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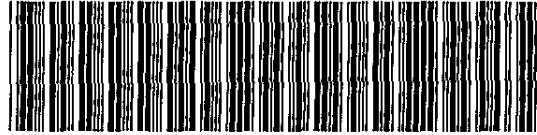
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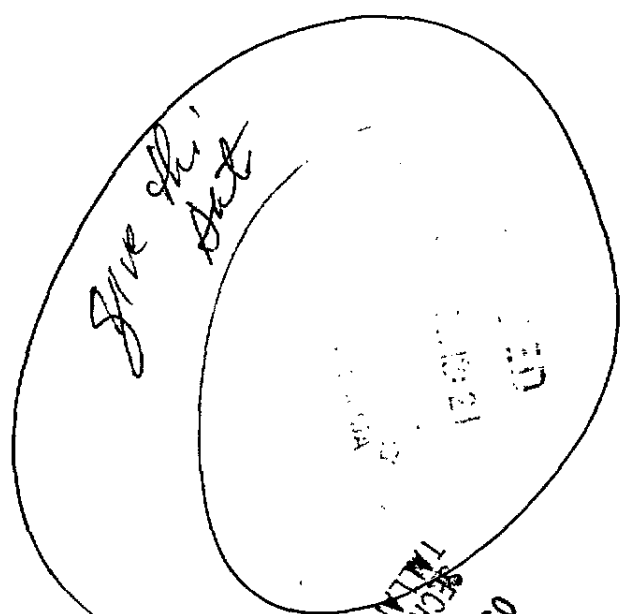
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APR 21 2005

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05 APR -5 PM 1:28
TALLAHASSEE, FLORIDA
SECRETARY OF STATE

CAPITAL CONNECTION, INC.

417 E. Virginia Street, Suite 1 • Tallahassee, Florida 32301
(850) 224-8870 • 1-800-342-8062 • Fax (850) 222-1222

Koss Olinger Consulting, Inc.

File 2nd

Signature _____

Requested by: WL

Name _____

Date 4/5

Time 11:00

Walk-In _____

Will Pick Up _____

- ____ Art of Inc. File _____
- ____ LTD Partnership File _____
- ____ Foreign Corp. File _____
- ____ L.C. File _____
- ____ Fictitious Name File _____
- ____ Trade/Service Mark _____
- ☒ Merger File _____
- ____ Art. of Amend. File _____
- ____ RA Resignation _____
- ____ Dissolution / Withdrawal _____
- ☒ Annual Report / Reinstatement _____
- ☒ Cert. Copy _____
- ____ Photo Copy _____
- ____ Certificate of Good Standing _____
- ____ Certificate of Status _____
- ____ Certificate of Fictitious Name _____
- ____ Corp Record Search _____
- ____ Officer Search _____
- ____ Fictitious Search _____
- ____ Fictitious Owner Search _____
- ____ Vehicle Search _____
- ____ Driving Record _____
- ____ UCC 1 or 3 File _____
- ____ UCC 11 Search _____
- ____ UCC 11 Retrieval _____
- ____ Courier _____

ARTICLES OF MERGER
FOR THE MERGER
OF
Koss Consulting Acquisition Corporation
a Florida corporation,
INTO
Koss-Olinger Consulting, Inc.
a Florida corporation
(the Surviving Corporation)

FILED
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The following articles of merger are submitted in accordance with the Florida Business Corporation Act, pursuant to sections 607.1105 and 607.1107, F.S.

1. The name of the surviving corporation is Koss-Olinger Consulting, Inc., a Florida corporation.
- 2.
3. The name of the merging corporation is Koss Consulting Acquisition Corporation, a Florida corporation.
4. Attached hereto is a copy of the Plan of Merger.
5. The merger shall become effective at 12:00 a.m. April 4, 2005 or such time as these articles are filed.
6. The Plan of Merger was adopted by the shareholders of Koss Consulting Acquisition Corporation on April 4, 2005.
7. The Plan of Merger was adopted by the shareholders of Koss-Olinger Consulting, Inc. on April 4, 2005.

Date: April 4, 2005

Koss Consulting Acquisition Corporation

By: John C. DuBose

Name: John C. DuBose

Title: President

Date: April 4, 2005

Koss-Olinger Consulting, Inc.

By: William D. Olinger III

Name: William D. Olinger III

Title: Vice President

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of April 4, 2005, between The South Financial Group, Inc., a South Carolina corporation ("TSFG"), Koss Consulting Acquisition Corporation, a Florida corporation and wholly-owned subsidiary of TSFG ("KCAC"), Koss-Olinger Consulting, Inc., a Florida corporation ("Koss Consulting"), and William F. Koss, an individual resident in Florida, William D. Olinger, an individual resident in Florida, William D. Olinger III, an individual resident in Florida, Kirk E. Klein, an individual resident in Florida, William Rossi, an individual resident in Florida, and Brian Watson, an individual resident in Florida (all such individuals being referred to as the "Shareholders").

Recitals

The Boards of Directors of TSFG, KCAC and Koss Consulting have determined that it is in the best interests of their respective companies and their shareholders to consummate the business combination transaction provided for herein in which KCAC will, subject to the terms and conditions set forth herein, merge (the "Merger") with and into Koss Consulting.

The parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger.

Agreement

In consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following terms shall have the indicated definitions.

Applicable Rate. The prime corporate rate of interest publicly announced from time to time by Carolina First Bank.

Articles of Merger. The articles of merger complying with the FBCA reflecting the merger of KCAC with and into Koss Consulting.

BHCA. The Bank Holding Company Act of 1956, as amended.

Book Value. The excess of Koss Olinger's assets over its liabilities as shown on the Effective Date Balance Sheet of Koss Consulting.

Breach. A breach of a representation, warranty, covenant, obligation, or other provision of this Agreement or any instrument delivered pursuant to this Agreement will be deemed to have occurred if there is or has been any inaccuracy in or breach of, or any failure to perform or comply with, such representation, warranty, covenant, obligation, or other provision.

Closing and Closing Date. The time and date of consummation of the transactions contemplated herein, which unless expressly agreed otherwise, shall be the same day as the Effective Time.

Closing Consideration. The Closing Consideration shall mean \$1,500,000, payable at Closing in the form of TSFG Common Stock, valued at the Fair Market Value, as adjusted for the Closing Consideration Adjustment. The number of shares comprising the Closing Consideration shall be adjusted upward in the event that the Fair Market Value is calculated based on the five trading day period (as referenced in the definition of Fair Market Value) and in such case, such additional shares will be issued on the business day immediately following the completion of such five day period.

Closing Consideration Adjustment. The Closing Consideration Adjustment shall mean an adjustment to the number of shares of TSFG Common Stock issuable as Closing Consideration as follows:

- (1) If the Book Value is less than \$37,093, the Shareholders will pay to TSFG an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) in the form of TSFG Common Stock valued at the Fair Market Value within three (3) business days after the date on which

the Book Value for Koss Consulting is determined pursuant to Section 7.3. If the Book Value is greater than \$37,093, TSFG will pay to the Shareholders an amount equal to such overage (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three (3) business days after the date on which the Book Value for Koss Consulting is resolved pursuant to Section 7.3.

- (2) The Shareholders (Pro Rata) agree to repurchase any receivables existing on the Closing Date, included in the calculation of Book Value, and not collected within 90 days immediately following Closing Date.

Effective Time. The effective time of the Merger, specified in the Articles of Merger, which shall be April 4, 2005.

Environmental Laws. Applicable federal, state and local laws, including common law, regulations and ordinances, and all applicable decrees, orders and contractual obligations relating to pollution or the discharge of, or exposure to, Hazardous Materials in the environment or workplace.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

Exchange Act. The Securities Exchange Act of 1934, as amended.

FBCA. The Florida Business Corporation Act, as amended.

FDIC. The Federal Deposit Insurance Corporation.

Fair Market Value. The higher of (1) average of the last reported sale price per share of TSFG Common Stock as reported on the NASDAQ/NMS (as reported in the *Wall Street Journal* or another mutually agreeable authoritative source) for the trading day immediately prior to Closing or (2) average of the last reported sale prices per share of TSFG Common Stock as reported on the NASDAQ/NMS (as reported in the *Wall Street Journal* or another mutually agreeable authoritative source) for the five trading day period beginning the third trading day after issuance of TSFG's 2005 first quarter earnings press release. (TSFG currently anticipates issuing its earnings press release on April 18, such that the five trading day period would be April 20, 21, 22, 25 and 26.)

Federal Reserve Board. The Board of Governors of the Federal Reserve System.

GAAP. Generally accepted accounting principles consistently applied during the periods involved.

Governmental Entity. Any court, administrative agency or commission or other governmental authority or instrumentality.

Hazardous Materials. Any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum or other regulated substances or materials.

IRS. The Internal Revenue Service.

Material Adverse Effect. With respect to TSFG or Koss Consulting, as the case may be, a material adverse effect on (i) the business, results of operations or financial condition of such party and its Subsidiaries taken as a whole, other than any such effect attributable to or resulting from (v) any change in banking or similar laws, rules or regulations of general applicability or interpretations thereof by courts or governmental authorities, (w) any change in GAAP or regulatory accounting principles applicable to banks, thrifts or their holding companies generally, (x) changes attributable to or resulting from changes in general economic conditions, including changes in the prevailing level of interest rates, or (y) any action or omission of the Parties taken with the prior written consent of the other parties hereto or (ii) the ability of the Parties to consummate the transactions contemplated hereby.

Koss Consulting Common Stock. The common stock, par value \$1.00 per share, of Koss Consulting.

Koss Consulting Parties. Koss Consulting and the Shareholders.

Koss Consulting Stock Certificate. A certificate, which previous to the Merger represented any shares of Koss Consulting Common Stock.

Merger Consideration. Merger Consideration shall mean the following:

- (1) the Closing Consideration, plus
- (2) cash in lieu of any fractional shares, as calculated pursuant to Section 2.9.

Parties. All of the Persons party to this Agreement.

Per Share Merger Consideration. An amount equal to the Merger Consideration divided by the total number of shares of Koss Consulting Common Stock outstanding at Closing, excluding any shares of Koss Consulting to be cancelled pursuant to Section 2.4(d) hereof (rounded to three decimal places).

Pro Rata shall mean with respect to the Shareholders, pro rata in accordance with the relationship that the number of shares of Koss Consulting Common Stock owned by a particular Shareholders bears to the total number of shares of Koss Consulting Common Stock held by all Shareholders.

Regulatory Agencies. The Federal Reserve Board, the FDIC, any applicable state banking commissions or any other state bank regulatory authority and any applicable self-regulatory organization with jurisdiction over the Parties hereto or transactions contemplated herein.

Rights. Subscriptions, options, warrants, calls, commitments or agreements of any character to purchase capital stock.

Related Person. With respect to a particular individual shall mean: (a) each other member of such individual's Family; (b) any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family; (c) any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and (d) any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, executor, or trustee (or in a similar capacity).

With respect to a specified Person other than an individual: (a) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person; (b) any Person that holds a Material Interest in such specified Person; (c) each Person that serves as a director, officer, partner, executor, or trustee of such specified Person (or in a similar capacity); (d) any Person in which such specified Person holds a Material Interest; (e) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and (f) any Related Person of any individual described in clause (b) or (c).

For purposes of this definition, (a) the "Family" of an individual includes (i) the individual, (ii) the individual's spouse and former spouses, (iii) any other natural person who is related to the individual or the individual's spouse within the second degree, and (iv) any other natural person who resides with such individual, and (b) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least 5% of the outstanding voting power of a Person or equity securities or other equity interests representing at least 5% of the outstanding equity securities or equity interests in a Person.

SEC. The Securities and Exchange Commission.

Subsidiary. The word "Subsidiary" (1) when used with respect to Koss Consulting shall mean any corporation, partnership or other organization, whether incorporated or unincorporated, which is consolidated with such party for financial reporting purposes, and (2) when used with respect to TSFG shall mean each Subsidiary of TSFG that is a "Significant Subsidiary" within the meaning of Rule 1-02 of Regulation S-X of the SEC.

Surviving Corporation. The surviving corporation to the Merger, which shall be Koss Consulting.

Taxes. Taxes shall mean all taxes, charges, fees, levies, penalties or other assessments imposed by any United States federal, state, local or foreign taxing authority, including, but not limited to income, excise, property, sales, transfer, franchise, payroll, withholding, social security or other taxes, including any interest, penalties or additions attributable thereto.

Tax Return. Any return, report, information return or other document (including any related or supporting information) with respect to Taxes.

TSFG Common Stock. The common stock, par value \$1.00 per share, of TSFG.

1.2 Terms Defined Elsewhere. The capitalized terms set forth below are defined in the following sections:
 "Agreement" Preamble

"Benefit Agreements"	Section 7.8(c)
"Code"	Section 2.3
"ERISA Affiliate"	Section 4.12(a)
"Injunction"	Section 8.1(e)
"Koss Consulting"	Preamble
"KCAC"	Preamble
"Koss Consulting Contract"	Section 4.15(a)
"Koss Consulting Disclosure Schedule"	Section 3.1
"Koss Consulting Financial Statements"	Section 4.7
"Merger"	Recitals
"Plans"	Section 4.12(a)
"Regulatory Agreement"	Section 4.16
"Representatives"	Section 7.3(a)
"TSFG"	Preamble
"TSFG Disclosure Schedule"	Section 3.1
"TSFG Financial Statements"	Section 5.7
"TSFG Preferred Stock"	Section 5.2
"TSFG Reports"	Section 5.5

1.3 Interpretation. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The phrases "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to April 4, 2005. No provision of this Agreement shall be construed to require Koss Consulting, TSFG or any of their respective affiliates to take any action that would violate any applicable law (including common law), rule or regulation.

ARTICLE II PLAN OF MERGER

2.1 The Merger. Subject to the terms and conditions of this Agreement, in accordance with the FBCA, at the Effective Time, KCAC shall merge with and into Koss Consulting. Koss Consulting shall be the Surviving Corporation, and shall continue its corporate existence under the laws of the State of Florida. The name of the Surviving Corporation shall continue to be "Koss Olinger Consulting, Inc." Upon consummation of the Merger, the separate corporate existence of KCAC shall terminate.

2.2 Effective Time and Effects of the Merger. Subject to the provisions of this Agreement, on the Closing Date, the Articles of Merger shall be duly prepared, executed and delivered for filing with the Secretary of State of the State of Florida. The Merger shall become effective at the Effective Time. At and after the Effective Time, the Merger shall have the effects set forth in the FBCA.

2.3 Tax Consequences. It is intended that the Merger shall constitute a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the "Code").

2.4 Conversion of Koss Consulting Common Stock.

(a) At the Effective Time, subject to Section 2.9, each share of Koss Consulting Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Koss Consulting Common Stock held directly or indirectly by Koss Consulting) shall, by virtue of this Agreement and without any action on the part of the holder thereof, be converted into and exchangeable for the right to receive, the Per Share Merger Consideration.

(b) All of the shares of Koss Consulting Common Stock converted into the Per Share Merger Consideration pursuant to this Article II shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of Koss Consulting Stock Certificates shall thereafter cease to have any rights with respect to such securities, except the right to receive for each share (i) the Per Share Merger Consideration, and (ii) any cash in lieu of fractional shares pursuant to Section 2.9.

(c) At the Effective Time, all shares of Koss Consulting Common Stock that are owned directly or indirectly by Koss Consulting shall be cancelled and shall cease to exist and no stock of TSFG, cash or other consideration shall be delivered in exchange therefor. All shares of TSFG Common Stock that are owned by Koss Consulting shall be cancelled.

2.5 KCAC Common Stock. The outstanding shares of KCAC Common Stock shall convert into 100 shares of common stock of the Surviving Corporation. The parties acknowledge that TSFG may contribute the Koss Consulting stock to Mercantile Bank immediately upon consummation of the Merger.

2.6 Articles of Incorporation and Bylaws. At the Effective Time, the Articles of Incorporation of Koss Consulting, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation. At the Effective Time, the Bylaws of Koss Consulting, as in effect immediately prior to the Effective Time, shall be the Bylaws of the Surviving Corporation until thereafter amended in accordance with applicable law.

2.7 Directors and Executive Officers. At and after the Effective Time, the directors of KCAC shall consist of all of the directors of KCAC serving immediately prior to the Effective Time, each to hold office in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation until their respective successors are duly elected or appointed and qualified. The executive officers of Koss Consulting immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the Articles of Incorporation and Bylaws of the Surviving Corporation until their respective successors are duly elected or appointed and qualified.

2.8 Issuance of Merger Consideration. At the Effective Time and upon receipt of certificates representing shares of Koss Consulting Common Stock, TSFG shall issue the Merger Consideration to the surrendering Koss Consulting shareholders.

2.9 Fractional Shares. Notwithstanding anything to the contrary contained herein, no certificates or scrip representing fractional shares of TSFG Common Stock shall be issued upon the surrender for exchange of Koss Consulting Stock Certificates, no dividend or distribution with respect to TSFG Common Stock shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a shareholder of TSFG. In lieu of the issuance of any such fractional share, TSFG shall pay to each former stockholder of Koss Consulting who otherwise would be entitled to receive a fractional share of TSFG Common Stock an amount in cash determined by multiplying (i) the Fair Market Value by (ii) the fraction of a share of TSFG Common Stock which such holder would otherwise be entitled to receive pursuant to Section 2.4 hereof.