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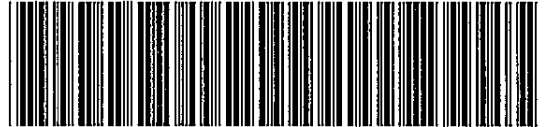
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FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2004 JUL 16 AM 10:07

Merger
LHJ
7-20-04

**INTEROFFICE
COMMUNICATION**



**OFFICE OF FINANCIAL
REGULATION**

Don B. Saxon
Director

DATE: July 14, 2004

TO: Louise Jackson, Department of State
Division of Corporations

FROM: Bruce Ricca, Office of Financial Regulation

SUBJECT: Merger of CNB National Bank with and into Mercantile Bank
and the merger of Florida Bank, N. A, with and into Mercantile Bank
and under the title of Mercantile Bank

Please file the attached "Merger Documents" for the above-referenced institutions, using 12:00 a. m., JULY 16, 2004, as the effective date for the Florida Bank, N. A., merger and 12:01 a. m., JULY 16, 2004, as the effective date for the CNB National Bank merger.

Please make the following distribution of certified copies for each merger:

- (1) One copy to: Bruce Ricca
Office of Financial Regulation
200 East Gaines Street
Fletcher Building, Suite 636
Tallahassee, Florida 32399-0371
- (2) Six copies to: Mr. William P. Crawford
The South Financial Group, Inc.
104 South Main Street, Poinsett Plaza
Greenville, South Carolina 29601
- (3) One copy to: Mr. Mark S. Schmidt
(Uncertified) Federal Deposit Insurance Corporation
10 Tenth Street, N. E.
Suite 800
Atlanta, Georgia 30309-3906

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

OFFICE OF FINANCIAL REGULATION



Having been approved by the Director of the Office of Financial Regulation on June 23, 2004, to merge CNB National Bank, Lake City, Columbia County, Florida, and Mercantile Bank, Orlando, Orange County, Florida, and being satisfied that the conditions of approval have been met, I hereby approve for filing with the Department of State, the attached "Merger Agreement," which contains the Articles of Incorporation of Mercantile Bank (the resulting bank), so that effective at 12:01 a. m., July 16, 2004, they shall read as stated herein.

Signed on this 14TH day of
July 2004.


Deputy Director

FILLED
SECRETARY OF STATE
DIVISION OF CORPORATION

MERGER AGREEMENT
(Effective 12:01 a.m. July 16, 2004)

2004 JUL 16 AM 10:08

This Merger Agreement (hereinafter referred to as this "Agreement"), made and entered into on July 16, 2004, by and between Mercantile Bank (hereinafter referred to as "Mercantile"), 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 CNB National Bank (hereinafter referred to as "CNB National"), a bank incorporated under the laws of the Florida and a wholly-owned subsidiary of CNB Florida Bancshares, Inc., a Florida corporation (hereinafter referred to as "CNBB");

WITNESSETH:

WHEREAS, TSFG and CNBB are parties to an Agreement and Plan of Merger dated January 20, 2004 (hereinafter referred to as the "Merger Agreement"), pursuant to which CNBB would be merged with and into TSFG and thereafter CNB National would be merged with and into Mercantile;

WHEREAS, the authorized capital of Mercantile 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, 2004 of \$237,754,575, and retained earnings at March 31, 2004 of \$32,039,312;

WHEREAS, the authorized capital of CNB National consists of 1,000,000 common shares, \$5.00 par value per share, 847,848 of which are issued and outstanding and owned of record by CNBB, a surplus of \$40,365,782, and retained earnings of \$24,962,833 at March 31, 2004; and

WHEREAS, the boards of directors of Mercantile and CNB National have approved the merger;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in this Agreement, Mercantile and CNB National, 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 CNBB into TSFG, CNB National shall merge with and into Mercantile (the "Merger") and Mercantile shall be the surviving institution in the Merger, shall continue to exist as a bank organized under the laws of Florida, and CNB National shall cease to exist. As used in this Agreement, the term "Resulting Institution" refers to Mercantile at and after the Effective Time. After the Effective Time, the name of the Resulting Institution shall remain "Mercantile Bank".

Section 1.02 Capitalization. At the Effective Time, each common share of CNB National 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, 2004 totaled \$337,122, 502 unchanged at the effective time of the merger, except to the extent adjusted for any earnings, losses, distributions or capital contributions after March 31, 2004.

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

Section 1.03 Articles of Incorporation. Mercantile Bank's Amended and Restated Articles of Incorporation 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 Mercantile 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 Mercantile shall be the home office of the Resulting Institution and the existing branch offices of Mercantile 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 CNB National shall be branch offices of the Resulting Institution and all branches of CNB National 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 P. Brant	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Gordon W. Campbell	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Paul D. Causey	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Andrew B. Cheney	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William F. Crider	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Thomas B. Drage, Jr.	100 South Orange Avenue, Suite 100, Orlando, FL 32801
G. Thomas Frankland	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William S. Hummers III	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Algus Koncius	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Bruce May	100 South Orange Avenue, Suite 100, Orlando, FL 32801
M. Rodney Metz	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Cecil D. Moore	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Louis P. Ortiz	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Joe H. Pickens	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Ross E. Roeder	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Michael W. Sperry	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William R. Timmons III	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Samuel H. Vickers	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Mack I. Whittle, Jr.	100 South Orange Avenue, Suite 100, Orlando, FL 32801

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.

Andrew B. Cheney	President	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Bruce May	Vice President	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Cynthia S. Stover	Vice President	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Doug Winton	Vice President	100 South Orange Avenue, Suite 100, Orlando, FL 32801
G. Thomas Frankland	Vice President	100 South Orange Avenue, Suite 100, Orlando, FL 32801

ARTICLE II POST CLOSING MATTERS

Section 2.01 Further Assurances. At and after the Effective Time, the separate existence of CNB National 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 Mercantile and CNB National 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 Mercantile and CNB National 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 Mercantile and CNB National before the Merger. The Resulting Institution shall be deemed to be and shall be a continuation of the entity and identity of Mercantile. All of the rights and obligations of Mercantile and CNB National 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 Mercantile or CNB National 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 Mercantile or CNB National, 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 Mercantile and CNB National shall be preserved unimpaired, and all liens upon the property of Mercantile and CNB National shall be preserved unimpaired on only the property affected by any such lien immediately before the Effective Time.

Section 2.04 Conversion of CNB National Accounts. At the Effective Time and as a result of the Merger, each CNB National account then existing shall, automatically and without further act of Mercantile or CNB National or the holder of the account, be cancelled and extinguished. In exchange for each CNB National 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 CNB National account cancelled and otherwise on the same terms as other Resulting Institution accounts accepted by Mercantile at the Effective Time.

Section 2.05 Effectiveness of CNB National Documentation. The holder of each CNB National 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 CNB National 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 CNB National or Mercantile which had evidenced a CNB National or Mercantile 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 Mercantile and CNB National 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 CNBB as the sole shareholder of CNB National and by TSFG as the sole shareholder of Mercantile 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 Office of Financial Regulation); (iv) receipt of any necessary regulatory approval to operate the offices of CNB National as offices of Mercantile; and (v) the close and the effective time of the merger of CNBB 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 upon the grant of approval by the Florida Office of Financial Regulation. At that time, Mercantile and CNB National 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

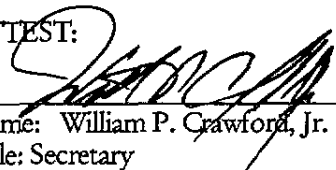
Section 5.01 Counterparts; Entire Agreement; Severability. This Agreement may be executed in two or more counterparts which shall be deemed to constitute a single Agreement. This Agreement (together with all exhibits and documents incorporated by reference) constitutes the entire agreement between the 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, Mercantile and CNB National caused this Agreement to be signed by their respective duly authorized officers on the date first above written.

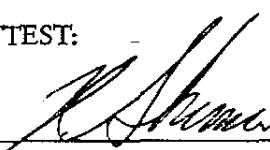
ATTEST:


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

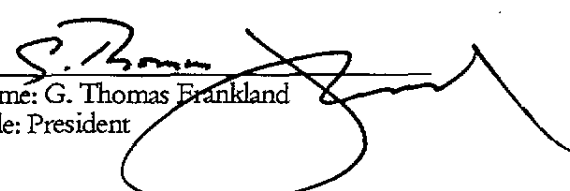
MERCANTILE BANK

By: 
Name: William S. Hummers III
Title: Executive Vice President

ATTEST:


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

CNB NATIONAL BANK

By: 
Name: G. Thomas Frankland
Title: President

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	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Andrew B. Cheney	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Paul D. Causey	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William F. Crider	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Thomas B. Drage, Jr.	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William S. Hummers III	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Michael L. McClanahan	100 South Orange Avenue, Suite 100, Orlando, FL 32801
M. Rodney Metz	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Cecil D. Moore	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Joe H. Pickens	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Michael Sperry	100 South Orange Avenue, Suite 100, Orlando, FL 32801
William R. Timmons III	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Samuel H. Vickers	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Mack I. Whittle, Jr.	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Gordon W. Campbell	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Algis Koncius	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Ross E. Roeder	100 South Orange Avenue, Suite 100, Orlando, FL 32801
Louis P. Ortiz	100 South Orange Avenue, Suite 100, Orlando, FL 32801

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 MERCANTILE AND CNB NATIONAL

City	Branch Name	Address
Gainesville	Tower Road Branch	75150 West University Ave
Gainesville	Northwood Branch	5027 N.W. 34th St.
Gainesville	Magnolia Parke Branch	4620 N.W. 39th Ave. Suite A
Gainesville	N .W. 43rd. Street Branch	600 Northwest 43rd. Street
Orlando	Downtown Orlando Branch	100 Street Orange Avenue, Suite 100
Crystal River	Crystal River Branch	1000 S.E. Highway
Kissimmee	Kissimmee Branch	1001 Buenaventura Blvd.
Winter Park	Winter Park Branch	1121 Orange Avenue
Winter Garden	Winter Garden Branch	12250 West Colonial Drive
Inverness	Inverness Branch	2080 State Road 44 West
Longwood	Longwood Branch	2675 West State Road 434
Orlando	South Orlando Branch	2859 South Delaney Avenue
Orlando	Kirk man Road Branch	4675 S. Kirk man Road
Kissimmee	West 192 Branch	7801 W. Irlo Bronson Hwy.
Ocala	Ocala Branch	2437 Southeast 17th Street
Starke	Starke	606 West Madison St.
Fort White	Fort White	7075 SW Highway 27,
Lake City	90 West Branch	2844 US Highway 90 West
Lake City	Baya Ave. Branch	187 Baya Ave.
Lake City	Main Blvd. Branch	160 NW Main Blvd.
Live Oak	White Ave Branch	205 White Ave
Live Oak	South Ohio Ave. Branch	535 S.Ohio Ave.
Lake Butler	Lake Butler	300 West Main Street
Macclenney	Macclenney	595 S. 6th Street
Glen St. Mary	Glen St.Mary	4620 N.W. 39th Ave
Jacksonville	Gate Parkway Branch	9715 Gate Parkway N.
Jacksonville	Mandarin Branch	10304 San Jose Blvd.
Jacksonville	Deerwood Parkway Branch	10739 Deerwood Park. Blvd
St.Augustine	St.Augustine Branch	1980 US 1 South
East Palatka	East Palatka Branch	1 East Gate Square
Jacksonville	Riverplace Branch	1200 Riverplace Blvd., Ste 100
Palatka	Palatka Branch	3202 Crill Avenue
Crescent City	Crescent City Branch	500 N. Summit Street
Jacksonville	San Jose Branch	6050 St. Augustine Road
Interlachen	Interlachen Branch	S.R. 20 Miller Shopping Ctr.
Ft Lauderdale	Downtown Ft. Lauderdale	200 E. Las Olas Blvd.
West Palm Beach	West Palm Beach Branch	777 South Flagler Ave.
Brandon South	Brandon South	1018 West Lumsden Road
Tampa	Carrollwood Branch	10821 North Dale Mabry Hwy
Tierra Verde	Tierra Verde Branch	1275 Pinellas Bayway
Tampa	Tampa Central Branch	2307 West Kennedy Blvd
St. Petersburg	Downtown St. Petersburg Br	240 1st Avenue South
Clearwater	Countryside Branch	28100 U.S. Hwy 19 North

Tampa
St. Petersburg
Tampa
Northeast St Pete

Palma Ceia Branch
Maximo Branch
Westshore Branch
N East St. Petersburg Branch

3201 South Madill Avenue
3655 50th Avenue South
4202 West Kennedy Blvd
425 22nd Avenue North

Tampa
Apollo Beach

Hilldale Branch
Apollo Beach Branch

5201 Lois Avenue
6120 US Highway 41 North

Largo

Bryan Dairy Branch

8040 Bryan Dairy Road

New Port Richey
St. Petersburg
Temple Terrace
Port Richey

Seven Springs Branch
Koger Center Branch
Temple Terrace Branch
Port Richey Branch

8928 Old Country Rd. 54
9400 Fourth Street North
9400 N. 56th St.
9550-1 U.S. Hwy 19

Tampa
Largo

Downtown Tampa Branch
Largo Branch

100 West Kennedy
8250 Bryan Dairy Rd

**ACTION BY WRITTEN CONSENT OF THE SOLE SHAREHOLDER OF
CNB NATIONAL BANK**

The undersigned, a duly authorized officer of CNB Florida Bancshares, Inc., a Florida corporation ("CNBB") and the sole shareholder of CNB National Bank, a national banking association, 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 CNB National Bank has entered into that certain Agreement and Plan of Merger dated July 16, 2004 (the "Agreement") providing for the merger (the "Merger") of CNB National Bank with and into Mercantile Bank, a Florida state bank (with the surviving bank being 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 Merger.

FURTHER RESOLVED: Any officer of CNB National Bank be and hereby is authorized and directed, in the name and on behalf of CNB National 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 Merger and do all things which, in their discretion, they deem necessary or desirable to effectuate the 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 CNBB (the sole shareholder of CNB National Bank), pursuant to authority granted by CNBB's board of directors.

Dated: July 16, 2004.

CNB Florida Bancshares, Inc.
Sole Shareholder of CNB National Bank

By:


G. Thomas Frankland, President

Certified and Attested:


Secretary
CNB Florida Bancshares, Inc.

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

The undersigned, a duly authorized officer of The South Financial Group, Inc., a South Carolina corporation ("TSFG") and the sole shareholder of Mercantile 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 Mercantile Bank has entered into that certain Agreement and Plan of Merger dated July 16, 2004 (the "Agreement") providing for the merger (the "Merger") of CNB National Bank, a national banking association, with and into Mercantile Bank (with the surviving bank being 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 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 Merger and do all things which, in their discretion, they deem necessary or desirable to effectuate the 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.

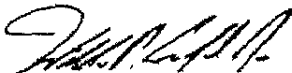
This action is taken on behalf of TSFG (the sole shareholder of Mercantile Bank), pursuant to authority granted by TSFG's board of directors.

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

By: 

William S. Hummers III, Executive Vice President

Certified and Attested:



William P. Crawford, Jr., Secretary
The South Financial Group, Inc.