



V01259

FILED
2002 OCT -4 PM 1:33
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ACCOUNT NO. : 072100000032
REFERENCE : 771276 118517A
AUTHORIZATION : *Patricia Pujot*
COST LIMIT : \$ 78.75

ORDER DATE : October 4, 2002

ORDER TIME : 2:29 PM

ORDER NO. : 771276-005

CUSTOMER NO: 118517A

CUSTOMER: Christina C. Young, Esq
Fuller Holsonback Bivins &
100 N. Tampa Street
Suite 2650
Tampa, FL 33602-5860

RECEIVED
02 OCT -4 PM 3:52
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

FLORIDA PUMP & SUPPLY CO., INC

INTO

900008217119--1

FLORIDA PUMP, INC.

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY

C. Coulliette OCT 04 2002

CONTACT PERSON: Ginger Simmons

EXAMINER'S INITIALS: _____

ARTICLES OF MERGER
Merger Sheet

MERGING:

FLORIDA PUMP & SUPPLY CO., INC., a Florida corporation, P02000102431

INTO

FLORIDA PUMP, INC., a Florida entity, V01259

File date: October 4, 2002

Corporate Specialist: Cheryl Coulliette

Account number: 072100000032

Amount charged: 78.75

ARTICLES OF MERGER
OF
FLORIDA PUMP & SUPPLY CO., INC.
INTO
FLORIDA PUMP, INC.

FILED
2002 OCT -4 PM 4:33
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to section 607.1101, section 607.1105, and any other applicable provision of the Florida Business Corporation Act (the "Act"), Florida Pump, Inc. ("Florida Pump"), a Florida corporation, Coast Pump & Supply Co., Inc. ("Coast Pump"), a Florida corporation, and Florida Pump & Supply Co., Inc. ("Florida Pump & Supply"), a Florida corporation and a wholly owned subsidiary of Coast Pump, adopt and file these Articles of Merger for the purpose of merging Florida Pump & Supply with and into Florida Pump (the "Merger") in accordance with section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended, as follows:

FIRST: The Plan of Merger (the "Plan of Merger") is attached to these Articles of Merger as Exhibit "A" and its terms are incorporated by reference in these Articles of Merger;

SECOND: The Merger and Plan of Merger shall be effective as of the date when these Articles of Merger are filed with the Florida Department of State;

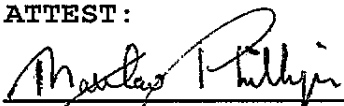
THIRD: The sole shareholder and the Board of Directors of Florida Pump approved the Plan of Merger by written consent without a meeting effective as of October 2, 2002;

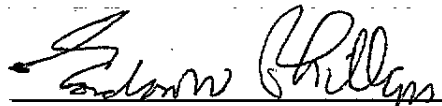
FOURTH: All of the shareholders and the Board of Directors of Coast Pump approved the Plan of Merger by written consent without a meeting effective as of October 2, 2002; and

FIFTH: The sole shareholder and the Board of Directors of Florida Pump & Supply approved the Plan of Merger by written consent without a meeting effective as of October 2, 2002.

COAST PUMP & SUPPLY CO., INC.

ATTEST:


Matthew Phillips
Assistant Secretary

By:  (SEAL)
Gordon W. Phillips
President

FLORIDA PUMP & SUPPLY CO., INC.

ATTEST:

Matthew Phillips
Matthew Phillips
Assistant Secretary

By: *Gordon W. Phillips* (SEAL)
Gordon W. Phillips
President

FLORIDA PUMP, INC.

ATTEST:

Delbert Story
Delbert Story
Secretary

By: *Delbert Story* (SEAL)
Delbert Story
President

10/01/2002 6:53 PM
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Exhibit A

**PLAN OF MERGER
FOR
MERGER OF
FLORIDA PUMP & SUPPLY CO., INC.
INTO
FLORIDA PUMP, INC.**

This Plan of Merger dated as of October 2, 2002 (this "Plan"), is provided in connection with the merger of Florida Pump & Supply Co., Inc. ("FPS"), a Florida corporation, with and into Florida Pump, Inc. ("Florida Pump"), a Florida corporation, as the surviving corporation

Background

Florida Pump is a wholesale distributor of water systems and water conditioning equipment throughout the State of Florida. Coast Pump & Supply Co., Inc. ("Coast Pump"), a Florida corporation, also is a wholesale distributor of water systems and water conditioning equipment and a competitor of Florida Pump. FPS is a wholly owned subsidiary of Coast Pump. The shareholders and Board of Directors of Coast Pump and Florida Pump have determined that a business combination between Coast Pump and Florida Pump is in the best interests of their respective companies by providing access to new markets, increasing their business presence in existing markets, enhancing their financial resources through economies of scale, creating a business synergy between their operations, and presenting an opportunity for their respective companies to achieve long-term strategic and financial benefits. Accordingly, Coast Pump and Florida Pump desire to effect the foregoing business combination using a merger of FPS with and into Florida Pump (the "Merger") pursuant to the terms and conditions of this Plan of Merger and the Agreement and Plan of Merger dated as of October 2, 2002. FPS, Coast Pump, and Florida Pump intend for the Merger to comply with the applicable merger provisions of the Florida Business Corporations Act (the "Act") and Section 368(a)(2)(E) of the Internal Revenue Code of 1986, as amended.

OPERATIVE TERMS OF PLAN OF MERGER

In accordance with Section 607.1101 of the Act, FPS, Coast Pump, and Florida Pump state the following in connection with the Merger:

FIRST: In accordance with Section 607.1101(2)(a) of the Act, FPS shall merge with and into Florida Pump upon which the separate corporate existence of FPS shall cease and Florida Pump shall constitute the sole surviving corporation ("Surviving Florida Pump"). The corporate name of Surviving Florida Pump shall remain "Florida Pump, Inc." Simultaneously, Coast Pump automatically will become the sole shareholder of Surviving Florida Pump and Surviving Florida Pump shall operate as a wholly owned subsidiary of Coast Pump. Surviving Florida Pump shall fully retain its corporate identity notwithstanding the merger and shall succeed to all of the rights, powers, assets, benefits, privileges, and entitlements of FPS and assume all duties, liabilities, obligations, and responsibilities of FPS as of the effective date of the Merger.

SECOND: In accordance with Section 607.1101(3)(b) of the Act, the Merger shall become effective as of the date of the filing of the Articles of Merger with the Florida Department of State.

THIRD: In accordance with Section 607.1101(2)(b) and (c) of the Act and when the Merger becomes effective, all of the issued and outstanding shares of the common stock, \$1.00 par value, of Florida Pump automatically shall become exchangeable for the following:

(a) \$125,000, subject to an escrow of \$35,000;

(b) 15 shares of voting common stock, \$.01 par value, of Coast Pump and 1492 shares of non-voting common stock, \$.01 par value, of Coast Pump; and

(c) beginning on October 2, 2002, and continuing on October 2nd of each year until October 2, 2008, Coast Pump shall make a cash payment of \$30,000 to Delbert Story ("Story"). On October 2, 2009, Coast Pump shall make a cash payment of \$5,000 to Story. If Story shall voluntarily terminate his employment with Coast Pump or Coast Pump shall terminate Story's employment for "cause" as defined in the Employment Agreement dated October 2, 2002, between Story and Coast Pump, Story shall not be entitled to any further cash payments; all as set forth in the Agreement and Plan of Merger dated as of October 2, 2002.

Additionally, each issued and outstanding share of common stock of Florida Pump automatically shall be cancelled, and each

then existing shareholder of Florida Pump shall cease to have any rights, remedies, benefits, privileges, or entitlements as a shareholder with respect to those shares except the right to receive the cash and stock payable as set forth above in this paragraph upon surrender of a certificate representing all of then issued and outstanding shares of common stock of Florida Pump owned by the shareholder.

Simultaneously, each issued and outstanding share of common stock, \$1.00 par value, of FPS shall be automatically converted into, and become exchangeable for, one share of the common stock, \$1.00 par value, of Surviving Florida Pump as the surviving corporation. Each issued outstanding share of common stock of FPS automatically shall be cancelled, and each then existing shareholder of FPS shall cease to have any rights, remedies, benefits, privileges, or entitlements as a shareholder with respect to those shares except the right to receive the stock of Surviving Florida Pump payable as set forth above upon surrender of a certificate representing all of the issued and outstanding shares of common stock of FPS.

FOURTH: In accordance with Section 607.1101(2)(b) of the Act, the Merger will not effect any change, repeal, revision, amendment, modification, or termination of the Bylaws and Articles of Incorporation of Florida Pump. The Bylaws and Articles of Incorporation of Florida Pump will continue in full force and effect until any change, repeal, revision, amendment, modification, or termination in accordance with their respective provisions or applicable law.

Effective Date: October 2, 2002