

provided, however, that the shares issued by Corporation shall not have (a) any rights which, with respect to the stock of Bank, had expired prior to the effectiveness of the merger, (b) any preemptive rights and (c) any rights to vote cumulatively.

(b) The amount and number of shares of common stock of New Bank outstanding immediately before the merger becomes effective (\$200,000, represented by 40,000 shares of the par value of \$5.00 each) shall be increased by the amount and the number of shares of common stock of the Bank outstanding immediately before the merger becomes effective (\$4,328,080 represented by 865,616 shares of the par value of \$5.00 each), with the effect that the amount and number of shares of common stock of Continuing Bank outstanding upon completion of the merger shall be equal to the aggregate amount and the aggregate number of shares of common stock of Bank and New Bank combined immediately before the merger (\$4,528,080 represented by 905,616 shares of the par value of \$5.00 each).

(c) On or immediately after the Effective Date the Corporation shall purchase from R. W. Braswell and Marie M. Savage for \$5.00 per share the twenty shares of Corporation common stock purchased by each of them in connection with the organization of the Corporation so that the outstanding shares of the Corporation will then consist only of common and preferred shares issued by it upon the conversion of Bank shares pursuant to this Agreement. Except for such payment and such payment as may be made to shareholders exercising dissenters rights pursuant to South Carolina law, no cash will be paid to any shareholder.

#### 8. Exchange of Shares

Bank's shareholders of record on the Effective Date shall be entitled, upon the surrender by them to the Corporation of all certificates representing shares of common or preferred stock of the Bank held by them of record on the Effective Date (hereinafter called "Outstanding Certificates"), to receive in exchange therefor a certificate or certificates representing the number of shares of common or preferred stock, as the case may be, of the Corporation to which they are entitled. Until so surrendered each Outstanding Certificate which, prior to the Effective Date, represented shares of common or preferred stock of the Bank shall be deemed for all corporate purposes other than the payment of dividends to evidence the ownership of the number of shares of common or preferred stock of the Corporation into which such shares of the Bank shall have been so converted by reason of the merger herein contemplated. Unless and until an Outstanding Certificate shall be so surrendered, no dividends payable to the owners of common or preferred stock of the Corporation represented by the unsurrendered Outstanding Certificates of Bank shall be paid to the owners of such unsurrendered Outstanding Certificates; provided, however, that upon surrender and exchange of each Outstanding Certificate there shall be paid the amount, without interest thereon, of dividends and other distributions, if any, which theretofore were declared and became payable but had not been paid.

#### 9. Conditions Precedent

Effectuation of the merger hereby contemplated is conditioned upon:

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