

accordance with the statutes thereto appertaining, a balance sheet and profit and loss statement of both SOUTHERN and WALHALLA for the immediately preceding three fiscal years has been prepared as well as a pro forma consolidated balance sheet of the two said banking corporations. Such statements, for recording purposes, are not made a part of this Agreement, but copies of the same shall be mailed to the stockholders of both corporations at the same time that notices are mailed to the stockholders of the meeting of the stockholders to be held for the purposes of approving or rejecting this Merger Agreement.

5.

Upon the completion of the merger as aforesaid, each stockholder in WALHALLA shall be entitled to thirty-three (33) shares of the new common stock of SOUTHERN, the surviving corporation, for each share of stock owned in WALHALLA. Each holder of the common stock of WALHALLA, upon surrender of the certificate(s) of the present shares of stock in WALHALLA, properly endorsed with signature guaranteed, shall receive full shares in exchange therefor. When this Agreement is signed, acknowledged, approved by the stockholders of the merging corporations, the South Carolina Board of Bank Control, and the Federal Deposit Insurance Corporation, and has been filed and recorded as provided by statute, each holder of shares in the constituent corporations, except such dissenting stockholders as qualify and duly seek an appraisal, shall thereupon become holders of shares of stock in the surviving corporation as held by such stockholders in the constituent corporations at the time of merger in the ratio provided above, and new certificates of stock evidencing such ownership will only be issued to the holders of stock of WALHALLA.

6.

All and singular the rights, privileges, powers and franchises, lands, tenements, hereditaments, real and personal property, choses in action and property of every kind and description whatsoever, whether real, personal and/or mixed, belonging to SOUTHERN and WALHALLA, respectively, shall be vested in and become the property of SOUTHERN, the surviving corporation, to have and to hold the same to the said surviving corporation, its successors and assigns, from the time such merger shall be-

(Continued on next page)