

# 665886

CT CORPORATION

FILED  
01 FEB 27 PM 4:49  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

CORPORATION(S) NAME

Republic Security Financial Corporation Merging into: Wachovia Acquisi

0

*Merger*

EFFECTIVE DATE  
3/1/01

FILED  
01 FEB 27 PM 4:49  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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| <input type="checkbox"/> Profit              | <input type="checkbox"/> Amendment              | <input checked="" type="checkbox"/> Merger  |
| <input type="checkbox"/> Nonprofit           |   |   |
| <input type="checkbox"/> Foreign             | <input type="checkbox"/> Dissolution/Withdrawal | <input type="checkbox"/> Mark               |
|  | <input type="checkbox"/> Reinstatement          |   |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Annual Report          | <input type="checkbox"/> Other              |
| <input type="checkbox"/> LLC                 | <input type="checkbox"/> Name Registration      | <input type="checkbox"/> Change of RA       |
|  | <input type="checkbox"/> Fictitious Name        | <input type="checkbox"/> UCC                |
| <input type="checkbox"/> Certified Copy      | <input type="checkbox"/> Photocopies            | <input type="checkbox"/> CUS                |
| <input type="checkbox"/> Call When Ready     | <input type="checkbox"/> Call If Problem        | <input type="checkbox"/> After 4:30         |
| <input checked="" type="checkbox"/> Walk In  | <input type="checkbox"/> Will Wait              | <input checked="" type="checkbox"/> Pick Up |
| <input type="checkbox"/> Mail Out            |   |   |

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 Availability 2/28/01 2/27/01  
 Document \_\_\_\_\_  
 Examiner AR  
 Updater AR  
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 Amount: \$ \_\_\_\_\_

660 East Jefferson Street  
 Tallahassee, FL 32301  
 Tel. 850 222 1092  
 Fax 850 222 7615

*JMS*

ARTICLES OF MERGER  
Merger Sheet

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MERGING:

REPUBLIC SECURITY FINANCIAL CORPORATION, a Florida corporation  
G65886

INTO

WACHOVIA ACQUISITION CORPORATION 2001-01, a North Carolina  
corporation not qualified in Florida.

File date: February 27, 2001, effective March 1, 2001

Corporate Specialist: Annette Ramsey

EFFECTIVE DATE  
3/1/01

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01 FEB 27 PM 4:49  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**ARTICLES OF MERGER  
OF  
REPUBLIC SECURITY FINANCIAL CORPORATION  
INTO  
WACHOVIA ACQUISITION CORPORATION 2001-01**

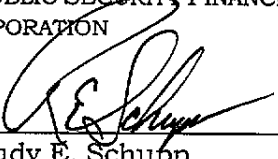
The undersigned corporations, Republic Security Financial Corporation (the *Merged Corporation*) and Wachovia Acquisition Corporation 2001-01, file these Articles of Merger and certify that:

1. The surviving corporation is Wachovia Acquisition Corporation 2001-01, a North Carolina Corporation (the *Surviving Corporation*).
2. The Merged Corporation, a Florida corporation, is hereby merged with and into the Surviving Corporation, pursuant to the Plan of Merger, a copy of which is attached as *Exhibit A*, and in accordance with the provisions of the Florida Business Corporation Act and the North Carolina Business Corporation Act.
3. The merger will become effective at 12:01 a.m., Eastern Time, on March 1, 2001.
4. The Plan of Merger was approved by the Board of Directors of the Merged Corporation on October 27, 2000 and by the shareholders of the Merged Corporation on February 16, 2001.
5. The Plan of Merger was approved by the Board of Directors of the Surviving Corporation on December 6, 2000. Under the North Carolina Business Corporation Act, approval of the merger by the shareholders of the Surviving Corporation was not required.

Dated: February 27, 2001.

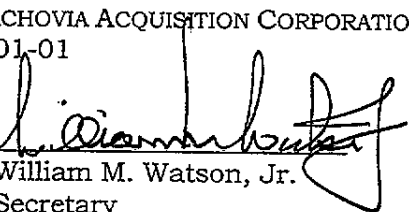
REPUBLIC SECURITY FINANCIAL  
CORPORATION

By

  
Rudy E. Schupp  
Chairman, President and  
Chief Executive Officer

WACHOVIA ACQUISITION CORPORATION  
2001-01

By

  
William M. Watson, Jr.  
Secretary

## **PLAN OF MERGER**

**PLAN OF MERGER** (this "Plan") of Republic Security Financial Corporation, a Florida corporation ("Republic" or the "Merging Corporation"), Wachovia Acquisition Corporation 2001-01, a North Carolina Corporation ("Newco" or the "Surviving Corporation"), and Wachovia Corporation, a North Carolina corporation ("Buyer").

### **DEFINITIONS**

*Certain Definitions.* The following terms are used in this Plan with the meanings set forth below:

"Assets" of a Person shall mean all of the assets, properties, businesses, and rights of such Person of every kind, nature, character, and description, whether real, personal, or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person's business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.

"Average Closing Price" shall mean the average of the daily closing prices of Buyer Common Stock as reported on the New York Stock Exchange (as reported by *The Wall Street Journal* or, if not reported thereby, another authoritative source) for the fifteen consecutive trading days in which such shares are traded on the New York Stock Exchange ending at the close of trading on the day preceding the Effective Time. If the price of Buyer Common Stock is adjusted at any time following the first day of such period and prior to the Effective Time by reason of any action by Buyer of the nature described in the second sentence of Section 3.2, then all prices preceding such adjustment shall themselves be adjusted so as to be comparable with those following such adjustment.

"Buyer" shall have the meaning set forth in the preamble of this Plan.

"Buyer Common Stock" shall have the meaning set forth in Section 3.1(b) of this Plan.

"Buyer Companies" means, collectively, Buyer and all Buyer Subsidiaries.

"Closing" shall have the meaning set forth in Section 1.2 of this Plan.

"Exchange Ratio" shall have the meaning set forth in Section 3.1 of this Plan.

"Effective Time" shall have the meaning set forth in Section 1.3 of this Plan.

"Exchange Agent" shall have the meaning set forth in Section 4.1 of this Plan.

"FBCA" means the Florida Business Corporation Act.

"Law" shall mean any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities, or business, including those promulgated, interpreted, or enforced by any Regulatory Authority.

"Liability" shall mean any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost, or expense (including costs of investigation, collection, and defense), claim, deficiency, guaranty, or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

"Maximum Exchange Ratio" shall have the meaning set forth in Section 3.1 of this Plan.

"Merger" shall have the meaning set forth in Section 1.1 of this Plan.

"Merger Agreement" means the Agreement and Plan of Merger, dated as of October 29, 2000, by and between Republic and Buyer.

"Minimum Exchange Ratio" shall have the meaning set forth in Section 3.1 of this Plan.

"Newco" shall have the meaning set forth in the preamble of this Plan.

"NCBCA" means the North Carolina Business Corporation Act.

"Party" shall mean either Republic or Buyer (and, where necessary or appropriate, Newco), and "Parties" shall mean both Republic and Buyer (and, where necessary or appropriate, Newco).

"Person" shall mean a natural person or any legal, commercial, or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

"Regulatory Authorities" shall mean, collectively, the Federal Trade Commission, the United States Department of Justice, the Board of the Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, all state regulatory agencies having jurisdiction over the Parties and their respective Subsidiaries, the NASD, and the SEC.

"Republic" shall have the meaning set forth in the preamble to this Plan.

"Republic Common Stock" means the \$0.01 par value common stock of Republic.

"Republic Companies" means, collectively, Republic and all Republic Subsidiaries.

"Republic Rights" shall have the meaning set forth in Section 3.5 of this Plan.

"Republic Stock Plans" means the existing stock option and other stock-based compensation plans of Republic, including, without limitation, the stock option plans and programs of any Person acquired by Republic or a Republic Subsidiary.

"Subsidiaries" shall have the meaning ascribed to such term in Rule 1-02 of the Securities and Exchange Commission's Regulation S-X; provided, there shall not be included any entity acquired through foreclosure in the ordinary course of business or any entity the equity securities of which are owned or controlled in a fiduciary capacity in the ordinary course of business.

"Surviving Corporation" means Newco, as the surviving corporation resulting from the Merger.

## **ARTICLE 1** **TRANSACTIONS AND TERMS OF MERGER**

1.1 Merger. Subject to the terms and conditions of this Plan, at the Effective Time, Republic shall be merged with and into Newco in accordance with the provisions of Section 607.1107 of the FBCA and Section 55-11-07 of the NCBCA and with the effect provided in Section 607.1106 of the FBCA and Section 55-11-06 of the NCBCA, respectively (the "Merger"). Newco shall be the Surviving Corporation resulting from the Merger and shall continue to be governed by the Laws of the State of North Carolina. The Merger shall be consummated pursuant to the terms of this Plan, which has been approved and adopted by the respective Boards of Directors of Republic, Newco and Buyer.

1.2 Time and Place of Closing. The consummation of the Merger (the "Closing") shall take place at 6:00 P.M. on the date that the Effective Time occurs (or the immediately preceding day if the Effective Time is earlier than 9:00 A.M.), or at such other time as the Parties, acting through their duly authorized officers, may mutually agree. The place of Closing shall be at such location as may be mutually agreed upon by the Parties.

1.3 Effective Time. The Merger and the other transactions contemplated by this Plan shall become effective on the date and at the time the Florida Articles of Merger reflecting the Merger shall become effective with the Secretary of State of the State of Florida and the North Carolina Certificate of Merger reflecting the Merger shall become effective with the Secretary of State of the State of North Carolina (the "Effective Time"). Subject to the terms and conditions hereof, unless otherwise mutually agreed upon by the duly authorized officers of each Party, the Parties shall use their reasonable efforts to cause the Effective Time to occur on such date as may be designated by Buyer within the fifth business day to occur after the last of the conditions set forth in Article 5 (other than the conditions relating to items to be delivered on the day of the Closing) shall have been satisfied or waived in accordance with the terms of this Plan (or, at the election of Buyer, on the first

business day of the month immediately succeeding the month in which such day occurs).

## **ARTICLE 2** **TERMS OF MERGER**

2.1 Articles of Incorporation. The Articles of Incorporation of Newco in effect immediately prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation after the Effective Time until otherwise amended or repealed.

2.2 Bylaws. The Bylaws of Newco in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation after the Effective Time until otherwise amended or repealed.

2.3 Directors and Officers. The directors of Newco in office immediately prior to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the directors of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation. The officers of Newco in office immediately prior to the Effective Time, together with such additional persons as may thereafter be elected, shall serve as the officers of the Surviving Corporation from and after the Effective Time in accordance with the Bylaws of the Surviving Corporation.

## **ARTICLE 3** **MANNER OF CONVERTING SHARES**

3.1 Conversion of Shares. Subject to the provisions of this Article 3, at the Effective Time, by virtue of the Merger and without any action on the part of Buyer, Newco or Republic, or the stockholders of any of the foregoing, the shares of the constituent corporations shall be converted as follows:

(a) Each share of Newco Common Stock issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding from and after the Effective Time.

(b) Each share of Republic Common Stock (including any associated stock purchase rights but excluding shares held by any Republic Company or any Buyer Company, in each case other than in a fiduciary capacity or as a result of debts previously contracted) issued and outstanding at the Effective Time shall cease to be outstanding and shall by virtue of the Merger Agreement and without any action on the part of the holder thereof, be converted into and exchangeable for the number of shares (the "Exchange Ratio") of the common stock, par value \$5.00 per share of Buyer ("Buyer Common Stock"), rounded to the nearest ten-thousandth of a share, determined by dividing 7.00 by the Average Closing Price; provided that (i) if the Average Closing Price is equal to or greater than \$56.2375, the Exchange Ratio shall be .1245 (the "Minimum



Exchange Ratio") and (ii) if the Average Closing Price is equal to or less than \$46.0125, the Exchange Ratio shall be .1521 (the "Maximum Exchange Ratio").

3.2 Anti-Dilution Provisions. In the event Republic changes the number of shares of Republic Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend, or similar recapitalization with respect to such stock, the Exchange Ratio, the Minimum Exchange Ratio and the Maximum Exchange Ratio shall be proportionately adjusted. In the event Buyer changes the number of shares of Buyer Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend, or similar recapitalization with respect to such stock and the record date therefor (in the case of a stock dividend) or the effective date thereof (in the case of a stock split or similar recapitalization for which a record date is not established) shall be prior to the Effective Time, the formula for calculating the Minimum Exchange Ratio and the Maximum Exchange Ratio shall be adjusted appropriately.

3.3 Shares Held by Republic or Buyer. Each of the shares of Republic Common Stock held by any Republic Company or by any Buyer Company, in each case other than in a fiduciary capacity or as a result of debts previously contracted, shall be cancelled and retired at the Effective Time and no consideration shall be issued in exchange therefor.

3.4 Fractional Shares. Notwithstanding any other provision of this Plan, each holder of shares of Republic Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Buyer Common Stock (after taking into account all certificates delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to a fractional part of a share of Buyer Common Stock multiplied by the market value of one share of Buyer Common Stock at the Effective Time. The market value of one share of Buyer Common Stock at the Effective Time shall be the closing price of Buyer Common Stock on the New York Stock Exchange (as reported by *The Wall Street Journal* or, if not reported thereby, any other authoritative source selected by Buyer) on the last trading day preceding the Effective Time. No such holder will be entitled to dividends, voting rights, or any other rights as a stockholder in respect of any fractional shares.

### 3.5 Conversion of Stock Rights.

(a) Except as provided in Section 3.5(d), at the Effective Time, each award, option, or other right to purchase or acquire shares of Republic Common Stock pursuant to stock options, stock appreciation rights ("SAR's"), or stock awards and awards or other rights the value of which is determined by reference to the value of shares of Republic Common Stock ("Republic Rights"), in each case granted by Republic under the Republic Stock Plans, which are outstanding at the Effective Time, whether or not exercisable, shall be converted into and become rights with respect to Buyer Common Stock, and Buyer shall assume each Republic Right, in accordance with the terms of the Republic Stock Plan and stock option agreement by which it is evidenced, except that from and after the Effective Time, (i) Buyer and its Compensation Committee shall be substituted for Republic and the Committee of Republic's Board of

Directors (including, if applicable, the entire Board of Directors of Republic) administering such Republic Stock Plan, (ii) each Republic Right assumed by Buyer may be exercised solely for shares of Buyer Common Stock (or cash in the case of stock appreciation rights), (iii) the number of shares of Buyer Common Stock subject to such Republic Right shall be equal to the number of shares of Republic Common Stock subject to such Republic Right immediately prior to the Effective Time multiplied by the Exchange Ratio and rounding down to the nearest whole share, and (iv) the per share exercise price (or similar threshold price, in the case of stock awards) under each such Republic Right shall be adjusted by dividing the per share exercise (or threshold) price under each such Republic Right by the Exchange Ratio and rounding up to the nearest cent. In addition, notwithstanding the provisions of clauses (iii) and (iv) of the first sentence of this Section 3.5(a), each Republic Right which is an "incentive stock option" shall be adjusted as required by Section 424 of the Internal Revenue Code and the regulations promulgated thereunder, so as not to constitute a modification, extension, or renewal of the option, within the meaning of Section 424(h) of the Internal Revenue Code. At or prior to the Effective Time, Republic shall take all action, if any, necessary with respect to the Republic Stock Plans to permit the foregoing provisions of this Section 3.5(a) and the proviso to the first sentence of Section 3.5(b).

(b) At the Effective Time, Buyer shall assume the Republic Stock Plans; provided that such assumption shall be only in respect of the Republic Rights assumed pursuant to Section 3.5(a) and that Buyer shall have no obligation to make any additional grants or awards under assumed Republic Stock Plans.

#### **ARTICLE 4** **EXCHANGE OF SHARES**

4.1 Exchange Procedures. Promptly after the Effective Time, Buyer and Republic shall cause EquiServe Trust Company, N.A. or another exchange agent selected by Buyer (the "Exchange Agent") to mail to the former stockholders of Republic appropriate transmittal materials (which shall specify that delivery shall be effected, and risk of loss and title to the certificates theretofore representing shares of Republic Common Stock shall pass, only upon proper delivery of such certificates to the Exchange Agent). The Exchange Agent may establish reasonable and customary rules and procedures in connection with its duties. After the Effective Time, each holder of shares of Republic Common Stock (other than shares to be canceled pursuant to Section 3.3 of this Plan) issued and outstanding at the Effective Time promptly upon surrender of the certificate or certificates representing such shares to the Exchange Agent, together with properly completed transmittal materials, shall receive in exchange therefor the consideration provided in Section 3.1 of this Plan, together with all undelivered dividends and other distributions in respect of such shares (without interest thereon) pursuant to Section 4.2 of this Plan. To the extent required by Section 3.4 of this Plan, each holder of shares of Republic Common Stock issued and outstanding at the Effective Time also shall receive, upon surrender of the certificate or certificates representing such shares, cash in lieu of any fractional share of Buyer Common Stock to which such holder may be otherwise entitled (without interest). Until so surrendered, each outstanding certificate of Republic Common

Stock shall be deemed for all purposes, other than as provided below with respect to voting and the payment of dividends or other distributions, to represent the consideration into which the number of shares of Republic Common Stock represented thereby prior to the Effective Time shall have been converted. Buyer shall not be obligated to deliver the consideration to which any former holder of Republic Common Stock is entitled as a result of the Merger until such holder surrenders such holder's certificate or certificates representing the shares of Republic Common Stock for exchange as provided in this Section 4.1. The certificate or certificates of Republic Common Stock so surrendered shall be duly endorsed as the Exchange Agent may require. Any other provision of this Plan notwithstanding, neither the Surviving Corporation, Republic, nor the Exchange Agent shall be liable to a holder of Republic Common Stock for any amounts paid or property delivered in good faith to a public official pursuant to any applicable abandoned property Law.

4.2 Rights of Former Republic Stockholders. At the Effective Time, the stock transfer books of Republic shall be closed as to holders of Republic Common Stock immediately prior to the Effective Time and no transfer of Republic Common Stock by any such holder shall thereafter be made or recognized. Until exchanged in accordance with the provisions of Section 4.1 of this Plan, each certificate theretofore representing shares of Republic Common Stock (other than shares to be canceled pursuant to Section 3.3 of this Plan) shall from and after the Effective Time represent for all purposes only the right to receive the consideration provided in Sections 3.1 and 3.4 of this Plan in exchange therefor. Former stockholders of record of Republic shall not be entitled to vote after the Effective Time at any meeting of Buyer stockholders until such holders have exchanged their certificates representing Republic Common Stock for certificates representing Buyer Common Stock in accordance with the provisions of this Plan. Whenever a dividend or other distribution is declared by Buyer on the Buyer Common Stock, the record date for which is at or after the Effective Time, the declaration shall include dividends or other distributions on all shares of Buyer Common Stock issuable pursuant to this Plan, but no dividend or other distribution payable to the holders of record of Buyer Common Stock as of any time subsequent to the Effective Time shall be delivered to the holder of any certificate representing shares of Republic Common Stock issued and outstanding at the Effective Time until such certificate is exchanged as provided in Section 4.1 of this Plan. However, upon exchange of such Republic Common Stock certificate, both the Buyer Common Stock certificate (together with all such undelivered dividends or other distributions without interest) and any undelivered dividends and cash payments to be paid for fractional share interests (without interest) shall be delivered and paid with respect to each share represented by such certificate. In the event any Republic Common Stock certificate shall have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen, or destroyed and, if required by Buyer, the posting by such person of a bond in such amount as Buyer may reasonably direct as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent shall issue in exchange for such lost, stolen, or destroyed certificate, the shares of Buyer Common Stock and cash in lieu of fractional shares deliverable in respect thereof pursuant to this Plan.

**ARTICLE 5**  
**CONDITIONS TO THE MERGER**

5.1. Consummation of the Merger is subject to the conditions set forth in Article 9 of the Merger Agreement.

**ARTICLE 6**  
**TERMINATION**

6.1. This Plan may be terminated, and the Merger may be abandoned prior to the Effective Time as provided in Article 10 of the Merger Agreement.