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ARTICLES OF MERGER OF
FARMERS LIBERTY BANK AND
PEOPLES FIRST BANK OF MOREHEAD
WITH AND INTO
TRANS FINANCIAL BANK, NATIONAL ASSOCIATION

NQ

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Pursuant to the provisions of KRS 271B.11-050, the undersigned do hereby execute the following Articles of Merger under the terms of which Farmers Liberty Bank and Peoples First Bank of Morehead shall be merged with and into Trans Financial Bank, National Association, with Trans Financial Bank, National Association being the survivor:

1. Plan of Merger. The Plan and Agreement of Merger among Trans Financial Bank, National Association, Farmers Liberty Bank, and Peoples First Bank of Morehead, attached hereto as Exhibit A and incorporated by this reference as if fully set forth herein (the "Plan of Merger"), was approved by the shareholders of each of the constituent corporations in the manner prescribed by the Kentucky Business Corporation Act.

2. Date and Manner of Adoption.

A. The Plan of Merger was adopted by Trans Financial Bancorp, Inc. by unanimous written consent. Trans Financial Bancorp, Inc. owns all 241,226 issued and outstanding shares of the common stock of Trans Financial Bank, National Association. The number of votes cast for the Plan of Merger was sufficient for approval by the sole voting group.

B. The Plan of Merger was adopted by Trans Financial Bancorp, Inc. by unanimous written consent. Trans Financial Bancorp, Inc. owns all 3,400 issued and outstanding shares of the common stock of Farmers Liberty Bank. The number of votes cast for the Plan of Merger was sufficient for approval by the sole voting group.

C. The Plan of Merger was adopted by Trans Financial Bancorp, Inc. by unanimous written consent. Trans Financial Bancorp, Inc. owns all 33,403 issued and outstanding shares of the common stock of Peoples First Bank of Morehead. The number of votes cast for the Plan of Merger was sufficient for approval by the sole voting group.

3. Effective Date. These Articles of Merger shall become effective at the close of business on March 31, 1994.

IN WITNESS WHEREOF, the undersigned authorized representatives of Trans Financial Bank, National Association, Farmers Liberty Bank and Peoples First Bank of Morehead do hereby execute these Articles of Merger this 2nd day of March, 1994.

TRANS FINANCIAL BANK, NATIONAL ASSOCIATION

By: Barry D. Bray
Barry D. Bray, President

FARMERS LIBERTY BANK

By: Nicholas A. Cohen
Title: President

PEOPLES FIRST BANK OF MOREHEAD

By: L. B. Mutschke
Title: President

THIS INSTRUMENT PREPARED BY:

Caryn F. Price
Caryn F. Price
WYATT, TARRANT & COMBS
2800 Citizens Plaza
Louisville, Kentucky 40202
(502) 589-5235

24 March 94
EXAMINED AND APPROVED
BY THE COMMISSIONER OF FINANCIAL INSTITUTIONS
COMMONWEALTH OF KENTUCKY
John D. [Signature]
COMMISSIONER
for the

**PLAN AND
AGREEMENT OF MERGER**

among

Trans Financial Bank, National Association

and

State National Bank

and

Peoples First Bank

and

Farmers Liberty Bank

under the charter of

Trans Financial Bank, National Association

under the title of

Trans Financial Bank, National Association

This agreement made among Trans Financial Bank, National Association (hereinafter referred to as "Trans Financial Bank"), a national banking association organized under the laws of the United States, being located at Bowling Green, County of Warren, in the Commonwealth of Kentucky, with a capital of \$14,473,560.00, divided into 241,226 shares of common stock, each of \$60.00 par value, surplus of \$14,688,700.00, and undivided profits, including capital reserves, of \$14,409,000.00, as of September 30, 1993; and State National Bank (hereinafter referred to as "State National Bank"), a national banking association organized under the laws of the United States, being located at Maysville, County of Mason, in the Commonwealth of Kentucky, with a capital of \$756,390.00, divided into 131,278 shares of common stock, each of \$5.7617 par value, surplus of \$1,568,171.82, and undivided profits, including capital reserves, of \$4,598,640.48, as of September 30, 1993; and Peoples First Bank (hereinafter referred to as "Peoples First Bank"), a banking corporation organized under the laws of the Commonwealth of Kentucky, being located at Morehead, County of Rowan, in the Commonwealth of Kentucky, with a capital of \$334,030.00, divided into 33,403 shares of common stock, each of \$10.00 par value, surplus of \$1,665,970.00, and undivided profits, including capital reserves, of \$1,381,062.20, as of September 30, 1993; and Farmers Liberty Bank (hereinafter referred to as "Farmers Liberty Bank"), a banking corporation organized under the laws of the Commonwealth of Kentucky, being located at Augusta, County of Bracken, in the

Commonwealth of Kentucky, with a capital of \$170,000, divided into 3,400 shares of common stock, each of \$50.00 par value, surplus of \$1,000,000.00, and undivided profits, including capital reserves, of \$848,262.04, as of September 30, 1993; each acting pursuant to a resolution of its board of directors, adopted by the vote of a majority of its directors, pursuant to the authority given by and in accordance with the provisions of the Act of November 7, 1918, as amended (12 USC 215) and KRS 289.915, witnesseth as follows:

Section 1.

State National Bank, Peoples First Bank and Farmers Liberty Bank (collectively, the "Target Banks") shall be merged into Trans Financial Bank under the charter of the latter.

Section 2.

The name of the receiving association (hereinafter referred to as the "Association") shall be Trans Financial Bank, National Association.

Section 3.

The business of the Association shall be that of a national banking association. This business shall be conducted by the Association at its main office which shall be located at Bowling Green, Kentucky, and at its legally established branches.

Section 4.

The amount of capital stock of the Association shall be \$14,473,560, divided into 241,266 shares of common stock, each of \$60.00 par value, and at the time the merger shall become effective, the Association shall have a surplus of \$20,183,000, and undivided profits, including capital reserves, which when combined with the capital and surplus will be equal to the combined capital structures of the merging banks as stated in the preamble of this Agreement, adjusted however, for normal earnings and expenses between September 30, 1993, and the effective time of the merger.

Section 5.

All assets as they exist at the effective time of the merger shall pass to and vest in the Association without any conveyance or other transfer. The Association shall be responsible for all of the liabilities of every kind and description, including liabilities arising from the operation of a trust department, of each of the merging banks existing as of the effective time of the merger. A committee comprised of the boards of directors of Trans Financial Bank and of each of the Target Banks shall have satisfied themselves that the statement of condition of each bank as of September 30, 1993 fairly represents its financial condition, and since such date there has been no material adverse change in the

financial condition or business of any of the banks.

Section 6.

As of the effective time of the merger, one hundred percent of the presently outstanding 241,226 shares of common stock of Trans Financial Bank, each \$60.00 par value, and one hundred percent of the outstanding shares of common stock of State National Bank, each of \$5.7617 par value, and one hundred percent of the outstanding shares of common stock of Peoples First Bank, each of \$10.00 par value, and one hundred percent of the outstanding shares of common stock of Farmers Liberty Bank, each of \$50.00 par value, will be owned by Trans Financial Bancorp, Inc. At the effective time of the merger, the shares of State National Bank common stock, the shares of Peoples First Bank common stock and the shares of Farmers Liberty Bank common stock shall automatically be cancelled, and the presently issued and outstanding shares of common stock of the Association shall remain issued and outstanding, without any change or alteration in ownership, voting rights of other rights. The \$1,260,420.00 representing the aggregate capital stock currently in the capital structures of the Target Banks will be transferred into surplus in the surviving Association, as represented in the Pro Forma Balance Sheet attached to the Application to Merge, at the effective time of the merger.

Section 7.

None of the banks shall declare nor pay any dividend in excess of those permitted by applicable law to its shareholder between the date of this Agreement and the time at which the merger shall become effective, nor dispose of any of its assets in any other manner except in the normal course of business and for adequate value.

Section 8.

The present board of directors of Trans Financial Bank and Mr. Thomas R. Wallingford shall serve as the board of directors of the Association until the next annual meeting or until such time as their successors have been elected and have qualified. The Association shall take appropriate steps to comply with KRS 287.915(2)(b).

Section 9.

Effective as of the time this merger shall become effective, as specified in the merger approval to be issued by the Comptroller of the Currency, the Articles of Association of the resulting bank shall be in the form attached hereto as Exhibit A.

Section 10.

This Agreement may be terminated by the unilateral action of the board of directors of any participant prior to the approval of the

shareholders of the participant or by the mutual consent of the board of directors of all participants after any shareholder group has taken affirmative action. Since time is of the essence to this Agreement, if for any reason the transaction shall not have been consummated by July 31, 1994, this Agreement shall terminate automatically as of the date unless extended, in writing, prior to such date by mutual action of the boards of directors of the participants.

Section 11.

This Agreement shall be ratified and confirmed by the affirmative vote or consent of the sole shareholder of each of the merging banks, in lieu of a shareholder's meeting of the banks; and the merger shall become effective at the time specified in a merger approval to be issued by the Comptroller of the Currency of the United States.

Section 13.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

WITNESS, the signatures and seals of the merging banks this 24th
day of January, 1994, each set by its president or a
vice president and attested to by its cashier or secretary pursuant
to a resolution of its board of directors, acting by a majority,
and witness the signature of a majority of each of the boards of
directors:

TRANS FINANCIAL BANK, NATIONAL
ASSOCIATION

Attest:

By: Barry D. Bray
Barry D. Bray, President

7-10-1994
Cashier/Secretary

(Seal of Bank)

<u>Alvin Bonin</u>	<u>H. M. Little</u>
<u>Joseph M. McLaughlin</u>	<u>Shirley M. McLaughlin</u>
<u>Chas. McLaughlin</u>	<u>Lin. McLaughlin</u>
<u>Harold H. Elder</u>	<u>W. B. McLaughlin</u>
<u>W. B. McLaughlin</u>	<u>Mary D. Cohen</u>
<u>John L. McLaughlin</u>	
<u>James L. McLaughlin</u>	
<u>David L. McLaughlin</u>	
<u>Barry D. Bray</u>	

Directors of Trans Financial Bank, National Association

By *J. B. Butchke* President

Betty G. Platt
Cashier

William
B. L. Linnick
J. L. Linnick
B. L. Linnick
A. L. Linnick

Carl Bogner
H. Mutschke

Directors of Peoples First Bank of Morehead

FARMERS LIBERTY BANK

By Nicholas A. Colman President
President

Attest:

Math. A. Boston
Secretary

Nicholas A. Colman
Math. A. Boston
Edw. B. Hambrick
Th. Wallingford
William P. ...

John W. Cooke

Directors of Farmers Liberty Bank

COMMONWEALTH OF KENTUCKY)

) SS:

COUNTY OF WARREN)

On this 24th day of January, 1994, before me, a notary public for this state and county, personally came Barry D. Bray, as President, and Kim Witherspoon as Cashier/Secretary, of Trans Financial Bank, N.A., and each in his or her said capacity acknowledged this instrument to be the act and deed of the Bank and the seal affixed to it to be its seal; and also came

David Garvin
Charles Stewart
R.E. Gaddie
J. David Francis
Roland Willock
Harold Matthews
Charles Hardcastle
Mary D. Cohron

Joseph Medalie
Floyd H. Ellis
Carroll Knicely
Cecil Martin
Barry D. Bray
Douglas M. Lester
Wayne Gaunce

being a majority of the board of directors of the Bank, and each of them acknowledged this instrument to be the act and deed of the Bank and of himself/herself as director of it.

WITNESS my official seal and signature this day and year.

Missa. (Mellor) (Lance)

(Seal of Notary)

Notary Public, Warren County

My commission expires 4/1/96

COMMONWEALTH OF KENTUCKY)

COUNTY OF MASON)

ss:

On this 9TH day of FEBRUARY, 1994, before me, a notary public for this state and county, personally came ROBERT M. CANADA, as President, and CHARLES HICKERSON as Cashier/Secretary, of State National Bank of Maysville, and each in his or her said capacity acknowledged this instrument to be the act and deed of the Bank and the seal affixed to it to be its seal; and also came

Frances Cotterill

T. R. Wallingford

Bill B. Hendrickson

Charles Woodward

Charles Hickerson

Kearn McHugh

John McNeill

being a majority of the board of directors of the Bank, and each of them acknowledged this instrument to be the act and deed of the Bank and of himself/herself as director of it.

WITNESS my official seal and signature this day and year.

Sue L. Grant

Notary Public, MASON County

My commission expires SEPTEMBER 6, 1997

COMMONWEALTH OF KENTUCKY)

COUNTY OF ROWAN)

ss:

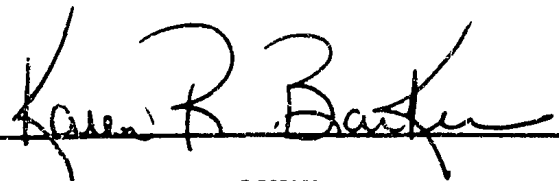
On this 9th day of FEBRUARY, 19 94, before me, a notary public for this state and county, personally came ROGER B. DUTSCHKE, as President, and PATTY G. FLATT as Cashier/Secretary, of Peoples First Bank of Morehead, and each in his or her said capacity acknowledged this instrument to be the act and deed of the Bank and the seal affixed to it to be its seal; and also came

THOMAS R. WALLINGFORD
ROGER B. DUTSCHKE
C. WAVERLY JONES
C. ROGER LEWIS

BILL B. HENDRICKSON
LARRY H. FANNIN
A. KEITH PACK

being a majority of the board of directors of the Bank, and each of them acknowledged this instrument to be the act and deed of the Bank and of himself/herself as director of it.

WITNESS my official seal and signature this day and year.



Notary Public, ROWAN County

My commission expires AUGUST 5, 1995

COMMONWEALTH OF KENTUCKY

COUNT OF BRACKEN

On this 1st day of February, 1994, before me, a Notary Public for this state and county, personally came Nicholas A. Colvin, as President, and Stanford R. Boster, as Secretary, of Farmers Lbierty Bank, and each in his or her said capacity acknowledged this instrument to be the act and deed of the Bank and the seal affixed to it to be its seal; and also came

Thomas R. Wallingford

Nicholas A. Colvin

Bill B. Hendrickson

Stanford R. Boster

Bill C. Asbury

John W. Cooke

being a majority of the Board Of Directors of the Bank, and each of them acknowledged this instrument to be the act and deed of the Bank and of himself/herself as Director of it.

WITNESS my official seal and signature this day and year..


Judith E. Perkins

Notary Public, State At Large

My Commission expires 9/20/94

"Exhibit A"

ARTICLES OF ASSOCIATION
OF
TRANS FINANCIAL BANK, NATIONAL ASSOCIATION

For the purpose of organizing an Association to carry on the business of banking under the laws of the United States the undersigned do enter into the following Articles of Association.

FIRST. The title of this Association shall be Trans Financial Bank, National Association.

SECOND. The main office of the Association shall in Bowling Green, Warren County, Kentucky. The general business of the Association shall be conducted at its main office and at its branches.

THIRD. The Board of Directors of this Association shall consist of not less than 5 nor more than 25, shareholders of the Association or of any company which has control over the Association, within the meaning of the Bank Holding Company Act of 1954, as amended (such company being hereinafter referred to as "Holding Company"), the exact number of directors to be fixed and determined from time to time by resolution of the shareholders at any annual or special meeting thereof; provided, further, that the Board of Directors in any year between annual meetings of the shareholders may by vote of a majority of the full board, increase the number of directors by not more than 2 and appoint directors to fill the vacancies thereby created, provided that the number of directors shall at no time exceed 25. Each director shall own during the full term of his or her directorship a minimum of \$1,000 equity interest in this Association or in a Holding Company. Any vacancy in the Board of Directors may be filled by action of the Board of Directors.

FOURTH. There shall be an annual meeting of the shareholders the purpose of which shall be the election of directors and the transaction of whatever other business may be brought before said meeting. It shall be held at the main office or other convenient place as the Board of Directors may designate, on the day of each

year specified therefor in the bylaws, but if no election is held on that day, it may be held on any subsequent day according to such lawful rules as may be prescribed by the Board of Directors.

Nominations for election to the Board of Directors may be made by the Board of Directors or by any stockholder of any outstanding class of capital stock of the Association entitled to vote for election of directors. Nominations, other than those made by or behalf of the existing management of the Association, shall be made in writing and shall be delivered or mailed to the President of the Association and to the Comptroller of the Currency, Washington, D.C., not less than 14 days nor more than 50 days prior to any meeting of stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to shareholders, such nominations shall be mailed or delivered to the President of the Association and to the Comptroller of the Currency not later than the close of business on the 7th day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholders: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the total number of shares of capital stock of the Association that will be voted for each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of capital stock of the Association owned by the notifying shareholder. Nominations not made in accordance herewith may be disregarded by the chairperson of the meeting, in his or her discretion, and upon the instructions of the chairperson of the meeting, the vote tellers may disregard all votes cast for each such nominee.

FIFTH. The amount of capital stock of this Association shall be \$17,400,000 divided into 290,000 shares of common stock of the par value of \$60.00; but the capital stock may be increased or decreased from time to time, in accordance with the provisions of the laws of the United States.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential rights of

subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any allegations convertible into stock of a corporation, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors, in its discretion may from time to time determine and at such price as the Board of Directors may from time to time fix.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders.

SIXTH. The Board of Directors shall appoint one of its members President of this Association, who shall be Chairperson of the Board, unless the Board appoints another director to be the Chairperson. The Board of Directors shall have the power to appoint one or more Vice Presidents; and to appoint a Cashier and such other officers and employees as may be required to transact the business of this Association.

The Board of Directors shall have the power to define the duties of the officers and employees of the Associations; to fix the salaries to be paid to them; to dismiss them; to require bonds from them and to fix the penalty thereof; to regulate the manner in which any increase of the capital of the Association shall be made; to manage and administer the business and affairs of the Association; to make all bylaws that it may be unlawful for them to make; and generally to do and perform all acts that it may be legal for a Board of Directors to do and perform.

SEVENTH. The Board of Directors shall have the power to change the location of the main office to any other place within the limits of Bowling Green, Kentucky, without the approval of the shareholders but subject to the approval of the Comptroller of the Currency; and shall have the power to establish or change the location of the branch or branches of the Association to any other location, without the approval of the shareholders but subject to the approval of the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until terminated in accordance with the laws of the United

States.

NINTH. The Board of Directors of this Association, or any 3 or more shareholders owning, in the aggregate, not less than 10% of the stock of this Association, may call a special meeting of shareholders at any time; provided, however, that, unless otherwise provided by law, not less than 10 days prior to the date fixed for any such meeting, a notice of the time, place, and purpose of the meeting shall be given by first class mail, postage prepaid, to all shareholders of record of this Association at their respective addresses as shown by the books of the Association.

TENTH. Any person and his or her heirs, executors, or administrators, may be indemnified or reimbursed by the Association for reasonable expenses actually incurred in connection with any action, suit or proceeding, civil or criminal, to which he or she or they shall be made a party by reason of his or her being or having been a director, or officer, or employee of the Association or of any firm, corporation, or organization for which he or she served in any such capacity at the request of the Association; provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding as to which he or she shall finally be adjudged to have been guilty of or liable for gross negligence, willful misconduct or criminal acts in the performance of his or her duties to the Association; and provided, further, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding which has been made the subject of a compromise settlement except with the approval of a court of competent jurisdiction, or the holders of record of a majority of the outstanding shares of the Association, or the Board of Directors, acting by vote of directors not parties to the same or substantially the same action, suit, or proceeding, constituting a majority of the whole number of directors; and provided, further, that no person shall be so indemnified or reimbursed for expenses, penalties or other payments incurred in relation to an administrative proceeding or action instituted by an appropriate Association regulatory agency which proceeding or action results in

a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the Association. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such persons or his or her heirs, executors, or administrators, may be entitled as a matter of law.

The Association may, upon the affirmative vote of a majority of its Board of Directors, purchase insurance for the purpose of indemnifying its directors, officers and other employees to the extent that such indemnifications are allowed in the proceeding paragraph. Such insurance may, but need not, be for the benefit of all directors, officers, or employees.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of 2/3 of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount.