

J 84485

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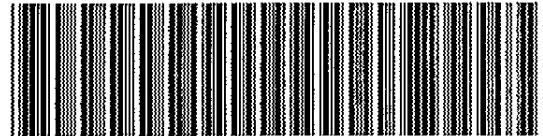
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FILED
SECRETARY OF STATE
DIVISION OF CORPORATION
2002 DEC 30 PM 4:06

EFFECTIVE DATE

12-31-2002

Merger
LFT

12-31-02

ARTICLES OF MERGER
Merger Sheet

MERGING:

CENTRAL BANK OF TAMPA, a Florida corporation (Document #018280)

INTO

MERCANTILE BANK, a Florida entity, J84485

File date: December 30, 2002, effective December 31, 2002

Corporate Specialist: Louise Flemming-Jackson



ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

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

DATE: December 27, 2002

TO: Louise Jackson, Department of State
Division of Corporations

FROM: Bruce Ricca, Licensing and Chartering

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

Please file the attached "Merger Documents" for the above-referenced institutions, using 11:59 P. M., DECEMBER 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, Inc.
104 South Main Street
Greenville, South Carolina 29602
- (3) One copy to: Mr. Jeff Povlak
(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.

BR:mergeart



OFFICE OF COMPTROLLER

DEPARTMENT OF BANKING AND FINANCE

STATE OF FLORIDA

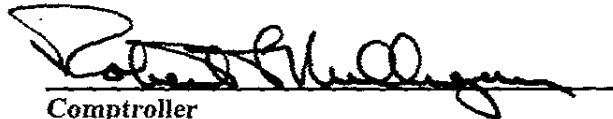
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32399-0350

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ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

Having given my approval on December 23RD, 2002, to merge Central Bank of Tampa, Tampa, Hillsborough County, Florida, with and into Mercantile 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 Agreement and Plan of Merger, which contains the Articles of Incorporation of Mercantile Bank (the resulting bank), so that effective at 11:59 p. m., December 31, 2002, they shall read as stated herein.

Signed on this 17TH day of December 2002.


Comptroller

EFFECTIVE DATE

12-31-2002

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

AGREEMENT AND PLAN OF MERGER

2002 DEC 30 PM 4:06

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of October 2, 2002, between The South Financial Group, Inc., a South Carolina corporation ("TSFG"), Mercantile Bank, a Florida corporation and wholly-owned banking subsidiary of TSFG ("Mercantile") and Central Bank of Tampa, a Florida corporation ("CBT").

Recitals

The Boards of Directors of TSFG, Mercantile and CBT 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 CBT will, subject to the terms and conditions set forth herein, merge (the "Merger") with and into Mercantile.

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.

Articles of Merger. The articles of merger complying with the FBCA reflecting the merger of CBT with and into Mercantile.

Acquisition Proposal. Any tender offer or exchange offer or any proposal for a merger, reorganization, consolidation, share exchange, recapitalization, liquidation, dissolution or other business combination involving CBT or any proposal or offer to acquire a substantial equity interest in, or a substantial portion of the assets of, CBT, other than the transaction contemplated by this Agreement.

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

CBT Common Stock. The common stock, par value \$5.00 per share, of CBT.

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

DPC Shares. Shares held by CBT, TSFG or any of TSFG's Subsidiaries in respect of a debt previously contracted.

Effective Time. The effective time of the Merger, specified in the Articles of Merger.

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.

Exchange Agent. Registrar & Transfer Company or the successor stock transfer agent of TSFG, which shall be responsible for the exchange of the Merger Consideration for the CBT Common Stock.

Exchange Ratio. The Per Share Merger Consideration expressed as a ratio of TSFG Common Stock to CBT Common Stock.

Fair Market Value. The average of the last reported sale price per share of the TSFG Common Stock as reported on the NASDAQ/NMS (as reported in the *Wall Street Journal* or another mutually agreeable authoritative source) for the ten consecutive trading days ending on the second trading day immediately prior

to closing, *provided, however*, that the Fair Market Value shall never be deemed to be less than \$15.00 per share or more than \$25.00 per share (and in the event that such ten trading day average is less than \$15.00 or greater than \$25.00, then the Fair Market Value shall be deemed to be either \$15.00 or \$25.00 as applicable).

FBCA. The Florida Business Corporation Act, as amended.

FDIC. The Federal Deposit Insurance Corporation.

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.

Loan Property. Any property in which CBT holds a security interest, and, where required by the context, such term means the owner or operator of such property.

Material Adverse Effect. With respect to TSFG or CBT, 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.

Merger Consideration. The aggregate number of shares of TSFG Common Stock issuable by TSFG upon conversion of the CBT Common Stock as provided herein, which shall be equal to \$68,000,000 divided by the Fair Market Value.

Participation Facility. Any facility in which CBT participates in the management and, where required by the context, such term means the owner or operator of such facility.

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

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.

SEC. The Securities and Exchange Commission.

Subsidiary. The word "Subsidiary" (1) when used with respect to CBT 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.

Superior Proposal. With respect to CBT, any written Acquisition Proposal made by a person other than TSFG which is for (i) (a) a merger, reorganization, consolidation, share exchange, business combination, recapitalization or similar transaction involving CBT, (b) a sale, lease, exchange, transfer, or other disposition of at least 50% of the assets of CBT, in a single transaction or a series of related transactions, or (c) the acquisition, directly or indirectly, by a person of beneficial ownership of 50% or more of CBT Common Stock whether by merger, consolidation, share exchange, business combination, tender, or exchange offer or otherwise, and (ii) which is otherwise on terms which the Board of Directors of CBT in good faith concludes (after consultation with its financial advisors and outside counsel), taking into account, among other things, all legal, financial, regulatory, and other aspects of the proposal and the person making the proposal, (a) would, if consummated, result in a transaction that is more favorable to its stockholders (in their capacities as

stockholders), from a financial point of view, than the transactions contemplated by this Agreement and (b) is reasonably capable of being completed.

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

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.

Trust Account Shares. Shares of CBT Common Stock or TSFG Common Stock held directly or indirectly in trust accounts, managed accounts and the like or otherwise held in a fiduciary capacity for the benefit of third parties.

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:

"Acquisition Agreement"	Section 9.1(g)
"Agreement"	Preamble
"Benefit Agreements"	Section 7.8(c)
"CBT"	Preamble
"CBT Contract"	Section 4.15(a)
"CBT Director"	Section 7.11
"CBT Disclosure Schedule"	Section 3.1
"CBT Financial Statements"	Section 4.7
"Closing"	Section 10.1
"Closing Date"	Section 10.1
"Code"	Section 2.3
"Dissenting Shareholders"	Section 2.10
"Dissenting Shares"	Section 2.10
"ERISA Affiliate"	Section 4.12(a)
"Exchange Fund"	Section 2.8
"Injunction"	Section 8.1(e)
"Loans"	Section 4.20(a)
"Maximum Amount"	Section 7.9
"Mercantile"	Preamble
"Merger"	Recitals
"Plans"	Section 4.12(a)
"Proxy Statement/Prospectus"	Section 4.4
"Regulatory Agreement"	Section 4.16
"Representatives"	Section 7.3(a)
"Requisite Regulatory Approvals"	Section 8.1(c)
"S-4"	Section 4.13
"Sheshunoff"	Section 4.8
"State Banking Approvals"	Section 4.4
"Termination Fee Amount"	Section 9.2(b)
"TSFG"	Preamble
"TSFG's Counsel"	Section 8.2(d)
"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 October 2, 2002. No provision of this Agreement shall be construed to require CBT, 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, CBT shall merge with and into Mercantile. Mercantile 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 "Mercantile Bank." Upon consummation of the Merger, the separate corporate existence of CBT 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(a) of the Internal Revenue Code of 1986, as amended (the "Code") and that this Agreement shall constitute a plan of reorganization for the purposes of Section 368 of the Code.

2.4 Conversion of CBT Common Stock.

(a) At the Effective Time, subject to Section 2.9(e), each share of CBT Common Stock issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares and shares of CBT Common Stock held directly or indirectly by CBT, TSFG or any of TSFG's Subsidiaries (except for Trust Account Shares and DPC Shares)) 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 CBT 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 CBT 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, (ii) any dividends and other distributions in accordance with Section 2.9(b) hereof, and (iii) any cash in lieu of fractional shares pursuant to Section 2.9(e).

(c) If, between the date hereof and the Effective Time, the shares of TSFG Common Stock shall be changed into a different number or class of shares by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or a stock dividend thereon shall be declared with a record date within such period, appropriate adjustments shall be made to the Exchange Ratio.

(d) At the Effective Time, all shares of CBT Common Stock that are owned directly or indirectly by CBT, TSFG or any of TSFG's Subsidiaries (other than Trust Account Shares and DPC Shares) 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 CBT (other than Trust Account Shares and DPC Shares) shall be cancelled.

2.5 TSFG Common Stock. Except for shares of TSFG Common Stock owned by CBT (other than Trust Account Shares and DPC Shares), which shall be cancelled as contemplated by Section 2.4 hereof, the shares of TSFG Common Stock issued and outstanding immediately prior to the Effective Time shall be unaffected by the Merger and such shares shall remain issued and outstanding.

2.6 Articles of Incorporation and Bylaws. At the Effective Time, the Articles of Incorporation of Mercantile, 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 Mercantile, 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 Mercantile shall consist of all of the directors of Mercantile serving immediately prior to the Effective Time and the additional person who shall become a director of Mercantile in accordance with Section 7.11 hereof, 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 Mercantile 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 TSFG to Make Shares Available. As promptly as reasonable after the Effective Time (with due consideration to deadlines set forth in Section 2.9(a)), TSFG shall deposit, or shall cause to be deposited with the Exchange Agent, for exchange in accordance with this Article II, (i) certificates representing the shares of TSFG Common Stock to be issued pursuant to Section 2.4 and Section 2.9(a) in exchange for outstanding shares of CBT Common Stock, and (ii) the cash in lieu of fractional shares to be paid in accordance with Section 2.9(e) hereof. Such cash and certificates for shares of TSFG Common Stock, together with any dividends or distributions with respect thereto, are hereinafter referred to as the "Exchange Fund."

2.9 Exchange of Shares.

(a) On the tenth business day prior to the Effective Time, or as soon thereafter as practicable, or otherwise as may be agreed upon by the parties, the Exchange Agent shall mail to each holder of record of CBT Stock Certificates at the Effective Time, a form letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the CBT Stock Certificates shall pass, only upon delivery of the CBT Stock Certificates, to the Exchange Agent) and instructions for use in effecting the surrender of the CBT Stock Certificates in exchange for Merger Consideration. CBT shall have the right to review both the letter of transmittal and the instructions prior to the Effective Time and provide reasonable comments thereon. Upon surrender of CBT Stock Certificates for exchange and cancellation to the Exchange Agent, together with a properly executed letter of transmittal, the holder of such CBT Stock Certificates shall be entitled to receive in exchange therefor (x) a certificate representing that number of whole shares of TSFG Common Stock which such holder of CBT Common Stock became entitled to receive pursuant to the provisions of Article II hereof and (y) a check representing the amount of cash in lieu of fractional shares, if any, which such holder has the right to receive in respect of the CBT Stock Certificates, as provided in Section 2.9(e), and the CBT Stock Certificates so surrendered shall forthwith be cancelled. No interest will be paid or accrued on the cash in lieu of fractional shares or the unpaid dividends and distributions, if any, payable to holders of CBT Stock Certificates.

(b) No dividends or other distributions declared after the Effective Time with respect to TSFG Common Stock and payable to the holders of record thereof shall be paid to the holder of any unsurrendered CBT Stock Certificate until the holder thereof shall surrender such CBT Stock Certificate in accordance with this Article II. After the surrender of a CBT Stock Certificate in accordance with this Article II, the record holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to shares of TSFG Common Stock represented by such CBT Stock Certificate.

(c) If any certificate representing shares of TSFG Common Stock is to be issued in a name other than that in which the CBT Stock Certificate surrendered in exchange therefor is registered, it shall be a condition of the issuance thereof that the CBT Stock Certificate so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form for transfer, and that the person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other taxes required by reason of the issuance of a certificate representing shares of TSFG Common Stock in any name other than that of the registered holder of the CBT Stock Certificate surrendered, or required for any other reason, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

(d) After the Effective Time, there shall be no transfers on the stock transfer books of CBT of the shares of CBT Common Stock which were issued and outstanding immediately prior to the Effective Time. If, after the Effective Time, CBT Stock Certificates representing such shares are presented for transfer to the Exchange Agent, they shall be cancelled and exchanged for certificates representing shares of TSFG Common Stock, as provided in this Article II.

(e) 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 CBT 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 CBT 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.

(f) Any portion of the Exchange Fund that remains unclaimed by the stockholders of CBT for twelve months after the Effective Time shall be paid to TSFG. Any stockholders of CBT who have not theretofore complied with this Article II shall thereafter look only to TSFG for payment of the Per Share Merger Consideration and/or the unpaid dividends and distributions on the TSFG Common Stock deliverable in respect of each share of CBT Common Stock such stockholder holds as determined pursuant to this Agreement, in each case, without any interest thereon. Notwithstanding the foregoing, none of TSFG, CBT, the Exchange Agent or any other person shall be liable to any former holder of shares of CBT Common Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) In the event any CBT Stock Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such CBT Stock Certificate to be lost, stolen or destroyed and, if required by TSFG, the posting by such person of a bond in such amount as TSFG may direct as indemnity against any claim that may be made against it with respect to such CBT Stock Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed CBT Stock Certificate the Per Share Merger Consideration deliverable in respect thereof pursuant to this Agreement.

2.10 Dissenter's Rights. Any holder of shares of CBT Common Stock who shall have exercised rights to dissent with respect to the Merger in accordance with the FBCA and who has properly exercised such shareholder's rights to demand payment of the "fair value" of the shareholder's shares (the "Dissenting Shares") as provided in the FBCA (the "Dissenting Shareholder") shall thereafter have only such rights, if any, as are provided a Dissenting Shareholder in accordance with the FBCA and shall have no rights to receive the Per Share Merger Consideration under Section 2.4 (provided, that nothing contained herein shall limit such Dissenting Shareholder's rights to the payment of all declared and unpaid dividends); provided, however, that if a Dissenting Shareholder shall fail to properly demand payment (in accordance with the FBCA) in conjunction with such appraisal or shall become ineligible for such appraisal, then such Dissenting Shareholder's Dissenting Shares automatically shall cease to be Dissenting Shares and shall be converted into and represent only the right to receive from the Surviving Corporation, upon surrender of the certificate representing the Dissenting Shares, the Per Share Merger Consideration provided for in Section 2.4 and declared and unpaid dividends as provided in Section 2.9(b).

ARTICLE III

DISCLOSURE SCHEDULES; STANDARDS FOR REPRESENTATIONS AND WARRANTIES

3.1 Disclosure Schedules. Prior to the execution and delivery of this Agreement, CBT has delivered to TSFG, and TSFG has delivered to CBT, a schedule (in the case of CBT, the "CBT Disclosure Schedule," and in the case of TSFG, the "TSFG Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more of such party's representations or warranties contained in Article IV, in the case of CBT, or Article V, in the case of TSFG, or to one or more of such party's covenants contained in Article VI; provided, however, that notwithstanding anything in this Agreement to the contrary (a) no such item is required to be set forth in the Disclosure Schedule as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect under the standard established by Section 3.2, and (b) the mere inclusion of an item in a Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by a party that such item represents a material exception or material fact, event or circumstance or that such item has had or would have a Material Adverse Effect (as defined herein) with respect to either CBT or TSFG, respectively.

3.2 Standards. No representation or warranty of CBT contained in Article IV or of TSFG contained in Article V shall be deemed untrue or incorrect for any purpose under this Agreement, and no party hereto shall be deemed to have breached a representation or warranty for any purpose under this Agreement, in any case as a consequence of the existence or absence of any fact, circumstance or event unless such fact, circumstance or event, individually or when taken together with all other facts, circumstances or events inconsistent with any representations or warranties contained in Article IV, in the case of CBT, or Article V, in the case of TSFG, has had or would have a Material Adverse Effect with respect to CBT or TSFG, respectively.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Subject to Article III, CBT hereby represents and warrants to TSFG as follows:

4.1 Corporate Organization. (a) CBT is a corporation and a state-chartered non-member commercial bank duly organized, validly existing and in good standing under the laws of the State of Florida. CBT has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary. The Articles of Incorporation and Bylaws of CBT, copies of which have previously been made available to TSFG, are true and correct copies of such documents as in effect as of the date hereof. The deposit accounts of CBT are insured by the FDIC through the Savings Association Insurance Fund or the Bank Insurance Fund to the fullest extent permitted by law, and all premiums and assessments required to be paid in connection therewith have been paid when due. CBT has no, and since December 31, 1997 CBT has not had, any Subsidiaries. CBT neither owns nor controls, directly or indirectly 5% or more of the outstanding equity securities, either directly or indirectly, of any Person.

(b) The minute books of CBT contain true and correct records of all meetings and other corporate actions held or taken since December 31, 1999 of its stockholders and Board of Directors (including committees of the Board of Directors).

4.2 Capitalization. (a) The authorized capital stock of CBT consists of 800,000 shares of common stock, par value \$5.00 per share. As of the date hereof, there are 329,118 shares of CBT Common Stock issued and outstanding and no shares of CBT Common Stock held by CBT as treasury stock. As of the date hereof, there were no shares of CBT Common Stock reserved for issuance for any reason or purpose. All of the issued and outstanding shares of CBT Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. CBT does not have and is not bound by any outstanding Rights calling for the purchase or issuance of any shares of CBT Common Stock or any other equity security of CBT or any securities representing the right to purchase or otherwise receive any shares of CBT Common Stock or any other equity security of CBT. On the date hereof, CBT has fewer than 300 shareholders of record.

4.3 Authority. CBT has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved by the Board of Directors of CBT. The Board of Directors of CBT has directed that this Agreement and the transactions contemplated hereby be submitted to CBT's stockholders for approval at a meeting of such stockholders and, except for the adoption of this Agreement by the requisite vote of CBT's stockholders, no other corporate proceedings on the part of CBT are necessary to approve this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by CBT and (assuming due authorization, execution and delivery by TSFG) this Agreement constitutes a valid and binding obligation of CBT, enforceable against CBT in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally.

4.4 Consents and Approvals. Except for (a) the filing with the SEC of the S-4, including the proxy statement/prospectus therein relating to the meeting of CBT's stockholders to be held in connection with the transactions contemplated herein (the "Proxy Statement/Prospectus") and the SEC's declaration of the effectiveness of the S-4, (b) the approval of this Agreement by the requisite vote of the stockholders of CBT, (c) the filing of applications and notices, as applicable, with the Federal Reserve Board under the BHC Act and with the FDIC under the Bank Merger Act, Federal Deposit Insurance Act and the rules and regulations of the FDIC, and approval of such applications and notices, (d) the filing of such applications, filings, authorizations, orders and approvals as may be required under applicable state law (the "State Banking Approvals") and (e) any consents or approvals listed in Section 4.4 of the CBT Disclosure Schedule, no consents or approvals of or filings or registrations with any Governmental Entity or with any third party are required to be made by CBT in connection with (1) the execution and delivery by CBT of this Agreement and (2) the consummation by CBT of the Merger and the other transactions contemplated hereby. CBT is not a reporting company under Section 13 or 15(d) of the Exchange Act.

4.5 No Violations. Except as may be set forth in Section 4.5 of the CBT Disclosure Schedule, neither the execution and delivery of this Agreement by CBT, nor the consummation by CBT of the transactions contemplated hereby, nor compliance by CBT with any of the terms or provisions hereof, will (i) violate any provision of the Articles of Incorporation or Bylaws of CBT, or (ii) assuming that the consents and approvals referred to in Section 4.4 hereof are duly obtained, (x) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to CBT or any of its properties or assets, or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any lien, pledge, security interest, charge or other encumbrance upon any of the properties or assets of CBT under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which CBT is a party, or by which it or its properties or assets may be bound or affected.

4.6 Regulatory Reports. CBT has timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that it was required to file since December 31, 1999 with the Regulatory Agencies and has paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency in the regular course of the business of CBT, no Regulatory Agency has initiated any proceeding or, to the knowledge of CBT, investigation into the business or operations of CBT since December 31, 1999. There is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations of CBT.

4.7 Financial Statements. CBT has previously made available to TSFG (1) copies of the balance sheets of CBT as of December 31 for the fiscal years 2000 and 2001, and the related statements of earnings, stockholders' equity and cash flows for the fiscal years 1999 through 2001, inclusive, accompanied by the audit report of Saltmarsh, Cleaveland & Gund, P.A., independent public accountants with respect to CBT, and (2) copies of unaudited balance sheets and the related statements of earnings, stockholders' equity and cash flows of CBT at and for the quarters ended March 31, 2002 and June 30, 2002, and will make available on or before November 14, 2002 copies of unaudited balance sheets and the related statements of earnings, stockholders' equity and cash flows of CBT at and for the quarter ended September 30, 2002 (collectively, the "CBT Financial Statements"). Subject, in the case of the unaudited statements, to recurring audit adjustments normal in nature and amount, the CBT Financial Statements fairly present the financial position of CBT as of the dates indicated therein, and when included in the Proxy Statement/Prospectus will fairly present the results of the operations and financial position of CBT for the respective fiscal periods or as of the respective dates therein set forth. Each of the CBT Financial Statements (including the related notes, where applicable) complies, and CBT's Financial Statements to be included in the Proxy Statement/Prospectus after the date hereof will comply, with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto; and each of such statements (including the related notes, where applicable) has been, and CBT's Financial Statements to be included in the Proxy Statement/Prospectus will be, prepared in accordance with GAAP, except as indicated in the notes thereto or, in the case of unaudited statements, as permitted by the SEC. The books and records of CBT have been, and are being, maintained in accordance with GAAP and any other applicable legal and accounting requirements.

4.8 Broker's Fees. Neither CBT nor any of its officers or directors has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with any of the transactions contemplated by this Agreement, except that CBT has engaged, and will pay a fee or commission to, Alex Sheshunoff & Co. ("Sheshunoff") in accordance with the terms of a letter agreement between Sheshunoff and CBT, a true and correct copy of which has been previously made available by CBT to TSFG.

4.9 Absence of Certain Changes or Events. (a) Except as may be set forth in Section 4.9(a) of the CBT Disclosure Schedule, since December 31, 2001 there has been no change or development or combination of changes or developments which, individually or in the aggregate, has had a Material Adverse Effect on CBT.

(b) Except as may be set forth in Section 4.9(b) of the CBT Disclosure Schedule, since December 31, 2001 CBT has carried on its businesses in the ordinary course consistent with its past practices.

(c) Except as may be set forth in Section 4.9(c) of the CBT Disclosure Schedule, since December 31, 2001 CBT has not (i) increased the wages, salaries, compensation, pension, or other fringe benefits or perquisites payable to any executive officer, employee, or director from the amount thereof in effect as of December 31, 2001, granted any severance or termination pay, entered into any contract to make or grant any severance or termination pay, or paid any bonus (except for salary increases and bonus payments made in the ordinary course of business consistent with past practices), (ii) suffered any strike, work stoppage, slow-down, or other labor disturbance, (iii) been a party to a collective bargaining agreement, contract or other agreement or understanding with a labor union or organization, or (iv) had any union organizing activities.

4.10 Legal Proceedings. (a) Except as may be set forth in Section 4.10(a) of the CBT Disclosure Schedule, CBT is not a party to any, and there are no pending or, to CBT's knowledge, threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against CBT or challenging the validity or propriety of the transactions contemplated by this Agreement.

(b) Except as may be set forth in Section 4.10(b) of the CBT Disclosure Schedule, there is no injunction, order, judgment or decree imposed upon CBT or its assets.

4.11 Taxes. Except as may be set forth in Section 4.11(a) of the CBT Disclosure Schedule, CBT has (i) duly and timely filed (including applicable extensions granted without penalty) all material Tax Returns (as hereinafter defined) required to be filed at or prior to the date hereof, and all such Tax Returns are true and correct, and (ii) paid in full or made adequate provision in the financial statements of CBT (in accordance with GAAP) for all material Taxes (as hereinafter defined) shown to be due on such Tax Returns. Except as set forth in Section 4.11(a) of the CBT Disclosure Schedule, (i) as of the date hereof CBT has not requested any extension of time within which to file any Tax Returns in respect of any fiscal year which have not since been filed and no request for waivers of the time to assess any Taxes are pending or outstanding, and (ii) as of the date hereof, with respect to each taxable period of CBT, the federal and state income Tax Returns of CBT have not been audited by the IRS or appropriate state tax authorities.

4.12 Employees. (a) Section 4.12(a) of the CBT Disclosure Schedule sets forth a true and correct list of each deferred compensation plan, incentive compensation plan, equity compensation plan, "welfare" plan, fund or program (within the meaning of section 3(1) of ERISA; "pension" plan, fund or program (within the meaning of section 3(2) of ERISA); each employment, termination or severance agreement; and each other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by CBT, any of its Subsidiaries or by any trade or business, whether or not incorporated (an "ERISA Affiliate"), all of which together with CBT would be deemed a "single employer" within the meaning of Section 4001 of ERISA, for the benefit of any employee or former employee of CBT, any Subsidiary or any ERISA Affiliate (the "Plans").

(b) CBT has heretofore made available to TSFG with respect to each of the Plans true and correct copies of each of the following documents, if applicable: (i) the Plan document; (ii) the actuarial report for such Plan for each of the last two years, (iii) the most recent determination letter from the IRS for such Plan and (iv) the most recent summary plan description and related summaries of material modifications.

(c) Except as may be set forth in Section 4.12(c) of the CBT Disclosure Schedule: each of the Plans is in compliance with the applicable provisions of the Code and ERISA; each of the Plans intended to be "qualified" within the meaning of section 401(a) of the Code has received a favorable determination letter from the IRS; no Plan has an accumulated or waived funding deficiency within the meaning of section 412 of the Code; neither CBT nor any ERISA Affiliate has incurred, directly or indirectly, any liability to or on account of a Plan pursuant to Title IV of ERISA (other than PBGC premiums); to the knowledge of CBT no proceedings have been instituted to terminate any Plan that is subject to Title IV of ERISA; no "reportable event," as such term is defined in section 4043(c) of ERISA, has occurred with respect to any Plan (other than a reportable event with respect to which the thirty day notice period has been waived); and no condition exists that presents a material risk to CBT of incurring a liability to or on account of a Plan pursuant to Title IV of ERISA; no Plan is a multiemployer plan within the meaning of section 4001(a)(3) of ERISA and no Plan is a multiple employer plan as defined in Section 413 of the Code; and there are no pending, or to the knowledge of CBT, threatened or anticipated claims (other than routine claims for benefits) by, on behalf of or against any of the Plans or any trusts related thereto.

4.13 CBT Information. The information relating to CBT which is provided to TSFG by CBT for inclusion in the registration statement on Form S-4 (the "S-4") in which the Proxy Statement/Prospectus will be included as a prospectus, or in any other document filed with any other regulatory agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The Proxy

Statement/Prospectus (to the extent it relates to CBT) will comply with the provisions of the Exchange Act and the rules and regulations thereunder.

4.14 Compliance with Applicable Law. CBT holds, and has at all times held, all licenses, franchises, permits and authorizations necessary for the lawful conduct of its businesses under and pursuant to all, and has complied with and is not in default in any respect under any, applicable law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity relating to CBT, and CBT has not received notice of any violations of any of the above.

4.15 Certain Contracts. (a) Except as set forth in Section 4.15(a) of the CBT Disclosure Schedule, CBT is not a party to or bound by any contract (whether written or oral) (i) with respect to the employment of any directors, officers, employees or consultants, (ii) which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from TSFG, CBT, the Surviving Corporation or any of their respective Subsidiaries to any officer, director, employee or consultant of CBT, (iii) which is a material contract (as defined in Item 601(b)(10) of Regulation S-K of the SEC) to be performed after the date hereof, (iv) which is a consulting agreement (including data processing, software programming and licensing contracts) not terminable on 90 days or less notice involving the payment of more than \$50,000 per annum, or (v) which materially restricts the conduct of any line of business by CBT. Each contract, arrangement, commitment or understanding of the type described in this Section 4.15(a), whether or not set forth in Section 4.15(a) of the CBT Disclosure Schedule, is referred to herein as a "CBT Contract". CBT has previously delivered or made available to TSFG true and correct copies of each contract, arrangement, commitment or understanding of the type described in this Section 4.15(a).

(b) Except as set forth in Section 4.15(b) of the CBT Disclosure Schedule, (i) each CBT Contract is valid and binding and in full force and effect, (ii) CBT has performed all obligations required to be performed by it to date under each CBT Contract, (iii) no event or condition exists which constitutes or, after notice or lapse of time or both, would constitute, a default on the part of CBT under any CBT Contract, and (iv) no other party to any CBT Contract is, to the knowledge of CBT, in default in any respect thereunder.

4.16 Agreements with Regulatory Agencies. Except as may be set forth in Section 4.16 of the CBT Disclosure Schedule, CBT is not subject to any cease-and-desist or other order issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or is a recipient of any extraordinary supervisory letter from, or has adopted any board resolutions at the request of (each, whether or not set forth on Section 4.16 of the CBT Disclosure Schedule, a "Regulatory Agreement"), any Regulatory Agency that restricts the conduct of its business or that in any manner relates to its capital adequacy, its credit policies, its management or its business, nor has CBT been advised by any Regulatory Agency that it is considering issuing or requesting any Regulatory Agreement.

4.17 Environmental Matters. Except as may be set forth in Section 4.17 of the CBT Disclosure Schedule:

(a) CBT and, to the knowledge of CBT, each of the Participation Facilities and the Loan Properties, are in compliance with all Environmental Laws.

(b) There is no suit, claim, action or proceeding, pending or, to the knowledge of CBT, threatened, before any Governmental Entity or other forum in which CBT, any Participation Facility or any Loan Property, has been or, with respect to threatened proceedings, may be, named as a defendant (x) for alleged noncompliance (including by any predecessor) with any Environmental Laws, or (y) relating to the release, threatened release or exposure to any Hazardous Material whether or not occurring at or on a site owned, leased or operated by CBT, any Participation Facility or any Loan Property.

(c) To the knowledge of CBT, during the period of (x) CBT's ownership or operation of any of its current or former properties, (y) CBT's participation in the management of any Participation Facility, or (z) CBT's interest in a Loan Property, there has been no release of Hazardous Materials in, on, under or affecting

any such property. To the knowledge of CBT, prior to the period of (x) CBT's ownership or operation of any of its current or former properties, (y) CBT's participation in the management of any Participation Facility, or (z) CBT's interest in a Loan Property, there was no release of Hazardous Materials in, on, under or affecting any such property, Participation Facility or Loan Property.

4.18 Opinion. Prior to the execution of this Agreement, CBT has received an opinion from Sheshunoff to the effect that as of the date thereof and based upon and subject to the matters set forth therein, the Merger Consideration to be received by the stockholders of CBT is fair to such stockholders from a financial point of view. Such opinion has not been amended or rescinded as of the date hereof.

4.19 Approvals. As of the date hereof, CBT knows of no reason why all regulatory approvals required for the consummation of the transactions contemplated hereby (including, without limitation, the Merger) should not be obtained.

4.20 Loan Portfolio. (a) Except as may be set forth in Section 4.20 of the CBT Disclosure Schedule, CBT is not a party to any written or oral (i) loan agreement, note or borrowing arrangement (including, without limitation, leases, credit enhancements, commitments, guarantees or interest-bearing assets) (collectively, "Loans"), other than Loans the unpaid principal balance of which does not exceed \$250,000, under the terms of which the obligor was, as of August 31, 2002, over 90 days delinquent in payment of principal or interest or in default of any other provision, or (ii) Loan with any director, executive officer or 5% or greater stockholder of CBT, or to the knowledge of CBT, any person, corporation or enterprise controlling, controlled by or under common control with any of the foregoing. Section 4.20 of the CBT Disclosure Schedule sets forth (i) all of the Loans of CBT that as of August 31, 2002, were classified by any bank examiner (whether regulatory or internal) as "Other Loans Specially Mentioned", "Special Mention", "Substandard", "Doubtful", "Loss", "Classified", "Criticized", "Credit Risk Assets", "Concerned Loans", "Watch List" or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the identity of the borrower thereunder, and (ii) each asset of CBT that as of August 31, 2002, was classified as "Other Real Estate Owned" and the book value thereof.

(b) Each Loan in original principal amount in excess of \$250,000 (i) is evidenced by notes, agreements or other evidences of indebtedness which are true, genuine and what they purport to be, (ii) to the extent secured, has been secured by valid liens and security interests which have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

4.21 Property. Except as set forth in Section 4.21 of the CBT Disclosure Schedule, CBT has good and marketable title free and clear of all liens, encumbrances, mortgages, pledges, charges, defaults or equitable interests to all of the properties and assets, real and personal, tangible or intangible, which are reflected on the consolidated balance sheet of CBT as of December 31, 2001 or acquired after such date, except (i) liens for taxes not yet due and payable or contested in good faith by appropriate proceedings, (ii) pledges to secure deposits and other liens incurred in the ordinary course of business, (iii) such imperfections of title, easements and encumbrances, if any, as do not interfere with the use of the respective property as such property is used on the date hereof, (iv) for dispositions of or encumbrances on such properties or assets in the ordinary course of business or (v) mechanics', materialmen's, workmen's, repairmen's, warehousemen's, carrier's and other similar liens and encumbrances arising in the ordinary course of business. All leases pursuant to which CBT, as lessee, leases real or personal property are valid and enforceable in accordance with their respective terms and CBT is not, nor, to the knowledge of CBT, is any other party thereto, in default thereunder.

4.22 Reorganization. As of the date hereof, CBT has no reason to believe that the Merger will fail to qualify as a reorganization under Section 368(a) of the Code.

4.23 State Takeover Laws and Charter Provisions. Assuming the accuracy of the representations and warranties of TSFG set forth in Section 5.15 hereof, CBT has taken all necessary action to exempt the transactions contemplated by this Agreement from any restrictive provision of (i) any applicable moratorium, control share, fair price, business combination, or other anti-takeover laws and regulations (including, without limitation, Sections 607.0901 and 607.0902 of the FBCA), or (ii) the Articles of Incorporation or Bylaws of CBT.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF TSFG

Subject to Article III, TSFG hereby represents and warrants to CBT as follows:

5.1 Corporate Organization. (a) TSFG is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina. TSFG has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary. TSFG is duly registered as a bank holding company under the BHC Act. The Articles of Incorporation and Bylaws of TSFG, copies of which have previously been made available to CBT, are true and correct copies of such documents as in effect as of the date hereof.

(b) Each Subsidiary of TSFG is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization. Each Subsidiary of TSFG has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted, and is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary. The deposit accounts of each Subsidiary of TSFG that is a bank are insured by the FDIC through the Bank Insurance Fund or the Savings Association Insurance Fund to the fullest extent permitted by law, and all premiums and assessments required in connection therewith have been paid when due.

(c) The minute books of TSFG contain true and correct records of all meetings and other corporate actions held or taken since December 31, 1999 of its stockholders and Board of Directors (including committees of its Board of Directors).

5.2 Capitalization. (a) The authorized capital stock of TSFG consists of 100,000,000 shares of TSFG Common Stock and 10,000,000 shares of preferred stock, no par value per share ("TSFG Preferred Stock"). As of the date hereof, there were approximately 43,582,638 shares of TSFG Common Stock and no shares of TSFG Preferred Stock issued and outstanding, and no shares of TSFG Common Stock held in TSFG's treasury. All of the issued and outstanding shares of TSFG Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. The shares of TSFG Common Stock to be issued pursuant to the Merger will be duly authorized and validly issued and, at the Effective Time, all such shares will be fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof.

5.3 Authority: No Violation. (a) TSFG and Mercantile each has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved by the Board of Directors of TSFG, the Board of Directors of Mercantile and by TSFG, as the sole shareholder of Mercantile, and no other corporate proceedings on the part of TSFG or Mercantile are necessary to approve this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by TSFG and Mercantile and (assuming due authorization, execution and delivery by CBT) this Agreement constitutes a

valid and binding obligation of TSFG and Mercantile, enforceable against TSFG and Mercantile in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally.

(b) Neither the execution and delivery of this Agreement by TSFG and Mercantile, nor the consummation by TSFG and Mercantile of the transactions contemplated hereby, nor compliance by TSFG and Mercantile with any of the terms or provisions hereof, will (i) violate any provision of the Articles of Incorporation or Bylaws of TSFG, or the articles of incorporation or bylaws or similar governing documents of any of its Subsidiaries or (ii) assuming that the consents and approvals referred to in Section 5.4 are duly obtained, (x) violate any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to TSFG or any of its Subsidiaries or any of their respective properties or assets, or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any lien, pledge, security interest, charge or other encumbrance upon any of the respective properties or assets of TSFG or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which TSFG or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound or affected.

5.4 Consents and Approvals. Except for (a) the filing of applications and notices, as applicable, with the Federal Reserve Board under the BHC Act, and approval of such applications and notices, (b) the filing with the SEC and declaration of effectiveness of the S-4, (c) the filing of the Articles of Merger with the Florida Secretary of State, (d) the filing of applications and notices, as applicable, with the FDIC under the Bank Merger Act, Federal Deposit Insurance Act and the rules and regulations of the FDIC, and approval of such applications and notices, (e) the State Banking Approvals, (f) such filings and approvals as are required to be made or obtained under the securities or "Blue Sky" laws of various states in connection with the issuance of the shares of TSFG Common Stock pursuant to this Agreement, and (g) approval of the listing of the TSFG Common Stock to be issued in the Merger on the NASDAQ/NMS, no consents or approvals of or filings or registrations with any Governmental Entity or with any third party are required to be made by TSFG or Mercantile in connection with (1) the execution and delivery by TSFG and Mercantile of this Agreement and (2) the consummation by TSFG and Mercantile of the Merger and the other transactions contemplated hereby.

5.5 SEC Reports. TSFG has previously made available to CBT a true and correct copy of each (a) final registration statement, prospectus, report, schedule and definitive proxy statement filed since December 31, 1999 by TSFG with the SEC pursuant to the Securities Act or the Exchange Act (the "TSFG Reports") and (b) communication mailed by TSFG to its shareholders since December 31, 1999, and no such TSFG Report (when filed and at their respective effective time, if applicable) or communication (when mailed) contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information as of a later date shall be deemed to modify information as of an earlier date. TSFG has timely filed all TSFG Reports and other documents required to be filed by it under the Securities Act and the Exchange Act since December 31, 1999, and each such TSFG Report and other documents complied in all material respects with the rules and regulations applicable thereto when filed.

5.6 Regulatory Reports. TSFG has timely filed all reports, registrations and statements, together with any amendments required to be made with respect thereto, that it was required to file since December 31, 1999 with the Regulatory Agencies and has paid all fees and assessments due and payable in connection therewith. Except for normal examinations conducted by a Regulatory Agency in the regular course of the business of TSFG, no Regulatory Agency has initiated any proceeding or, to the knowledge of TSFG, investigation into the business or operations of TSFG since December 31, 1999. There is no unresolved

violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations of TSFG.

5.7 Financial Statements. TSFG has previously made available to CBT (1) copies of the consolidated balance sheets of TSFG and its Subsidiaries as of December 31 for the fiscal years 2001 and 2000 and the related consolidated statements of income, changes in shareholders' equity and comprehensive income, and cash flows for the fiscal years 1999 through 2001, as reported in TSFG's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 filed with the SEC under the Exchange Act, accompanied by the audit report of KPMG LLP, independent public accountants with respect to TSFG, and (2) copies of unaudited consolidated balance sheets and the related consolidated statements of earnings, stockholders' equity and cash flows of TSFG at and for the quarters ended March 31, 2002 and June 30, 2002, as reported in TSFG's Quarterly Reports on Form 10-Q for such quarters filed with the SEC under the Exchange Act, and will make available on or before November 14, 2002 copies of unaudited consolidated balance sheets and the related consolidated statements of earnings, stockholders' equity and cash flows of TSFG at and for the quarter ended September 30, 2002 (collectively, the "TSFG Financial Statements"). Subject, in the case of the unaudited statements, to recurring audit adjustments normal in nature and amount, the TSFG Financial Statements fairly present the financial position of TSFG as of the dates indicated therein, and when included in the Proxy Statement/Prospectus will fairly present the results of the operations and financial position of TSFG for the respective fiscal periods or as of the respective dates therein set forth. Each of the TSFG Financial Statements (including the related notes, where applicable) complies, and TSFG's Financial Statements to be included in the Proxy Statement/Prospectus after the date hereof will comply, with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto; and each of such statements (including the related notes, where applicable) has been, and TSFG's Financial Statements to be included in the Proxy Statement/Prospectus will be, prepared in accordance with GAAP, except as indicated in the notes thereto or, in the case of unaudited statements, as permitted by the SEC. The books and records of TSFG have been, and are being, maintained in accordance with GAAP and any other applicable legal and accounting requirements.

5.8 Broker's Fees. Except for fees payable in accordance with the terms of a letter agreement between Fox-Pitt Kelton Inc. and TSFG, a true and correct copy of which has been previously made available to CBT, neither TSFG nor any Subsidiary of TSFG, nor any of their respective officers or directors, has employed any broker or finder or incurred any liability for any broker's fees, commissions or finder's fees in connection with any of the transactions contemplated by this Agreement.

5.9 Absence of Certain Changes or Events. Except as disclosed in any TSFG Report (as defined in Section 5.5) filed with the SEC prior to the date hereof, since December 31, 2001, there has been no change or development or combination of changes or developments which, individually or in the aggregate, has had a Material Adverse Effect on TSFG.

5.10 Legal Proceedings. (a) Except as disclosed in any TSFG Report, neither TSFG nor any of its Subsidiaries is a party to any and there are no pending or, to TSFG's knowledge, threatened, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against TSFG or any of its Subsidiaries or challenging the validity or propriety of the transactions contemplated by this Agreement.

(b) There is no injunction, order, judgment or decree imposed upon TSFG, any of its Subsidiaries or the assets of TSFG or any of its Subsidiaries.

5.11 TSFG Information. The information relating to TSFG and its Subsidiaries to be contained in the Proxy Statement/Prospectus and the S-4, or in any other document filed with any other regulatory agency in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The Proxy Statement/Prospectus (except for such portions thereof that relate to CBT) will

comply with the provisions of the Exchange Act and the rules and regulations thereunder. The S-4 will comply with the provisions of the Securities Act and the rules and regulations thereunder.

5.12 Compliance with Applicable Law. TSFG and each of its Subsidiaries holds, and has at all times held, all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses under and pursuant to all, and have complied with and are not in default in any respect under any, applicable law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity relating to TSFG or any of its Subsidiaries and neither TSFG nor any of its Subsidiaries has received notice of any violations of any of the above.

5.13 Ownership of CBT Common Stock; Affiliates and Associates.

(a) Neither TSFG nor any of its affiliates or associates (as such terms are defined under the Exchange Act) (i) beneficially owns, directly or indirectly, or (ii) is a party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of CBT (other than Trust Account Shares); and

(b) Neither TSFG nor any of its Subsidiaries is a "Principal Shareholder" (as such term is defined in Article X of CBT's Articles of Incorporation), or an "interested shareholder" or an "associate" or "affiliate" of any "interested shareholder" (as such terms are defined in Section 607.0901 of the FBCA).

5.14 Approvals. As of the date hereof, TSFG knows of no reason why all regulatory approvals required for the consummation of the transactions contemplated hereby (including, without limitation, the Merger) should not be obtained.

5.15 Reorganization. As of the date hereof, TSFG has no reason to believe that the Merger will fail to qualify as a reorganization under Section 368(a) of the Code.

ARTICLE VI

COVENANTS RELATING TO CONDUCT OF BUSINESS

6.1 Covenants of CBT. During the period from the date hereof and continuing until the Effective Time, except as expressly contemplated or permitted by this Agreement or with the prior written consent of TSFG, CBT shall carry on its business in the ordinary course consistent with past practice. Without limiting the generality of the foregoing, and except as set forth in Section 6.1 of the CBT Disclosure Schedule or as otherwise contemplated by this Agreement or consented to in writing by TSFG, CBT shall not:

(a) except for regular quarterly dividends consistent with past practices, declare or pay any dividends on, or make other distributions in respect of, any of its capital stock;

(b) (i) repurchase, redeem or otherwise acquire (except for the acquisition of Trust Account Shares and DPC Shares) any shares of the capital stock of CBT, or any securities convertible into or exercisable for any shares of the capital stock of CBT, (ii) split, combine or reclassify any shares of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (iii) issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares, or enter into any agreement with respect to any of the foregoing;

(c) amend its Articles of Incorporation, Bylaws or other similar governing documents;

(d) make any capital expenditures other than those which (i) are made in the ordinary course of business or are necessary to maintain existing assets in good repair and (ii) in any event are in an amount of no more than \$50,000 in the aggregate;

(e) enter into any new line of business;

(f) acquire or agree to acquire, by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire any assets, other than in connection with foreclosures, settlements in lieu of foreclosure or troubled loan or debt restructurings in the ordinary course of business consistent with past practices;

(g) take any action that is intended or may reasonably be expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue, or in any of the conditions to the Merger set forth in Article VIII not being satisfied;

(h) change its methods of accounting in effect at December 31, 2001, except as required by changes in GAAP or regulatory accounting principles as concurred to by CBT's independent auditors;

(i) (i) except as required by applicable law, as set forth in Section 7.8, or as required to maintain qualification pursuant to the Code, adopt, amend, or terminate any employee benefit plan (including, without limitation, any Plan) or any agreement, arrangement, plan or policy between CBT or one or more of its current or former directors, officers or employees or any "affiliate" of any such person (as such term is used in Rule 12b-2 under the Exchange Act), or (ii) except for normal increases in the ordinary course of business consistent with past practice or except as required by applicable law, increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any Plan or agreement as in effect as of the date hereof (including, without limitation, the granting of any stock options, stock appreciation rights, restricted stock, restricted stock units or performance units or shares).

(j) other than activities in the ordinary course of business consistent with past practice, sell, lease, encumber, assign or otherwise dispose of, or agree to sell, lease, encumber, assign or otherwise dispose of, any of its material assets, properties or other rights or agreements;

(k) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity;

(l) file any application to relocate or terminate the operations of any of its banking offices;

(m) create, renew, amend or terminate or give notice of a proposed renewal, amendment or termination of, any contract, agreement or lease for goods, services or office space, involving payments thereunder by CBT in excess of \$50,000 per year, to which CBT is a party or by which CBT or its properties is bound, other than the renewal in the ordinary course of business of any lease the term of which expires prior to the Closing Date;

(n) take or cause to be taken any action which would or could reasonably be expected to prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code; or

(o) agree to do any of the foregoing.

6.2 Covenants of TSFG. Except as otherwise contemplated by this Agreement or consented to in writing by CBT, TSFG shall not, and shall not permit any of its Subsidiaries to:

(a) solely in the case of TSFG, declare or pay any dividends on or make any other distributions in respect of any of its capital stock other than its current quarterly dividends; provided, however, that nothing contained herein shall prohibit TSFG from increasing the quarterly cash dividend on the TSFG Common Stock in a manner consistent with past practice;

(b) take any action that is intended or may reasonably be expected to result in any of its representations and warranties set forth in this Agreement being or becoming untrue, or in any of the conditions to the Merger set forth in Article VIII not being satisfied;

(c) take any action or enter into any agreement that could reasonably be expected to jeopardize or materially delay the receipt of any Requisite Regulatory Approval (as defined in Section 8.1(c));

(d) take or cause to be taken any action which would or could reasonably be expected to prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code; or

(e) agree to do any of the foregoing.

ARTICLE VII

ADDITIONAL AGREEMENTS

7.1 Regulatory Matters. TSFG, with the cooperation of CBT, shall promptly prepare and file with the SEC the S-4. Each of CBT and TSFG shall use its reasonable best efforts to have the S-4 declared effective under the Securities Act as promptly as practicable after such filing, and CBT shall thereafter mail the Proxy Statement/Prospectus to its stockholders. TSFG shall also use its reasonable best efforts to obtain all necessary state securities law or "Blue Sky" permits and approvals required to carry out the transactions contemplated by this Agreement.

(b) The parties hereto shall cooperate with each other and use their reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities which are necessary or advisable to consummate the transactions contemplated by this Agreement (including without limitation the Merger). CBT and TSFG shall have the right to review in advance, and to the extent practicable each will consult the other on, in each case subject to applicable laws relating to the exchange of information, all the information relating to CBT or TSFG, as the case may be, and any of TSFG's Subsidiaries, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto shall act reasonably and as promptly as practicable. The parties hereto agree that they will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein.

(c) TSFG and CBT shall, upon request, furnish each other with all information concerning themselves, their Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with the Proxy Statement/Prospectus, the S-4 or any other statement, filing, notice or application made by or on behalf of TSFG, CBT or TSFG's Subsidiaries to any Governmental Entity in connection with the Merger and the other transactions contemplated by this Agreement.

(d) TSFG and CBT shall promptly furnish each other with copies of written communications received by TSFG or CBT, as the case may be, or any of their respective Affiliates or Associates (as such terms are defined in Rule 12b-2 under the Exchange Act as in effect on the date hereof) from, or delivered by any of the foregoing to, any Governmental Entity in respect of the transactions contemplated hereby.

7.2 Access to Information. (a) CBT and TSFG will each keep the other advised of all material developments relevant to their respective businesses, and to the consummation of the Merger, and each shall provide to the other, upon request, reasonable details of any such development. Upon reasonable notice, each party shall afford to representatives of the other party reasonable access, during normal business hours during the period prior to the Effective Time, to all of their respective properties, books, contracts, commitments and records, and during such period, shall make available all information concerning their respective businesses as may be reasonably requested (except that the parties shall take into account in determining the reasonableness of due diligence requests, the fact that TSFG is a public company which is substantially larger than CBT, and that TSFG is issuing shares to CBT shareholders as compared to selling its business). The other provisions of this Section notwithstanding, neither party nor any of its Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize any attorney-client privilege or contravene any law (including without limitation laws regarding exchange of information), rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date hereof.

(b) All non-public information furnished to TSFG or CBT by the other party hereto pursuant to Section 7.2(a) (other than (i) information already in the receiving party's possession, or (ii) information that is or becomes generally available to the public other than as a result of a disclosure by the receiving party or any of its directors, officers, employees, agents or advisors, or (iii) information that becomes available to the

receiving party on a non-confidential basis from a source other than the disclosing party or its advisors, provided that such source is not known by the receiving party after due inquiry to be bound by a confidentiality agreement with or other obligation of secrecy to the disclosing party) shall be kept confidential, and the parties shall maintain, and shall cause each of their respective directors, officers, attorneys and advisors to maintain, the confidentiality of all information obtained hereunder which is not otherwise publicly disclosed by the other party, said undertakings with respect to confidentiality to survive any termination of this Agreement. In the event of the termination of this Agreement, each party shall return to the other party upon request all confidential information previously furnished in connection with the transactions contemplated by this Agreement.

(c) No investigation by either of the parties or their respective representatives shall affect the representations, warranties, covenants or agreements of the other set forth herein.

7.3 Certain Actions. (a) Except with respect to this Agreement and the transactions contemplated hereby, neither CBT nor any of its directors, officers, agents, affiliates (as such term is used in Rule 12b-2 under the Exchange Act) or representatives (collectively, "Representatives") shall, directly or indirectly, initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries with respect to or the making of any Acquisition Proposal.

(b) Notwithstanding anything herein to the contrary, CBT and its Board of Directors and Representatives shall be permitted (i) to comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal, (ii) to engage in any discussions or negotiations with, or provide any information to, any person in response to an unsolicited bona fide written Acquisition Proposal by any such person, if and only to the extent that (a) CBT's Board of Directors concludes in good faith and consistent with its fiduciary duties to CBT's stockholders under applicable law that such Acquisition Proposal would reasonably be expected to result in a Superior Proposal, (b) prior to providing any information or data to any person in connection with an Acquisition Proposal by any such person, CBT's Board of Directors receives from such person an executed confidentiality agreement containing terms at least as stringent as those contained in the Confidentiality Agreement between CBT and TSFG, dated _____, 2002, and (c) prior to providing any information or data to any person or entering into discussions or negotiations with any person, CBT's Board of Directors notifies TSFG promptly of such inquiries, proposals, or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, any of its Representatives indicating, in connection with such notice, the name of such person and the material terms and conditions of any inquiries, proposals or offers.

(c) CBT agrees that it will, and will cause its Representatives to, immediately cease and cause to be terminated any activities, discussions, or negotiations existing as of the date hereof with any parties conducted heretofore with respect to any Acquisition Proposal.

7.4 Stockholder Meeting. CBT shall take all steps necessary to duly call, give notice of, convene and hold a meeting of its stockholders to be held as soon as is reasonably practicable after the date on which the S-4 becomes effective for the purpose of voting upon the approval of this Agreement and the consummation of the transactions contemplated hereby. CBT shall, through its Board of Directors, subject to the fiduciary duties of such board, recommend to its stockholders approval of this Agreement and the transactions contemplated hereby and such other matters as may be submitted to its stockholders in connection with this Agreement.

7.5 Legal Conditions to Merger. Each of TSFG and CBT shall, and shall cause its Subsidiaries to, use their reasonable best efforts (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements which may be imposed on such party or its Subsidiaries with respect to the Merger and, subject to the conditions set forth in Article VIII hereof, to consummate the transactions contemplated by this Agreement and (b) to obtain (and to cooperate with the other party to obtain) any consent, authorization, order or approval of, or any exemption by, any Governmental Entity and any other third party which is required to be obtained by CBT or TSFG or Mercantile in connection with the

Merger and the other transactions contemplated by this Agreement, and to comply with the terms and conditions of such consent, authorization, order or approval.

7.6 Affiliates. CBT shall use its reasonable best efforts to cause each director, executive officer and other person who is an "affiliate" (for purposes of Rule 145 under the Securities Act) of CBT to deliver to TSFG, as soon as practicable after the date hereof, a written agreement, in the form of Schedule 7.6 hereto.

7.7 Nasdaq Listing. TSFG shall use its reasonable best efforts to cause the shares of TSFG Common Stock to be issued in the Merger to be approved for listing on the NASDAQ/NMS as of the Effective Time.

7.8 Employee Benefit Plans; Existing Agreements. (a) As of the Effective Time, the employees of CBT shall be eligible to participate in employee benefit plans and severance plans of TSFG or its Subsidiaries in which similarly situated employees of TSFG or its Subsidiaries participate, to the same extent that similarly situated employees of TSFG or its Subsidiaries participate (it being understood that inclusion of CBT's employees in TSFG's employee benefit plans may occur at different times with respect to different plans).

(b) With respect to each TSFG Plan for which length of service is taken into account for any purpose (including TSFG's severance plan), service with CBT (or predecessor employers to the extent CBT provides past service credit) shall be treated as service with TSFG for purposes of determining eligibility to participate, vesting, and entitlement to benefits, including for severance benefits and vacation entitlement (but not for accrual of defined benefit pension benefits); provided however, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations. Each TSFG Plan shall waive pre-existing condition limitations to the same extent waived under the applicable CBT Plan. CBT's employees shall be given credit for amounts paid under a corresponding benefit plan during the same period for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the TSFG Plan.

(c) As of the Effective Time, TSFG shall assume and honor and shall cause the appropriate Subsidiaries of TSFG to assume and to honor in accordance with their terms all written agreements listed in Section 4.9(c) and 4.12(a) of the CBT Disclosure Schedule (the "Benefit Agreements"). TSFG acknowledges and agrees that the Merger will constitute a merger, sale or a change in control of CBT for all purposes under such agreements. The provisions of this Section 7.8(c) are intended to be for the benefit of, and shall be enforceable by, each director, officer or employee that is a party to any Benefit Agreement.

(d) TSFG and CBT agree that, prior to the Effective Time, CBT may adopt a severance plan (the "Severance Plan"), substantially as provided in Section 7.8(d) of the CBT Disclosure Schedule. Notwithstanding any other provision of this Agreement, any Plan or otherwise, TSFG agrees to maintain the Severance Plan in full force and effect, without amendment or modification for a period of not less than one year following the Closing Date.

7.9 Indemnification of CBT Directors and Officers. TSFG or a TSFG Subsidiary shall provide and keep in force for a period of three years after the Effective Time directors' and officers' liability insurance providing coverage to directors and officers of CBT for acts or omissions occurring prior to the Effective Time. Such insurance shall provide at least the same coverage and amounts as contained in CBT's policy on the date hereof; provided, that in no event shall the annual premium on such policy exceed 200% of the annual premium payments on CBT's policy in effect as of August 31, 2002 (the "Maximum Amount"). If the amount of the premiums necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, TSFG shall use its reasonable efforts to maintain the most advantageous policies of directors' and officers' liability insurance obtainable for a premium equal to the Maximum Amount and CBT shall cooperate with TSFG in such efforts in all reasonable respects. Notwithstanding the foregoing, TSFG further agrees to indemnify all individuals who are or have been officers, directors or employees of CBT prior to the Effective Time from any acts or omissions in such capacities prior to the Effective Time, including any liabilities arising

out of the transactions that are subject to this Agreement, to the fullest extent permitted by Florida law. It shall be a condition to the consummation of any acquisition of TSFG that the acquiring party assume the obligations under this Section 7 (and by consummation of such acquisition will be deemed to have so assumed these obligations). Notwithstanding the foregoing, this Section 7 shall not be construed to require indemnification of any party to this Agreement by any other party to this Agreement with respect to any litigation or actual or alleged claims arising between such parties and relating to the transactions contemplated herein.

7.10 Additional Agreements. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Merger, the proper officers and directors of each party to this Agreement shall take all such necessary action as may be reasonably requested by TSFG or CBT.

7.11 Appointment of Directors. Effective as of the Effective Time, Mercantile shall cause its Board of Directors to be expanded by one member, and shall appoint a current non-employee director of CBT designated by Anthony V. Ferlita (the "CBT Director") to fill the vacancy on Mercantile's Board of Directors created by such increase. Mercantile shall continue to nominate such CBT Director (or if such CBT Director becomes unable or unwilling to serve, another current non-employee director of CBT designated by Anthony V. Ferlita) for election to the Mercantile Board of Directors until at least the annual meeting of shareholders held in 2006.

7.12 Advisory Board. At the Effective Time, Mercantile shall cause each individual who is currently serving as a director of CBT (other than the CBT Director), if such persons are willing to so serve, to be elected or appointed as members of Mercantile's Tampa Bay/St. Petersburg advisory board, the function of which is to advise TSFG with respect to deposit and lending activities in CBT's former market area and to maintain and develop customer relationships. The members of the advisory board who are willing to so serve initially shall be elected or appointed for a term of one year. Mercantile agrees annually to re-appoint each of these individuals to two successive one-year terms following the initial one-year term; provided, however, that Mercantile shall have no obligation to re-appoint any member if Mercantile reasonably determines that such member has a conflict of interest that compromises such member's ability to serve effectively as a member of the advisory board or any cause exists that otherwise would allow for removal of such person as a director of Mercantile if such person were a member of Mercantile's Board of Directors. Each member of the advisory Board shall receive a fee for such service consistent with Mercantile's compensation policy in effect from time to time with respect to its advisory boards.

7.13 Accounting Matters. CBT shall cooperate with TSFG concerning (i) accounting and financial matters necessary or appropriate to facilitate the Merger (taking into account TSFG's policies, practices and procedures), including, without limitation, issues arising in connection with record keeping, loan classification, valuation adjustments, levels of loan loss reserves and other accounting practices, and (ii) CBT's lending, investment or asset/liability management policies; provided, that any action taken pursuant to this Section 7.13 shall not be deemed to constitute or result in the breach of any representation or warranty of CBT contained in this Agreement.

7.14 Employment Agreements. At Closing, TSFG shall enter into employment and noncompetition agreements with Anthony V. Ferlita and Linda M. Hinze, substantially in the forms attached hereto as Exhibit A.

7.15 Tax Opinion. TSFG shall use its best reasonable efforts to obtain the tax opinion contemplated by Section 8.2(d).

ARTICLE VIII

CONDITIONS PRECEDENT

8.1 Conditions to Each Party's Obligation To Effect the Merger. The respective obligation of each party to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. This Agreement shall have been approved and adopted by the requisite vote of the holders of the outstanding shares of CBT Common Stock under applicable law.

(b) Listing of Shares. The shares of TSFG Common Stock which shall be issued to the stockholders of CBT upon consummation of the Merger shall have been authorized for listing on the NASDAQ/NMS.

(c) Other Approvals. All regulatory approvals required to consummate the transactions contemplated hereby (including the Merger) shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired (all such approvals and the expiration of all such waiting periods being referred to herein as the "Requisite Regulatory Approvals").

(d) S-4. The S-4 shall have become effective under the Securities Act and no stop order suspending the effectiveness of the S-4 shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC.

(e) No Injunctions or Restraints; Illegality. No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition (an "Injunction") preventing the consummation of the Merger shall be in effect. No statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits, restricts or makes illegal consummation of the Merger.

(f) Employment Agreements. TSFG shall have entered into employment and noncompetition agreements with Anthony V. Ferlita and Linda M. Hinze, substantially in the forms attached hereto as Exhibit A.

8.2 Conditions to Obligations of TSFG. The obligation of TSFG to effect the Merger is also subject to the satisfaction or waiver by TSFG at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. (i) Subject to Section 3.2, the representations and warranties of CBT set forth in this Agreement (other than those set forth in Section 4.2) shall be true and correct as of the date hereof and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date; and (ii) the representations and warranties of CBT set forth in Section 4.2 of this Agreement shall be true and correct in all material respects (without giving effect to Section 3.2 of this Agreement) as of the date hereof and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date. TSFG shall have received a certificate signed on behalf of CBT by the Chief Executive Officer or the Chief Financial Officer of CBT to the foregoing effect.

(b) Performance of Obligations of CBT. CBT shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and TSFG shall have received a certificate signed on behalf of CBT by the Chief Executive Officer or the Chief Financial Officer of CBT to such effect.

(c) No Pending Governmental Actions. No proceeding initiated by any Governmental Entity seeking an Injunction shall be pending.

(d) Federal Tax Opinion. TSFG shall have received an opinion from Wyche, Burgess, Freeman & Parham, P.A., counsel to TSFG ("TSFG's Counsel"), in form and substance reasonably satisfactory to TSFG, dated the Effective Time, substantially to the effect that on the basis of facts, representations and assumptions set forth in such opinion which are consistent with the state of facts existing at the Effective Time, the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, TSFG's Counsel may require and rely upon representations and covenants, including those contained in certificates of officers of TSFG, CBT and others, reasonably satisfactory in form and substance to such counsel.

8.3 Conditions to Obligations of CBT. The obligation of CBT to effect the Merger is also subject to the satisfaction or waiver by CBT at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. (i) Subject to Section 3.2, the representations and warranties of TSFG set forth in this Agreement (other than those set forth in Section 5.2) shall be true and correct as of the date hereof and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date; and (ii) the representations and warranties of TSFG set forth in Section 5.2 of this Agreement shall be true and correct in all material respects (without giving effect to Section 3.2 of this Agreement) as of the date hereof and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date. CBT shall have received a certificate signed on behalf of TSFG by the Chief Executive Officer or the Chief Financial Officer of TSFG to the foregoing effect.

(b) Performance of Obligations of TSFG. TSFG shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and CBT shall have received a certificate signed on behalf of TSFG by the Chief Executive Officer or the Chief Financial Officer of TSFG to such effect.

(c) No Pending Governmental Actions. No proceeding initiated by any Governmental Entity seeking an Injunction shall be pending.

(d) Federal Tax Opinion. CBT shall have received the federal tax opinion contemplated by Section 8.2(d).

ARTICLE IX

TERMINATION AND AMENDMENT

9.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the stockholders of CBT:

(a) by mutual consent of CBT and TSFG in a written instrument, if the Board of Directors of each so determines by a vote of a majority of the members of its entire Board;

(b) by either TSFG or CBT upon written notice to the other party (i) 30 days after the date on which any request or application for a Requisite Regulatory Approval shall have been denied or withdrawn at the request or recommendation of the Governmental Entity which must grant such Requisite Regulatory Approval, unless within the 30-day period following such denial or withdrawal a petition for rehearing or an amended application has been filed with the applicable Governmental Entity, provided, however, that no party shall have the right to terminate this Agreement pursuant to this Section 9.1(b)(i) if such denial or request or recommendation for withdrawal shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein or (ii) if any Governmental Entity of competent jurisdiction shall have issued a final nonappealable order enjoining or otherwise prohibiting the Merger;

(c) by either TSFG or CBT if the Merger shall not have been consummated on or before the later of (i) February 28, 2003, or (ii) if the S-4 is given a full review by the SEC, April 30, 2003, unless the failure of the Closing to occur by such date shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein;

(d) by either TSFG or CBT if the approval of the stockholders of CBT required for the consummation of the Merger shall not have been obtained by reason of the failure to obtain the required vote at a duly held meeting of such stockholders or at any adjournment or postponement thereof;

(e) by either TSFG or CBT (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a material breach of any of the representations or warranties set forth in this Agreement on the part of the other party, which breach is not cured within thirty days following written notice to the party committing

such breach, or which breach, by its nature, cannot be cured prior to the Closing; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 9.1(e) unless the breach of representation or warranty, together with all other such breaches, would entitle the party receiving such representation not to consummate the transactions contemplated hereby under Section 8.2(a) (in the case of a breach of representation or warranty by CBT) or Section 8.3(a) (in the case of a breach of representation or warranty by TSFG);

(f) by either TSFG or CBT (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a material breach of any of the covenants or agreements set forth in this Agreement on the part of the other party, which breach shall not have been cured within thirty days following receipt by the breaching party of written notice of such breach from the other party hereto, or which breach, by its nature, cannot be cured prior to the Closing; or

(g) by CBT, in the event that the Board of Directors of CBT determines in good faith, after consultation with outside counsel, that in light of a Superior Proposal it is necessary to terminate this Agreement in order to comply with its fiduciary duties to CBT and to CBT's shareholders under applicable law; provided, however, that the Board of Directors of CBT may terminate this Agreement pursuant to this Section 9.1(g) solely in order to concurrently enter into a letter of intent, agreement in principle or an acquisition agreement or other similar agreement (each, an "Acquisition Agreement") related to a Superior Proposal; provided further, however, that this Agreement may be terminated pursuant to this Section 9.1(g) only after the fifth day following TSFG's receipt of written notice advising TSFG that the Board of Directors of CBT is prepared to accept a Superior Proposal, and only if, during such five-day period, if TSFG so elects, CBT and its advisors shall have negotiated in good faith with TSFG to make such adjustments in the terms and conditions of this Agreement as would enable CBT to proceed with the transactions contemplated herein on such adjusted terms; or

(h) by CBT during the two business days following the determination of Fair Market Value, if the Fair Market Value of TSFG Common Stock (calculated without regard to the proviso in the definition of Fair Market Value) is less than \$15.00.

9.2 Effect of Termination.

(a) In the event of termination of this Agreement by either TSFG or CBT as provided in Section 9.1, this Agreement shall forthwith become void and have no effect except (i) Sections 7.2(b), 9.2 and 10.3 shall survive any termination of this Agreement and (ii) that, notwithstanding anything to the contrary contained in this Agreement, no party shall be relieved or released from any liabilities or damages arising out of its willful breach of any provision of this Agreement.

(b) If CBT terminates this Agreement pursuant to Section 9.1(g), CBT shall pay to TSFG a termination fee equal to \$500,000 (the "Termination Fee Amount") by wire transfer of same day funds on the date of termination.

(c) In the event that an Acquisition Proposal with respect to CBT shall have been made known to CBT and shall have been publicly announced or otherwise become public, or shall have been made to the shareholders of CBT, and thereafter (x) this Agreement is terminated by either TSFG or CBT pursuant to either (i) Section 9.1(c) hereof and prior to such termination the stockholders of CBT shall not have previously approved the Merger, or (ii) Section 9.1(d) hereof as a result of the failure of the stockholders of CBT to approve the Merger, and (y) within twelve months of such termination (A) CBT enters into any Acquisition Agreement providing for any transaction described in clause (i)(a) or clause (i)(b) of the definition of "Superior Proposal," other than any such transaction involving a merger, consolidation or similar transaction as to which the common stockholders of CBT immediately prior thereto own in the aggregate at least 51% of the common stock of the surviving or transferee corporation or its publicly-held parent corporation immediately following consummation thereof, or (B) any person shall acquire beneficial ownership of or the right to acquire 25% or more of the outstanding shares of CBT Common Stock, then upon the first occurrence of either of the events contemplated by clause (y) CBT shall pay TSFG a termination fee equal to the Termination Fee Amount by wire transfer of same day funds.

(d) CBT agrees that the agreements contained in Section 9.2(b) and 9.2(c) above are integral parts of the transactions contemplated by this Agreement and constitute liquidated damages and not a penalty.

9.3 Amendment. Subject to compliance with applicable law, this Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the stockholders of either CBT or TSFG; provided, however, that after any approval of the transactions contemplated by this Agreement by CBT's stockholders, there may not be, without further approval of such stockholders, any amendment of this Agreement which reduces the amount or changes the form of the consideration to be delivered to CBT stockholders hereunder other than as contemplated by this Agreement. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

9.4 Extension; Waiver. At any time prior to the Effective Time, each of the parties hereto, by action taken or authorized by its Board of Directors, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other party hereto, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions of the other party contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

ARTICLE X

GENERAL PROVISIONS

10.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place at 10:00 a.m. on the first day which is (a) the last business day of a month and (b) at least one business day after the satisfaction or waiver (subject to applicable law) of the latest to occur of the conditions set forth in Article VIII hereof (other than those conditions which relate to actions to be taken at the Closing) (the "Closing Date"), at TSFG's principal executive offices, unless another time, date or place is agreed to in writing by the parties hereto.

10.2 Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for those covenants and agreements contained herein and therein which by their terms apply in whole or in part after the Effective Time provided that no such representations, warranties or covenants shall be deemed to be terminated or extinguished so as to deprive TSFG or CBT (or any director, officer or controlling person thereof) of any defense at law or in equity which otherwise would be available against the claims of any person, including, without limitation, any shareholder or former shareholder of either TSFG or CBT.

10.3 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

10.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to TSFG, to:

The South Financial Group
104 S. Main St.
Greenville, SC 29602
Attention: William S. Hummers III, Executive Vice President

and

(b) if to CBT, to:

Central Bank of Tampa
2307 West Kennedy Blvd.
Tampa, FL 33609
Attention: Anthony V. Ferlita, President

with a copy to:

Joseph M. Ford
Bracewell & Patterson, LLP
111 Congress Avenue, Suite 2300
Austin TX 78701

10.5 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

10.6 Entire Agreement. This Agreement (including the documents and the instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

10.7 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina, without regard to any applicable conflicts of law, except to the extent that various matters under this Agreement are governed by Florida law.

10.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

10.9 Publicity. Except as expressly permitted by this Agreement or otherwise required by law or the rules of the Nasdaq Stock Market so long as this Agreement is in effect, neither TSFG nor CBT shall, or shall permit any of its Subsidiaries to, issue or cause the publication of any press release or other public announcement with respect to, or otherwise make any public statement concerning, the transactions contemplated by this Agreement without the consent of the other party, which consent shall not be unreasonably withheld.


10.10 Assignment; No Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective

successors and assigns. Except as otherwise expressly provided herein, this Agreement (including the documents and instruments referred to herein) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

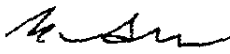
[Exhibits and Schedules intentionally omitted]

IN WITNESS WHEREOF, TSFG, Mercantile and CBT have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

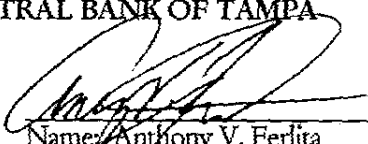
THE SOUTH FINANCIAL GROUP, INC.

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

MERCANTILE BANK

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

CENTRAL BANK OF TAMPA

By: 
Name: Anthony V. Ferlita
Title: President

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
MERCANTILE BANK

The Articles of Incorporation of Mercantile 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 1560 North Orange Avenue, Suite 300 in the City of Winter Park, 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	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Andrew B. Cheney	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Paul D. Causey	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
William F. Crider	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Thomas B. Drage, Jr.	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
William S. Hummers III	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Michael L. McClanahan	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
M. Rodney Metz	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Cecil D. Moore	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Joe H. Pickens	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Michael Sperry	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
William R. Timmons III	1560 North Orange Ave., Suite 300, Winter Park, FL 32789

Samuel H. Vickers	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Mack I. Whittle, Jr.	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Gordon W. Campbell	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Algis Koncius	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Ross E. Roeder	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Louis P. Ortiz	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Michael L. Carrere	1560 North Orange Ave., Suite 300, Winter Park, FL 32789
Frank A. Massari, M.D.	1560 North Orange Ave., Suite 300, Winter Park, FL 32789

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 believed 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 (i), 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.

**MINUTES OF A SPECIAL MEETING
OF THE SHAREHOLDERS OF
CENTRAL BANK OF TAMPA
December 17, 2002**

A Special Meeting of the Shareholders of Central Bank of Tampa (the "Bank"), was convened at 11:00 a.m. (local time) on December 17, 2002 at the offices of the Bank at 2307 West Kennedy Blvd., Tampa, Florida, pursuant to written notice given in accordance with the Bank's Bylaws and applicable law to all shareholders of record of the Bank as of the close of business on November 12, 2002 ("Record Date").

Frank A. Massari, Chairman of the Board of Directors of the Bank, called the meeting to order, and welcomed the Shareholders.

The Chairman appointed Mrs. Linda M. Hinze, Executive Vice President and Senior Loan Officer and Secretary of the Bank, to serve as Secretary of the meeting. The Chairman then stated that notice of the meeting had been mailed on or about November 14, 2002 to all shareholders of record of the Bank as of the Record Date.

The Chairman then appointed Mrs. Hinze to serve as Inspector of Election for the meeting. The Chairman then requested the Inspector of Election to confirm the presence of the quorum. The Inspector of Election signed and delivered to the Chairman a Certificate of Inspector Regarding Shareholders present, a copy of which is attached to (Exhibit A), and made a part of, these minutes. The Chairman then reported that 235,867 shares were represented at the meeting by proxy and 49,360 shares were represented in person, for a total of 285,227 shares of the Common Stock, \$5.00 par value ("Common Stock"), of the Bank, representing approximately 86.66% of the 329,118 issued and outstanding shares on the record date. Since such shares reflected the presence in person and by proxy of more than a majority of the holders of the Common Stock, the only class of voting securities of the Bank outstanding, the Chairman declared that a quorum was present and the meeting was duly constituted and convened.

The Chairman then stated that, during the ten days immediately prior to the meeting, a complete list of shareholders as of the Record Date had been maintained in the offices of the Bank available for inspection by any shareholder and that such list was available from the Inspector of Election for examination by those shareholders present at the meeting. The Chairman also stated that all proxies received in connection with the special meeting had been filed with the Cashier of the Bank in accordance with the Bylaws.

Chairman Massari asked for a motion to dispense with the reading of the minutes of the prior annual shareholders' meeting. Mrs. Geraldine Garcia, so moved and was seconded by Mr. Anthony Ferlita. The motion passed unanimously.

The Chairman then stated the purpose of the special meeting was to consider and vote upon a proposal to approve the proposed merger of the Bank with Mercantile Bank, a subsidiary of The South Financial Group, Inc. ("TSFG"), as described in the Bank's Notice of Special Meeting of Shareholders dated November 12, 2002 and the related joint proxy statement/prospectus of the Bank and TSFG dated November 12, 2002.

Chairman Massari opened the meeting by introducing attorney Joseph Ford of the law firm Bracewell & Patterson, who represented Central Bank of Tampa in the negotiation and execution of the merger agreement. Mr. Ford discussed briefly what the shareholders should expect to happen over the next few days leading up to the closing of the merger, if approved. After answering several questions regarding dividend payments, how long after the closing would the shareholders have to wait before selling their shares and the affect of the merger on Central Bank's benefit plans, Mr. Ford turned the floor back to Chairman Massari.

Before opening the floor for discussion, Chairman Massari stated that William Hummers, Executive Vice President and William Crawford, General Counsel of The South Financial Group were in attendance at the meeting and would be happy to answer any questions the shareholders may have of them. Chairman Massari opened the floor for discussion. Ms. Peggy Campbell inquired if Mr. Hummers could provide an answer to why The South Financial Group stock had such a relatively low volume of shares traded. Mr. Hummers replied that the 30-day average daily volume has been in excess of 100,000 shares. He acknowledged that on some days the volume has been significantly lower than that, but the average daily volume is representative of the historical daily volume for the company.

Mr. James Langford asked for the floor and asked why three members of the Board were receiving approximately \$1.3 million at the expense of the shareholders. Chairman Massari stated that the benefits Mr. Langford referred to were being paid pursuant to agreements entered into between the bank and the executives prior to the execution of the merger agreement. In fact, the prospectus clearly states that the majority of these benefits were being paid pursuant to agreements adopted in 1992 and amended in 1996.

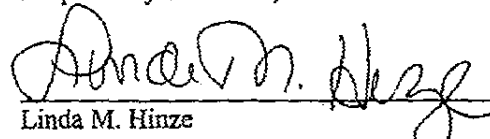
Chairman Massari asked if there were any further questions from the shareholders. There being none, Chairman Massari asked for a motion to approve the following resolution:

RESOLVED, that the Agreement and Plan of Merger, dated as of October 2, 2002, between The South Financial Group, Inc., Mercantile Bank and Central Bank of Tampa, and the merger transaction contemplated by such agreement, be, and they are hereby, approved.

Mr. Vincent Ferlita made a motion for approval. The motion was seconded by Mr. Gaspar Arbisi and passed by a vote of 280,803 for, 2,823 against and 1,601 abstaining.

The Chairman then inquired whether there were any additional matters to be brought before the meeting, and there being none, upon motion duly made, seconded and carried by acclamation, the meeting was adjourned.

Respectfully submitted,


Linda M. Hinze
Secretary of the Meeting

Attested by:


Frank A. Massari, Chairman of the Board

CENTRAL BANK OF TAMPA
SPECIAL SHAREHOLDERS' MEETING
DECEMBER 17, 2002

Exhibit A

SHAREHOLDER	PROXY ITEM 1			COMMENTS
	FOR	AGAINST	ABSTAIN	
ASITABLO, ROSLYN	154			
ALBANO, LILLIE F. & LILLIAN CACCIATORE	6540			
ALFONSO, GRACE & DAVID	120			
ARBISI, GASPARE & ROSE	3100			
BALLABAN, MARY	80			
BANK STOCK GROUP	164			
BOHMHOLDT, CHRISTOPHER	40			
BUGGICA, INEZ	80			
CACCIATORE, DOMENICO	330			
CACCIATORE, DOMENICO & LILLIAN	20			
CACCIATORE, LILLIAN	330			
CAMPBELL, PEGGY	480			
CANNATA, CARMELA		120		
CAPAZ, VALERIE		10		
CAPITANO, VINCE & PATRICIA	50			
CAPPELLO, VIVIAN & SALVADOR	1220			
CARTER, JOHNNIE JUNE	200			
CAZIN, ALBERT	120			
CEDE & CO	13800			13,800 OF 13,920 VOTED
CHAO, JOSEPH & LILLY	19			
COATES, HAROLD & WANDA	160			
COMPANIONI, LAUREN	211			
COMPANIONI, LISA	211			
COMPANIONI, PATRICIA	8555			
COMPANIONI, PATRICIA & GEORGE	380			
COTERA, COCEPCION	15			
COTERA, COCEPCION & MAIRA GARCIA &	15			
COVINGTON, ROBERT S	333			
DAVIS, NORA	125			
DE LA CRUZ, D L & BLANCHE	20			
DEL RIO, RICHARD	40			
DIAZ, ROBERT & CARMEN	400			
DIECQUE, ALFONSO	200			
DOMINGUEZ, GILMORE	254			
DOMINGUEZ, MARGARET	1200			
EDWARDS, FRANK	16213			
EQUIZABAL, ANGELO & JUANA	370			
FABCO	2468			
FERLITA, ADELE	782			
THE ADELE I FERLITA TRUST	13769			
FERLITA, ANTHONY & PATTI	13915			
FERLITA, ANTHONY V.	2197			
FERLITA SCIBILIA, DEBORAH	3389			
FERLITA FAMILY LIMITED PARTNERSHIP	3012			
FERLITA, JOHN X REVOCABLE TRUST	10829			
FERLITA, GUY & RITA	700			
FERLITA, THOMAS J IRREVOCABLE TRUST	3627			
FERLITA, THOMAS J	3287			
ROSE F. FERRANTE TRUST	1258			Angela Guagliardo serves as general proxy
ROSE F. FERRANTE UNIFIED CREDIT TRUST	5000			Angela Guagliardo serves as general proxy
FERRERI, FRANK	168			
FERRERI, FRANK & EVELYN	1780			
FERRERI, JANELLE	20			
FERRERI, JENNIFER ANN	20			
FERRERI, SALVADOR & DOLORES	1948			
FERRERI, SAMUEL JAMES	20			
FERRERI, TIMOTHY JOHN	20			
FIGARROTTA, JOSEPH & DONNA	1740			
FIGARROTTA, JOSEPH & JOSEPH	1740			
FIGARROTTA, JOSEPH & NANCY	1740			
FOJACO, EVA & VICTOR	70			
PONTE, MORRIS J	42			
BAM FONTE TRUST	1000			
FOURQUREAN, JANET	40			
GARCIA, GERALDINE	6420			
GARCIA, GINA	463			
GARCIA, MJ	458			
GARCIA, ROSEMARY & FRANK	240			
GIGLIO, PETER	720			
GLOVER, JANE	10			
GLOVER, V DUDLEY & JANE	2000			
THE JOE C GRANDA TRUST	180			
THE THERESA D GRANDA TRUST	180			
GREGO, JAMES & MADONNA	400			
GUGGINO, G S	600			

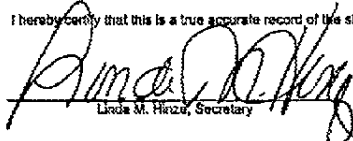
CENTRAL BANK OF TAMPA
SPECIAL SHAREHOLDERS' MEETING
DECEMBER 17, 2002

SHAREHOLDER	PROXY ITEM 1			COMMENTS
	FOR	AGAINST	ABSTAIN	
HARRICK, MARY HELEN	40			
HARRIS, YVETTE	37			
HINZE, JOHN & LINDA	4003			
HINZE, LINDA M.	1152			
HOUE, BARBARA JEAN	138			
ITALIANO, ANTHONY S SR	4288			
ITALIANO, SALVATORE A & ANTHONY S SR	430			
JOSEPHSON, JUDITH & EDWARD	180			
KELLY, JOSEPH E	480			
KEPNER, FRANCINE & GERALD	10			
KRUSEN, W A & JESSIE	100			
LADO, NORBERT	850			
LANGFORD, EUGENE C	1163			
LANGFORD, JAMES & MARGARET	675			
LATERI, EVELIA ET AL	396			
LEWIS, ANTHONY & DEBBIE	33			
LIGATA, ANTONINA CARUSA	2180			
LIGORI, THERESA MASSARI	458			
LIGORI, THERESA MASSARI, ET AL	1268			
LOMBARDIA, B.J.	205			
LORTON, GEORGE	1000			
MAIDA, ANTONIO	2500			
MAIDA, ROSALIA	450			
MAROTTA, SAM	30			
MASSARI, FRANK A MD	10183			
MASSARI, LILLY & FRANK A TRUSTEES	21908			
MORALES, JUAN & JOSEPHINE	154			
MUTO, FILOMENA	4844			
MUTO, VINCENT	188			
NOQUEZ, CORRINE ET AL	8			
NOQUEZ, MARISSA ET AL	26			
NOQUEZ, ONELIO & ARMIDA	20			
NOQUEZ, ONELIO ET AL	6			
ODOM, ROBERT	200			
PALADY, ROSE	330			
PALMIERI, MICHAEL & MILAGRO	30			
PALORI, VINCENT	4332			
PARRINO, ANGIE & RICHARD	860			
PARRINO, MICHAEL & RICHARD	20			
PARRINO, RICHARD & VELIA	1000			
PARRINO, RICHARD	300			
PARRINO, ROSE		2040		
PEREIRA, JOSE & HAYDEE	24			
PERRONE MASER, ROSALIE			1148	
IRENE M PITTS REVOCABLE TRUST	615			
PUPELLO, DENNIS	1000			
PUPELLO, GIUSEPPE & EDITH	120			
REEVES, VICKI	20			
REINA, SYLVIA		10		
RICHARDS, WAYNE & ROSE	231			
RODRIGUEZ, FRANK & KATIE, ET AL	180			
SACKS, HORTENSE	477			
SALDANA, MARGARITA & LIBRADA	18			
SCHALCK, LINDA & WILLIAM	200			
SETTECAST, EMILIO & BEVERLY	20			
SEWARD, N. LOUISE	80			
SEWARD, N. LOUISE & RAYETTA HALL	20			
SKEMP, PETER & NANCY	101			
SOLARES, OCILIA	180			
STALLINGS, WAYNE & DOROTHY	250			
SUAREZ, LUCY & RALIEGH	240			
TAGLIARINI, LILLIE & JOE	330			
TAGLIARINI, LILLIE & JOE, ET AL	240			
TORREGIANTE, FRANK JR	112			
TRUSTEE CBT ESOP	18874	843	313	
VALDES, VIRGLIO & MARIA	24			
VEGA, ORLANDO & LORRAINE	900			
ZABAK, DEBORAH	140			
ZABAK, RICHARD	140		140	
ZABAK, RUDY & LILLIE	4230			
PROXY SUB-TOTAL	231,443	2,823	1,881	

**CENTRAL BANK OF TAMPA
SPECIAL SHAREHOLDERS' MEETING
DECEMBER 17, 2002**

SHAREHOLDER	PROXY ITEM 1			COMMENTS
	FOR	AGAINST	ABSTAIN	
BELLO, NINON	20			
C & R OF TAMPA	150			
CHAIRAMONTE, LOU	2172			
THOMAS J DAVIS TRUST	450			
FERLITA, GUY E	17935			
FERLITA, VINCENT	13158			
FERRERA, FRANK S JR.	20			
ANGELA F GUAGLIARDO REVOCABLE TRUST	10089			
LORENZO, MARTHA	314			
REYNOLDS, GENE THOMAS	114			
REYNOLDS, MARIE	1710			
REYNOLDS, RICKY & MARIE	100			
REYNOLDS, TAMMY & MARIE	114			
REYNOLDS, TERRY & MARIE	14			
SALCINES, E J	3000			
IN PERSON SUB-TOTAL	49,360	-	-	
GRAND TOTAL	280,803	2,823	1,601	

I hereby certify that this is a true accurate record of the shareholders represented in person and by proxy at December 17, 2002 Shareholder Meeting.


Linda M. Hinz, Secretary

**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 October 2, 2002 (the "Agreement") providing for the merger (the "Merger") of Central Bank of Tampa, a Florida banking corporation, 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.

Dated: December 17, 2002.

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

By: _____


William S. Hummers III
Executive Vice President