

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name Gulfstream Bancshares, Inc.		2 Issuer's employer identification number (EIN) 65-1146886	
3 Name of contact for additional information Brian Avril	4 Telephone No. of contact 772-426-8100	5 Email address of contact bavril@gsbb.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2400 SE Monterey Road, Suite 100		7 City, town, or post office, state, and Zip code of contact Stuart, FL 34996	
8 Date of action 01/16/2014		9 Classification and description Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On January 16, 2014 (the "Effective Date"), Gulfstream Bank ("Gulfstream") was merged with and into CenterState Banks, Inc. ("CenterState"), with CenterState as the surviving entity, pursuant to the terms and conditions in the Agreement and Plan of Merger (the "Merger Agreement"), dated July 29, 2013, by and between CenterState and Gulfstream.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Pursuant to the Merger Agreement, each share of Gulfstream common stock outstanding immediately prior to the Effective Date was cancelled and converted into the right to receive 3.012 shares of CenterState common stock and \$14.65 cash per share. In addition, cash was paid in lieu of any fractional share interests.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **For federal income tax purposes, the aggregate tax basis of the CenterState common shares received by Gulfstream shareholders as a result of the merger (excluding and fractional share interest deemed received and redeemed for cash) will be the same as the aggregate tax basis of the Gulfstream shares surrendered in exchange therefor, reduced by the amount of cash received on the exchange, and increased by the amount of any gain recognized upon the exchange. A former Gulfstream shareholder must allocate the tax basis so calculated across the total number of the shareholder's new CenterState common shares received in the merger. By doing this allocation, a tax basis per share can be computed. The actual tax basis will differ with respect to each separate former Gulfstream shareholder and, additionally, tax basis may differ with respect to separate and distinct blocks of common shares owned by any former Gulfstream shareholder. To the extent that a Gulfstream shareholder received cash in lieu of a fractional CenterState common share, a portion of the total tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash. The holding period of any shares of CenterState stock received by Gulfstream shareholders in the merger generally will include the holding period of the shares of Gulfstream common stock exchanged for such CenterState common stock.**

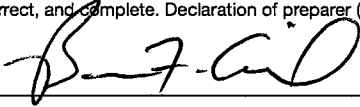
Part II Organizational Action (continued)

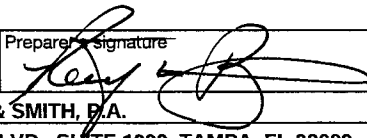
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The merger of Gulfstream into CenterState on January 16, 2014 qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former Gulfstream shareholders are determined under the Internal Revenue Code sections 354, 356, 358 and 1221.

18 Can any resulting loss be recognized? ▶ Gulfstream shareholders generally will not recognize loss for U.S. federal income tax purposes by reason of the merger, except with respect to cash recieved in lieu of a fractional share of CenterState common stock. If a Gulfstream shareholder receives cash in lieu of a fractional share of CenterState common stock, the Gulfstream shareholder will be treated as having received a fractional share of CenterState common stock pursuant to the merger and then as having exchanged the fractional share of CenterState common stock for cash in a redemption by CenterState. As a result, the Gulfstream shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the Gulfstream shareholder's basis in the fractional share of CenterState common stock as set forth on line 16 above. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the Effective Date, the Gulfstream shareholder's holding period with respect to the fractional share (including the holding period of the Gulfstream common stock surrendered therefor) exceeds one year. Special rules apply to Gulfstream shareholders who received their Gulfstream common shares through the excercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation, and such Gulfstream shareholders are instructed to consult their own tax advisors.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The merger became effective on January 16, 2014; therefor the reportable year is 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 2/28/14
Print your name ▶ Brian Avril Title ▶

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>ROBERT W. BRINK</u>	<u></u>	<u>2/25/14</u>		<u>P00056246</u>
	Firm's name ▶ <u>HACKER, JOHNSON, & SMITH, P.A.</u>	Firm's EIN ▶ <u>59-2153385</u>	Firm's address ▶ <u>500 N. WESTSHORE BLVD., SUITE 1000, TAMPA, FL 33609</u>	Phone no. ▶ <u>813-286-2424</u>	