

J84485

OFFICE OF THE COMPTROLLER
DEPARTMENT OF BANKING AND FINANCE
STATE OF FLORIDA
TALLAHASSEE 32399-0350

DATE: August 28, 2002

TO: Louise Jackson, Department of State
Division of Corporations

800007454738--3
-08/30/02--01028--024
****160.00 ****105.00

FROM: Bruce Ricca, Licensing and Chartering

SUBJ: Merger of Mercantile Bank with and into Citrus Bank
and under the title of Mercantile Bank

Please file the attached "Merger Documents" for the above-referenced institutions, using 11:59 p. m. on August 31, 2002, as the effective date.

Please make the following distribution of certified copies:

- (1) One copy to: Bruce Ricca
Division of Banking
101 East Gaines Street
Fletcher Building, Suite 636
Tallahassee, Florida 32399-0350
- (2) Two copies to: Mr. William P. Crawford, Jr.
The South Financial Group
Post Office Box 1029
Greenville, South Carolina 29602
- (3) One copy to: Mr. Adam A. Drimer
Federal Reserve Bank of Richmond
Post Office Box 27622
Richmond, Virginia 23261

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2002 AUG 29 PM 3:10

Also attached is a check which represents payment of the filing fees, charter tax and certified copies. If you have any questions, please call 410-9528.

EFFECTIVE DATE
8-31-02

BR:mergeart

Merger / Name Change
LF
8-30-2002

ARTICLES OF MERGER
Merger Sheet

MERGING:

MERCANTILE BANK, a Florida corporation (Document #L20553)

INTO

CITRUS BANK which changed its name to

MERCANTILE BANK, a Florida entity, J84485

File date: August 29, 2002, effective August 31, 2002

Corporate Specialist: Louise Flemming-Jackson



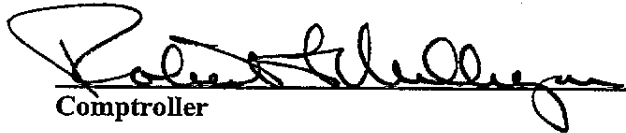
ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

OFFICE OF COMPTROLLER
DEPARTMENT OF BANKING AND FINANCE
STATE OF FLORIDA
TALLAHASSEE
32399-0350

FILED
- SECRETARY OF STATE
DIVISION OF CORPORATIONS
2002 AUG 29 PM 3:10

Having given my approval on August 15, 2002, to merge Mercantile Bank, St. Petersburg, Pinellas County, Florida, with and into Citrus Bank, Orlando, Orange County, Florida, with the resulting name of Mercantile Bank, and being satisfied that the conditions of my approval have been met, I hereby approve for filing with the Department of State, the attached Bank Merger Agreement, which contains the Articles of Incorporation of Mercantile Bank (the resulting bank), so that effective at 11:59 p. m., AUGUST 31ST 2002, they shall read as stated herein.

Signed on this 21ST day of August 2002.


Comptroller

EFFECTIVE DATE
8-31-02

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

2002 AUG 29 PM 3:10

**BANK MERGER AGREEMENT
(EFFECTIVE 11:59 P.M. AUGUST 31, 2002)**

This Merger Agreement (hereinafter referred to as this "Agreement"), made and entered into on August 8, 2002, by and between Citrus Bank (hereinafter referred to as "Citrus"), a bank incorporated under the laws of Florida and a wholly-owned subsidiary of The South Financial Group, Inc., a South Carolina corporation (hereinafter referred to as "TSFG"), and Mercantile Bank (hereinafter referred to as "Mercantile"), a bank incorporated under the laws of the Florida and a wholly-owned subsidiary of Gulf West Banks, Inc., a Florida corporation (hereinafter referred to as "Gulf West");

WITNESSETH:

WHEREAS, TSFG and Gulf West are parties to an Agreement and Plan of Merger dated March 21, 2002 (hereinafter referred to as the "Merger Agreement"), pursuant to which Gulf West would be merged with and into TSFG and thereafter Mercantile would be merged with and into Citrus;

WHEREAS, the authorized capital of Citrus consists of 2,000,000 common shares, \$4.00 par value per share, 100 of which are issued and outstanding and are owned of record by TSFG, a surplus at March 31, 2002 of \$43,964,000, and retained earnings at March 31, 2002 of \$11,685,000;

WHEREAS, the authorized capital of Mercantile consists of 3,000,000 common shares, \$4.00 par value per share, 1,547,411 of which are issued and outstanding and owned of record by Gulf West, 1,000,000 Class A Preferred Stock, \$5.00 par value per share, none of which is issued or outstanding, a surplus at March 31, 2002 of \$16,023,000, and retained earnings of \$17,350,000; and

WHEREAS, the boards of directors of Citrus and Mercantile, pursuant to the authority granted in Sections 658.40 through 658.45 of the Florida Statutes, have approved the merger;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in this Agreement, Citrus and Mercantile, each intending to be legally bound, hereby agree that the terms of the merger shall be as follows:

**ARTICLE I
THE MERGER**

Section 1.01 Surviving Institution. At the Effective Time (as defined below), which shall occur after both the closing and effective time of the merger of Gulf West into TSFG, Mercantile shall merge with and into Citrus (the "Merger") and Citrus shall be the surviving institution in the Merger, shall continue to exist as a bank organized under the laws of Florida, and Mercantile shall cease to exist. As used in this Agreement, the term "Resulting Institution" refers to Citrus at and after the Effective Time. After the Effective Time, the name of the Resulting Institution shall be changed from Citrus Bank to "Mercantile Bank"

Section 1.02 Capitalization. At the Effective Time, each common share of Mercantile issued and outstanding prior to the Merger shall, by virtue of the Merger and without any action on the part of the parties to this Agreement, be cancelled and extinguished and, at and after the Effective Time, the capital of the Resulting Institution shall consist of 2,000,000 common shares of the Resulting Institution, \$4.00 par value per share, 100 of which are issued and outstanding and owned of record by TSFG. No other class of shares shall be authorized or issued. The surplus and retained earnings of the Resulting Institution will be equal to the combined total capital accounts of all of the merging or constituent

financial institutions, which at March 31, 2002 totaled \$189,720,000 and shall be unchanged at the effective time of the merger, except to the extent adjusted for any earnings, losses, distributions or capital contributions after March 31, 2002.

Any common shares of Mercantile held in the Treasury of Mercantile immediately prior to the Effective Time shall be cancelled. Each common share of Citrus issued and outstanding immediately prior to the Effective Time shall be unchanged and shall remain issued and outstanding.

Section 1.03 Articles of Incorporation. Citrus Bank's Amended and Restated Articles of Incorporation (attached as Exhibit 1.03 and as amended to change the institution's name per Section 1.01 above) shall be the Amended and Restated Articles of Incorporation of the Resulting Institution until amended in accordance with law.

Section 1.04 Bylaws. The Bylaws of Citrus shall be the Bylaws of the Resulting Institution until amended in accordance with law.

Section 1.05 Offices and Branches. At and after the Effective Time and until changed in accordance with law, the home office of Citrus shall be the home office of the Resulting Institution and the existing branch offices of Citrus shall be branch offices of the Resulting Institution. At and after the Effective Time and until changed in accordance with law, the former offices of Mercantile shall be a branch office of the Resulting Institution and all branches of Mercantile shall be branches of the Resulting Institution. Attached hereto as Schedule 1.05 is a list of all branches of both institutions.

Section 1.06 Trust Powers. The Resulting Institution shall have trust powers.

Section 1.07 Board of Directors and Executive Officers. At and after the Effective Time and until changed in accordance with the articles of incorporation and bylaws of the Resulting Institution, the directors of the Resulting Institution and their addresses shall be:

William R. Brant	2859 S. Delaney Ave., Orlando, FL 32806
Andrew B. Cheney	2859 S. Delaney Ave., Orlando, FL 32806
Paul D. Causey	2859 S. Delaney Ave., Orlando, FL 32806
William F. Crider	2859 S. Delaney Ave., Orlando, FL 32806
Thomas B. Drage, Jr.	2859 S. Delaney Ave., Orlando, FL 32806
William S. Hummers III	2859 S. Delaney Ave., Orlando, FL 32806
Michael L. McClanahan	2859 S. Delaney Ave., Orlando, FL 32806
M. Rodney Metz	2859 S. Delaney Ave., Orlando, FL 32806
Cecil D. Moore	2859 S. Delaney Ave., Orlando, FL 32806
Joe H. Pickens	2859 S. Delaney Ave., Orlando, FL 32806
Michael Sperry	2859 S. Delaney Ave., Orlando, FL 32806
William R. Timmons III	2859 S. Delaney Ave., Orlando, FL 32806
Samuel H. Vickers	2859 S. Delaney Ave., Orlando, FL 32806
Mack I. Whittle, Jr.	2859 S. Delaney Ave., Orlando, FL 32806
Gordon W. Campbell	2859 S. Delaney Ave., Orlando, FL 32806
Algis Koncius	2859 S. Delaney Ave., Orlando, FL 32806
Ross E. Roeder	2859 S. Delaney Ave., Orlando, FL 32806
Louis P. Ortiz	2859 S. Delaney Ave., Orlando, FL 32806
Michael L. Carrere	2859 S. Delaney Ave., Orlando, FL 32806

Citrus shall take all action necessary (including amending its articles or bylaws) to assure that Messrs. Campbell, Koncius, Roeder, Ortiz and Carrere shall hold office as directors of the Resulting Institution for a period of not less than two years in accordance with the terms of the Merger Agreement.

At and after the Effective Time and until changed in accordance with the articles of incorporation and bylaws of the Resulting Institution, the executive officers of the Resulting Institution and their addresses shall be as set forth below. Robert A. Blakley will become an executive officer of the Resulting Institution, serving as the Market President (Tampa Bay area).

Andrew B. Cheney	President	2859 S. Delaney Ave., Orlando, FL 32806
Michael L. McClanahan	Executive Vice President	2859 S. Delaney Ave., Orlando, FL 32806
Cynthia S. Stover	Executive Vice President	2859 S. Delaney Ave., Orlando, FL 32806
Douglas Winton	Executive Vice President	425 22nd Ave. North, St. Petersburg, FL 33704
Robert A. Blakley	Executive Vice President	425 22nd Ave. North, St. Petersburg, FL 33704

ARTICLE II POST CLOSING MATTERS

Section 2.01 Further Assurances. At and after the Effective Time, the separate existence of Mercantile shall cease; provided, however, that whenever a conveyance, assignment transfer, deed or other instrument or act is necessary to vest property or rights in the Resulting Institution, the officers of Citrus and Mercantile shall execute, acknowledge and deliver such instruments and do such acts.

Section 2.02 Property. At and after the Effective Time, all of the assets and property of every kind and character, real, personal and mixed, tangible and intangible, chooses, in action, rights and credits owned by Citrus and Mercantile at the Effective Time, or which would inure to any of them, shall immediately, by operation of law and without any conveyance or transfer and without any further act or deed, be vested in and become the property of the Resulting Institution, which shall have, hold and enjoy the same in its own right as fully and to the same extent as the same were possessed, held and enjoyed by Citrus and Mercantile before the Merger. The Resulting Institution shall be deemed to be and shall be a continuation of the entity and identity of Citrus. All of the rights and obligations of Citrus and Mercantile shall remain unimpaired and the Resulting Institution shall succeed to all of such rights and obligations and the duties and liabilities connected therewith. Title to any real estate or any interest therein vested in any of either Citrus or Mercantile shall not revert or in any way be impaired by reason of the Merger. Any claim existing, or action or proceeding pending, by or against either Citrus or Mercantile, may be prosecuted to judgment with right of appeal as if the Merger had not taken place or the Resulting Institution may be substituted in its place.

Section 2.03 Rights of Creditors. At and after the Effective Time, all the rights of creditors of each of Citrus and Mercantile shall be preserved unimpaired, and all liens upon the property of Citrus and Mercantile shall be preserved unimpaired on only the property affected by any such lien immediately before the Effective Time.

Section 2.04 Conversion of Mercantile Accounts. At the Effective Time and as a result of the Merger, each Mercantile account then existing shall, automatically and without further act of Citrus or Mercantile or the holder of the account, be cancelled and extinguished. In exchange for each Mercantile account, the holder of that account shall automatically receive from the Resulting Institution a similar Resulting Institution account with a beginning balance equal in dollar amount to the dollar amount of the Mercantile account cancelled and otherwise on the same terms as other Resulting Institution accounts accepted by Citrus at the Effective Time.

Section 2.05 Effectiveness of Mercantile Documentation. The holder of each Mercantile account extinguished in accordance with Section 2.04 above shall be entered on the records of the Resulting Institution as the holder of an appropriate Resulting Institution account in an amount determined as provided in Section 2.04 and, until Section 2.06 of this Agreement shall have been complied with, each passbook, certificate of deposit, or other account issued by Mercantile shall be deemed, for all purposes, to evidence an account of the Resulting Institution.

Section 2.06 Surrender and Reissuance of Documentation. Following the Effective Time of the Merger, the Resulting Institution may require each person who holds a passbook, certificate of deposit, or other document issued by Mercantile or Citrus which had evidenced a Mercantile or Citrus account to surrender each such passbook, certificate, or other document to the Resulting Institution. Upon that surrender, the Resulting Institution shall deliver a substitute account book or other document evidencing the Resulting Institution account received by that person in accordance with Section 2.04 of this Agreement.

ARTICLE III CONDITIONS

Notwithstanding any other provision of this Agreement, the obligation of Citrus and Mercantile to effect the Merger shall be subject to: (i) the satisfaction at or before the Effective Time of each of the conditions set forth in Article Eight of the Merger Agreement; (ii) the approval of this Agreement by Gulf West as the sole shareholder of Mercantile and by TSFG as the sole shareholder of Citrus at meetings of shareholders duly called and held (or by consent or consents in lieu thereof); (iii) receipt of approval of the Merger from all governmental authorities whose approval is required (specifically, the Florida Department of Banking and Financial Institutions); (iv) receipt of any necessary regulatory approval to operate the offices of Mercantile as offices of Citrus; and (v) the close and the effective time of the merger of Gulf West and TSFG before the Effective Time.

ARTICLE IV TIMING AND TERMINATION

Section 4.01 Effective Time. The closing of the transactions contemplated by this Agreement shall take place on a date as specified in the "Certificate of Merger" to be issued by the Comptroller of Florida upon the grant of approval by the Florida Department of Banking and Finance. At that time, Citrus and Mercantile shall cause Articles of Merger to be filed with the Florida Department of State. The Merger shall become effective on the date and at the time that Articles of Merger are declared effective by the Secretary of State unless a later date and time is specified as the effective time in the Certificate of Merger (the "Effective Time").

Section 4.02 Termination. In the event of the termination of the Merger Agreement in accordance with Article IX thereof, this Agreement shall terminate and shall thereafter be of no further force or effect.

ARTICLE V MISCELLANEOUS

Section 5.01 Counterparts; Entire Agreement; Severability. This Agreement may be executed in two or more counterparts which shall be deemed to constitute a single Agreement. This

Agreement (together with all exhibits and documents incorporated by reference) constitutes the entire agreement between the parties and supersedes all prior agreements and understandings (whether written or oral). Any term or provision of this Agreement which is held invalid or unenforceable by a court of competent jurisdiction shall be ineffective in that jurisdiction only to the extent of that invalidity and the remainder of the Agreement shall remain in force.

Section 5.02 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida without regard to its conflict of law principles.

[Signatures appear on the next page.]

IN WITNESS WHEREOF, Citrus and Mercantile caused this Agreement to be signed by their respective duly authorized officers on the date first above written.

ATTEST:


CITRUS BANK

Name: William P. Crawford, Jr.
Title: Secretary

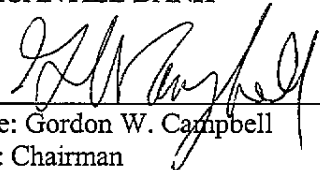
By: _____
Name: Andrew B. Cheney
Title: President

ATTEST:

MERCANTILE BANK



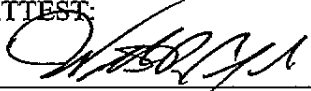
Name: Barry K. Miller
Title: Secretary

By: 

Name: Gordon W. Campbell
Title: Chairman

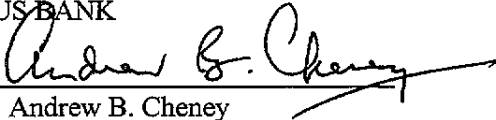
IN WITNESS WHEREOF, Citrus and Mercantile caused this Agreement to be signed by their respective duly authorized officers on the date first above written.

ATTEST:



Name: William P. Crawford, Jr.
Title: Secretary

CITRUS BANK

By: 

Name: Andrew B. Cheney
Title: President

ATTEST:

Name:
Title: Secretary

MERCANTILE BANK

By: _____
Name: Gordon W. Campbell
Title: President/CEO

EXHIBIT 1.03

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
FOR THE RESULTING INSTITUTION**

(See attached)

SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF MERCANTILE BANK (Formerly Citrus Bank)

The Articles of Incorporation of Citrus Bank are hereby amended and restated in their entirety, as set forth below:

ARTICLE I

The name of the corporation shall be Mercantile Bank and its principal place of business shall be at 100 South Orange Ave., Suite 100 in the City of Orlando, in the County of Orange and State of Florida.

ARTICLE II

The general nature of the business to be transacted by this corporation shall be: That of a general commercial banking business with all the rights, powers and privileges granted and conferred by the Florida Banking Code, regulating the organization, powers and management of banking corporations.

ARTICLE III

The total number of shares authorized to be issued by the corporation shall be 2,000,000 shares of common stock. Such shares shall be of a single class and have a par value of \$4.00 per share.

ARTICLE IV

The term for which said corporation shall exist shall be perpetual unless terminated pursuant to the Florida Banking Code.

ARTICLE V

The number of directors shall not be fewer than five (5). A majority of the full Board of Directors may, at any time during the year following the annual meeting of shareholders in which such action has been authorized, increase the number of directors by not more than two (2) and appoint persons to fill the resulting vacancies. The names and street addresses of the current directors of the corporation are:

<u>Name</u>	<u>Street Address</u>
William R. Brant	2859 S. Delaney Ave., Orlando, FL 32806
Andrew B. Cheney	2859 S. Delaney Ave., Orlando, FL 32806
Paul D. Causey	2859 S. Delaney Ave., Orlando, FL 32806
William F. Crider	2859 S. Delaney Ave., Orlando, FL 32806
Thomas B. Drage, Jr.	2859 S. Delaney Ave., Orlando, FL 32806
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Samuel H. Vickers	2859 S. Delaney Ave., Orlando, FL 32806
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Ross E. Roeder	2859 S. Delaney Ave., Orlando, FL 32806
Louis P. Ortiz	2859 S. Delaney Ave., Orlando, FL 32806
Michael L. Carrere	2859 S. Delaney Ave., Orlando, FL 32806

ARTICLE VI

The corporation may engage in a trust business with the goal of providing value added financial services to its customers and prospects. The Trust Division shall be a division of the bank but will maintain separate and distinct records of its activities and will segregate the assets of trust customers from the assets of the bank and maintain separate account records and balances for all trust customers. The Trust Division will operate under the guidance of the Board of Directors and a Trust Committee to be appointed by the Board of Directors.

ARTICLE VII

(a) Subject to the limitations provided under state and federal law, and except as specifically provided herein, the corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding (other than in an action by, or in the right of, the corporation), whether civil or criminal, administrative or investigative by reason of the fact that he or she is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believe to be in, or not opposed to, the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) Subject to the limitations provided under state and federal law, and except as specifically provided herein, the corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action suit, or proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper

(c) To the extent that a director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in paragraphs (a) or (b) of this Article VII, or in defense of any claim, issue, or matter therein, such director or officer shall be indemnified against expenses (including attorney's fees at trial and appellate levels) actually and reasonably incurred by him or her in connection therewith without the necessity of a determination that such director or officer met the applicable standard of conduct.

(d) Any indemnification under paragraphs (a) or (b) of this Article VII, unless pursuant to a determination by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in paragraphs (a) or (b) of this Article VII. Such determination shall initially be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding. If the Board of Directors shall, for any reason, decline to make such a determination, then such determination shall be made by the shareholders by a majority vote of a quorum consisting of shareholders who were not parties to such action, suit, or proceeding.

(e) Expenses (including attorney's fees at all trial and appellate levels) incurred in defending a civil or criminal action, suit, or proceeding, except expenses incurred as a result of any action or proceeding commenced by any federal banking agency, may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding upon a preliminary determination following one of the procedures set forth in this Article VII, that a director or officer met the applicable standard of conduct set forth in this Article VII, and upon receipt of an agreement by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Article VII.

(f) Subject to the limitations provided under state and federal law, and except as specifically provided herein, the corporation may make any other or further indemnification, except an indemnification against a violation of the criminal law, an improper personal benefit, willful misconduct, or a conscious disregard for the best interests of the corporation, under any agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the indemnified party's official capacity and as to action in another capacity while holding such office.

(g) Indemnification as provided in this Article VII shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(h) Subject to the limitations provided in paragraph (j), the corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII. In the event that the corporation elects to purchase and maintain the insurance described hereinabove, such insurance shall be primary and nothing contained in this Article VII shall be deemed or construed as creating a policy of insurance.

(i) The corporation shall not make or agree to make any indemnification payment to pay or reimburse any officer or director for any civil money penalty or judgment or any other liability or legal expense resulting from any administrative or civil action instituted by any federal banking agency which results in a final order or settlement pursuant to which such person: (i) is assessed a civil money penalty; (ii) is removed from office or prohibited from participating in the conduct of the affairs of the corporation; or (iii) is required to cease and desist from or take any affirmative action described in section 8(b) of the Federal Deposit Insurance Act with respect to such corporation.

(j) The prohibitions on indemnification payments set forth in paragraph (i) above for actions instituted by any federal banking agency do not include: (i) any reasonable payment by the corporation which is used to purchase any commercial insurance policy or fidelity bond, provided that such insurance policy or bond shall not be used to pay or reimburse an officer or director for the cost of any judgment or civil money

penalty assessed against such person in an administrative proceeding or civil action commenced by any federal banking agency, but may pay any legal or professional expenses incurred in connection with such proceeding or action or the amount of any restitution to the corporation; and (ii) any reasonable payment by the corporation that represents partial indemnification for legal or professional expenses specifically attributable to particular charges for which there has been a formal and final adjudication or finding in connection with a settlement that the officer or director has not violated certain banking laws or regulations or has not engaged in certain unsafe or unsound banking practices or breaches of fiduciary duty, unless the administrative action or civil proceeding has resulted in a final prohibition order against the officer or director.

(k) The corporation may make or agree to make reasonable indemnification payments to an officer or director with respect to an administrative proceeding or civil action initiated by any federal banking agency if: (i) the corporation's board of directors, in good faith, determines in writing after due investigation and consideration that the officer or director acted in good faith and in a manner he or she believed to be in the best interests of the corporation; (ii) the corporation's board of directors, respectively, in good faith, determines in writing after due investigation and consideration that the payment of such expenses will not materially adversely affect the corporation's safety and soundness; (iii) the indemnification payments do not constitute prohibited indemnification payments as provided above in paragraph (i); and (iv) the officer or director agrees in writing to reimburse the corporation, to the extent not covered by payments from insurance or bonds purchased pursuant to paragraph (h), for that portion of the advanced indemnification payments which subsequently become prohibited indemnification payments, as defined in paragraph (i).

(l) This Article VII shall be interpreted to permit indemnification to the fullest extent permitted by state and federal law. If any part of this Article shall be found to be invalid or ineffective in any action, suit, or proceeding, the validity and effect of the remaining part thereof shall not be affected. The provisions of this Article VII shall be applicable to all actions, claims, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption; provided, however, that the provisions of this Article VII shall only apply to actions, claims, suits, or proceedings arising from acts or omissions to act relating to matters of the corporation when such officer or director was an officer or director of the corporation.

SCHEDULE 1.05

OFFICES AND BRANCHES OF CITRUS AND MERCANTILE

<p>N.E. St. Petersburg 425 22nd Avenue North St. Petersburg, FL 33704 Phone: 727-823-8865</p> <p>Downtown St. Petersburg 240 1st Avenue South St. Petersburg, FL 33701 Phone: 727-897-9410</p> <p>Port Richey 9550-1 U.S. Highway 19 Port Richey, FL 34668 Phone: 727-846-1444</p> <p>Tierra Verde 1275 Pinellas Bayway Tierra Verde, FL 33715 Phone: 727-867-8674</p> <p>Koger Center 9400 Fourth Street North St. Petersburg, FL 33702 Phone: 727-570-2265</p> <p>Seven Springs 8928 Old County Road 54 New Port Richey, FL 34653 Phone: 727-372-6000</p> <p>Maximo 3655 50th Avenue South St. Petersburg, FL 33711 Phone: 727-866-2973</p> <p>Countryside 28100 U.S. Highway 19 North Clearwater, FL 33761 Phone: 727-799-2265</p> <p>Bryan Dairy 8040 Bryan Dairy Road Largo, FL 33777 Phone: 727-547-4040</p> <p>Tampa Westshore 4202 West Kennedy Boulevard Tampa, FL 33609 Phone: 813-826-8789</p> <p>Carrollwood 10821 N. Dale Mabry Highway Tampa, FL 33618 Phone: 813-908-9555</p> <p>West Hillsborough 4801 West Hillsborough Avenue Tampa, FL 33614 Phone: 813-884-0200</p>	<p>Administration Office 1560 N. Orange Avenue, 3rd Fl. Winter Park, FL 32789</p> <p>Kissimmee 1001 Buenaventura Blvd, Kissimmee, FL 34743</p> <p>Downtown Orlando 100 South Orange Ave, Suite 100, Orlando, FL 32801</p> <p>South Orlando 2859 South Delaney Ave, Orlando, FL 32806</p> <p>Winter Park 1121 Orange Ave, Winter Park, FL 32789</p> <p>Longwood 2675 West State Road 434, Longwood, FL 32779</p> <p>West U.S. 192 7801 West Irlo Bronson Hwy, Suite I, Kissimmee, FL 34747</p> <p>Crystal River 1000 Southeast Hwy 19, Crystal River, FL 34429</p> <p>Kirkman Road 4675 South Kirkman Road, Orlando, FL 32811</p> <p>Winter Garden 12200 West Colonial Dr. Winter Garden, FL 34787</p> <p>Inverness 080 Hwy 44 West Inverness, FL 34450</p> <p>Jacksonville/Riverplace 1200 Riverplace Blvd, Jacksonville, FL 32207</p> <p>Crescent City (16) 500 North Summit Street (POB 188), Crescent City, FL 32112</p> <p>Palatka (17) 202 Crill Ave., Palatka, FL 32117</p> <p>East Palatka (25) 1 Eastgate Square, East Palatka, FL 32131</p>
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<p>Temple Terrace 9400 N. 56th Street Temple Terrace, FL 33617 Phone: 813-985-2265</p> <p>Apollo Beach 6542 U. S. Highway 41 North Apollo Beach, FL 33572 Phone: 813-649-0215</p> <p>Brandon 668 Oakfield Drive Brandon, FL 33511 Phone: 813-657-5403</p>	<p>Interlachen (26) 1120 Hwy 20, Interlachen, FL 32148</p> <p>San Jose 6050 Old St. Augustine Rd, Jacksonville, FL 3221</p>
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**CERTIFICATE OF APPROVAL
OF THE SECRETARY OF
CITRUS BANK**

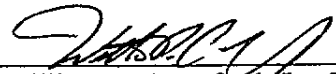
The undersigned, Secretary of Citrus Bank, a Florida corporation, hereby certifies that:

- (1) the attached ACTION BY WRITTEN CONSENT OF THE SOLE SHAREHOLDER OF CITRUS BANK has been duly adopted and taken by The South Financial Group, Inc. (the sole shareholder of Mercantile Bank) such that the Bank Merger Agreement referenced therein has been duly approved;
- (2) such ACTION remains in full force and effect and is unamended; and
- (3) there were no dissenting shareholders with respect to such ACTION and the referenced Bank Merger Agreement.

August 8, 2002

CITRUS BANK

By:


William P. Crawford, Jr., Secretary

**ACTION BY WRITTEN CONSENT OF THE SOLE SHAREHOLDER OF
CITRUS BANK**

The undersigned, a duly authorized officer of The South Financial Group, Inc., a South Carolina corporation ("TSFG") and the sole shareholder of Citrus Bank, a Florida corporation, hereby waives all requirements of notice, and consents and subscribes to the following acts and resolutions in lieu of holding a formal meeting, all as provided in Sections 607.0704 and 658.44, Florida Statutes:

WHEREAS Citrus Bank has entered into that certain Bank Merger Agreement dated August 8, 2002 (the "Agreement") providing for the merger (the "Bank Merger") of Mercantile Bank, a Florida banking corporation, with and into Citrus Bank (with the surviving bank being named Mercantile Bank).

NOW THEREFORE, BE IT RESOLVED: The undersigned, with full knowledge of its dissenter's rights under Section 658.44, Florida Statutes, hereby approves, adopts and authorizes the Agreement and the Bank Merger.

FURTHER RESOLVED: Any officer of Citrus Bank be and hereby is authorized and directed, in the name and on behalf of Citrus Bank, to take or cause to be taken any and all actions to execute and deliver the Agreement and any other documents (all of which are to be in the form and substance as the officer executing the same may, upon advice of counsel, deem necessary or desirable, the execution thereof by such officer to be conclusive evidence of the approval of such form and substance by such officer) and to take or cause to be taken any and all actions to consummate the Bank Merger and do all things which, in their discretion, they deem necessary or desirable to effectuate the Bank Merger and to carry out the purpose thereof, including without limitation, the execution and delivery of the Articles of Merger to the Secretary of State of Florida and the Florida Department of Banking and Finance and the payment of fees in connection therewith.

This action is taken on behalf of TSFG (the sole shareholder of Citrus Bank), pursuant to authority granted by TSFG's board of directors.

Dated: August 8, 2002.

THE SOUTH FINANCIAL GROUP, INC.
Sole Shareholder of Citrus Bank

By:



William S. Hummers III
Executive Vice President

**CERTIFICATE OF APPROVAL
OF THE SECRETARY OF
MERCANTILE BANK**

The undersigned, Secretary of Mercantile Bank, a Florida corporation, hereby certifies that:

- (1) the attached ACTION BY WRITTEN CONSENT OF THE SOLE SHAREHOLDER OF MERCANTILE BANK has been duly adopted and taken by Gulf West Banks, Inc. (the sole shareholder of Mercantile Bank) such that the Bank Merger Agreement referenced therein has been duly approved;
- (2) such ACTION remains in full force and effect and is unamended; and
- (3) there were no dissenting shareholders with respect to such ACTION and the referenced Bank Merger Agreement.

August 8, 2002

MERCANTILE BANK

By:


Barry Miller, Secretary

**ACTION BY WRITTEN CONSENT OF THE SOLE SHAREHOLDER OF
MERCANTILE BANK**

The undersigned, a duly authorized officer of Gulf West Banks, Inc., a Florida corporation ("Gulf West") and the sole shareholder of Mercantile Bank, a Florida corporation, hereby consents and subscribes to the following acts and resolutions in lieu of holding a formal meeting, all as provided in Sections 607.0704 and 658.44, Florida Statutes:

WHEREAS Mercantile Bank has entered into that certain Bank Merger Agreement dated August 3, 2002 (the "Agreement") providing for the merger (the "Bank Merger") of Mercantile Bank with and into Citrus Bank, a Florida banking corporation (with the surviving bank being named Mercantile Bank).

NOW THEREFORE, BE IT RESOLVED: The undersigned, with full knowledge of its dissenter's rights under Section 658.44, Florida Statutes, hereby waives any notice required under such Section 658.44 and approves, adopts and authorizes the Agreement and the Bank Merger.

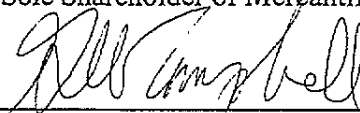
FURTHER RESOLVED: Any officer of Mercantile Bank be and hereby is authorized and directed, in the name and on behalf of Mercantile Bank, to take or cause to be taken any and all actions to execute and deliver the Agreement and any other documents (all of which are to be in the form and substance as the officer executing the same may, upon advice of counsel, deem necessary or desirable, the execution thereof by such officer to be conclusive evidence of the approval of such form and substance by such officer) and to take or cause to be taken any and all actions to consummate the Bank Merger and do all things which, in their discretion, they deem necessary or desirable to effectuate the Bank Merger and to carry out the purpose thereof, including without limitation, the execution and delivery of the Articles of Merger to the Secretary of State of Florida and the Florida Department of Banking and Finance and the payment of fees in connection therewith.

This action is taken on behalf of Gulf West (the sole shareholder of Mercantile Bank), pursuant to authority granted by Gulf West's board of directors.

Dated: August __, 2002

GULF WEST BANKS, INC.
Sole Shareholder of Mercantile Bank

By:



Gordon W. Campbell, President