchase, or subscribe to, any such unissued or treasury shares, (c) any right of subscription to or to receive, or any warrant or option for the purchase of, any of the foregoing securities, or (d) any other securities that may be issued or sold by the Corporation.

ARTICLE SIX

CUMULATIVE VOTING

Cumulative voting for the election of directors is prohibited.

ARTICLE SEVEN

ADOPTION OF BYLAWS

The shareholders of the Corporation shall adopt the initial bylaws of the Corporation. Thereafter, the Board of Directors may alter, amend, or repeal the bylaws of the Corporation or may adopt new bylaws, subject to the shareholders' concurrent right to alter, amend, or repeal the bylaws or to adopt new bylaws; provided, however, that the Board of Directors may not alter, amend, or repeal any bylaw establishing what constitutes a quorum

at shareholders' meetings. The shareholders may provide that any or all bylaws altered, amended, repealed, or adopted by the shareholders shall not be altered, amended, re-enacted, or repealed by the Board of Directors of the Corporation.

ARTICLE EIGHT

REPURCHASE OF STOCK

The Corporation is authorized to purchase, directly or indirectly, its own shares to the extent of the aggregate of the unreserved and unrestricted earned surplus and unreserved and unrestricted capital surplus available therefor, without submitting such purchase to a vote of the shareholders of the Corporation.

ARTICLE NINE

REVERSION OF UNCLAIMED DIVIDENDS,

REDEMPTION PAYMENTS AND RECLASSIFICATION SHARES

Any and all cash, property or share dividends, shares issuable to shareholders in connection with a reclassification of stock, and the redemption price of redeemed shares, which are not claimed by the shareholders entitled thereto within a reasonable time (not less than one year in any event) after the dividend or redemption price became payable or the shares became issuable, despite reasonable efforts by the Corporation to pay the dividend or redemption price or deliver the certificates for the shares to such shareholders within such time, shall, at the expiration of such time, revert in full ownership to the Corporation, and the Corporation's obligation to pay such dividend or redemption price or issue such shares, as the case may be, shall thereupon cease;

provided that the Board of Directors may, at any time, for any reason satisfactory to it, but need not, authorize (a) payment of the amount of any cash or property dividend or redemption price, or (b) issuance of any shares, ownership of which has reverted to the Corporation pursuant to the provision of this Article Twelve, to the entity who or which would be entitled thereto had such reversion not occurred.

ARTICLE TEN

REGISTERED OFFICE

The address of the initial registered office of the Corporation is 106 East College Street, Columbiana, Alabama 35051, and the name of its initial registered agent at such address is William T. Harrison.

ARTICLE ELEVEN

INITIAL BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the Corporation is eight (8), and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and shall qualify are:

Name

Address

Robert N. Bolton

Post Office Box 1066(Bolton Lane)
Columbiana, Alabama 35051

Andrew B. Brown

Post Office Box 758(Hwy. 25 By-Pass)
Columbiana, Alabama 35051

James T. Davis

312 E. Sterrett Street
Columbiana, Alabama 35051

Karl C. Harrison

106 East College Street
Columbiana, Alabama 35051

William T. Harrison

106 East College Street
Columbiana, Alabama 35051

Norman L. Lefkovits

Post Office Box 1458(No. Main Street
Columbiana, Alabama 35051

A.M. Muncy

Route 1, Box 155
Wilsonville, Alabama 35186

A.M. Stinson

Post Office Box 1081(Shelby Rd. So.)
Columbiana, Alabama 35051

ARTICLE TWELVE

INCORPORATOR

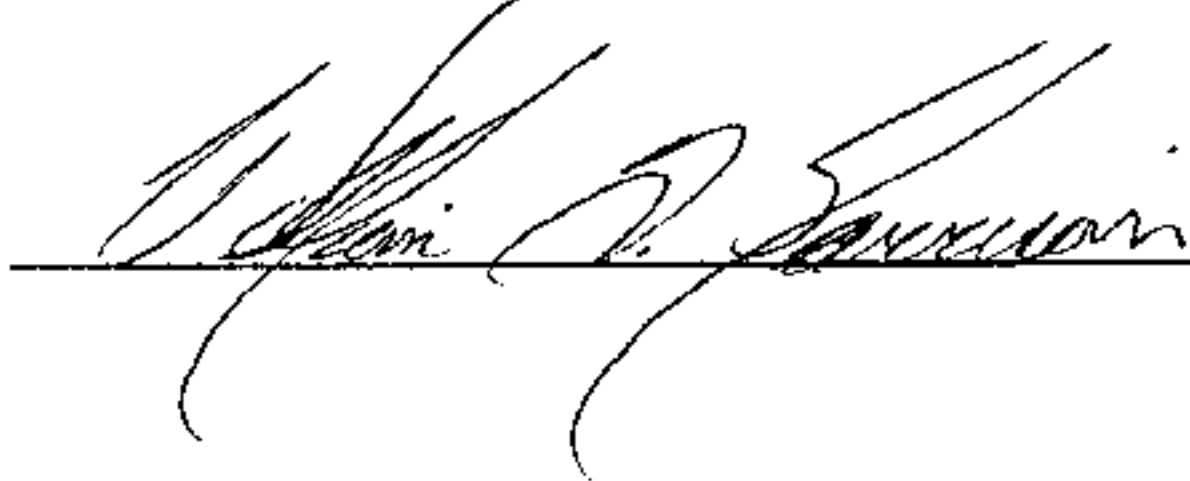
The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
William T. Harrison	106 East College Street Columbiana, Alabama 35051

IN WITNESS WHEREOF, I have executed this document as of the

5th day of December, 1983.

INCORPORATOR





STATE OF ALABAMA

I, Don Siegelman, Secretary of State, of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify

that pursuant to the provisions

of Section 10-2A-26, Code of Alabama 1975, the corporate name _____

Columbiana Bancshares, Inc.

is reserved as available based only upon an examination of the corporation records on file in this office for the exclusive use of Columbiana Bancshares, Inc.

for a period of one hundred twenty days from this date. In the case of a domestic corporation, the name of the county in which the corporation was or is proposed to

be incorporated is Shelby. I further certify that as set out in

the application for reservation of corporate name, the Secretary of State's

office does not assume any responsibility for the availability of the corporate

name requested nor for any duplication which might occur.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.

November 14, 1983 - expires 3-14-84

Date

Don Siegelman

Don Siegelman

Secretary of State

State of Alabama

SHELBY

County

CERTIFICATE OF INCORPORATION

OF

COLUMBIANA BANCSHARES, INC.

The undersigned, as Judge of Probate of SHELBY County, State of Alabama, hereby certifies that duplicate originals of Articles of Incorporation for the incorporation of COLUMBIANA BANCSHARES, INC., duly signed pursuant to the provisions of Section 64 of the Alabama Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Judge of Probate, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation of COLUMBIANA BANCSHARES, INC., and attaches hereto a duplicate original of the Articles of Incorporation.

GIVEN Under My Hand and Official Seal on this the 6th day of DECEMBER, 1983.

Thomas A. Brundage, Jr.

Judge of Probate

1983 DEC -6 PM 1:21

Rec 25.00
Jud 1.00
26.00

