

made a part hereof, and the main office and established and authorized branch banks and offices of SCN shall remain the established and authorized main office, branch banks, and offices of the Continuing Bank, and the main office and established and authorized branch offices of FNB shall become the established and authorized branch banks and offices of the Continuing Bank. At the Effective Time of the Merger such Articles of Association and Charter shall provide that the title of the Continuing Bank shall be "The South Carolina National Bank." The Bylaws of SCN in effect immediately prior to the Merger shall become and be the Bylaws of the Continuing Bank until altered, amended or repealed in accordance with applicable law. After the Merger, the main office of the Continuing Bank shall be located at 16 Broad Street, Charleston, South Carolina.

ARTICLE III
CORPORATE EXISTENCE; BUSINESS; RIGHTS
AND LIABILITIES; FURTHER ASSURANCES

At the Effective Time of the Merger, the corporate existence of FNB and SCN shall, as provided in Section 215a of Title 12, United States Code, be merged into and continued in the Continuing Bank; and the Continuing Bank shall be deemed to be the same corporation as FNB and SCN. The business of the Continuing Bank shall be that of a national banking association. This business shall be conducted by the Continuing Bank at its main office and at its legally established branches and offices. At the Effective Time of the Merger, the Continuing Bank shall have an amount of Capital of \$8,399,210, divided into 1,679,842 shares of Common Stock, par value \$5.00 per share, Surplus of \$22,191,000 and Undivided Profits, including Capital Reserves, which will be equal to that of SCN at the Effective Time of the Merger. The Continuing Bank, at the Effective Time of the Merger and without any order or other action on the part of any court or otherwise, shall hold and enjoy all assets, rights of property (real, personal and mixed), franchises and interests, including appointments, designations and nominations, and all other rights and interests as trustee, executor, administrator, transfer agent and registrar of stocks and bonds, guardian of estates, assignee, receiver, and in every other fiduciary capacity, and in every agency capacity, of SCN and FNB in the same manner and to the same extent as such rights, franchises and interests were held or enjoyed by SCN and FNB, respectively, immediately before the Effective Time of the Merger, and all subsidiaries of FNB and SCN shall become subsidiaries of the Continuing Bank.

At the Effective Time of the Merger, the Continuing Bank shall be liable for all liabilities existing immediately before the Effective Time of the Merger, of FNB or SCN, respectively; and all deposits, debts, liabilities, obligations and contracts of FNB or SCN, respectively, matured or unmatured, and whether or not reflected or reserved against on balance sheets, books of account or records of SCN or FNB, as the case may be, including all liabilities of FNB or SCN for taxes, whether existing immediately before the Effective Time of the Merger or arising as a result of or pursuant to the Merger, shall be those of the Continuing Bank and shall not be released or impaired by the Merger; and all rights of creditors and other obligees and all liens on property of either FNB or SCN shall be preserved unimpaired.

From time to time, after the Effective Time of the Merger, as and when requested by the Continuing Bank, the officers and directors of FNB last in office shall execute and deliver or cause to be executed and delivered in the name of FNB such deeds and other instruments and shall take or cause to be taken such further or other actions as shall be necessary in order to vest or perfect in or to confirm of record or otherwise to the Continuing Bank title to, and possession of, all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of FNB and otherwise to carry out the purposes of this Amended Merger Agreement; provided, that the Continuing Bank shall, to the extent provided in the Bylaws of the Continuing Bank, indemnify any such officer or director who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding by reason of the fact that he executed or delivered such instrument or took such action at the request of the Continuing Bank.

ARTICLE IV
BOARD OF DIRECTORS; OFFICERS

From and after the Effective Time of the Merger, the directors of the Continuing Bank, who shall hold office until their successors are elected and qualified, shall be the 17 persons designated by SCN and the 8 persons designated by FNB pursuant to the Acquisition Agreement, or any persons chosen to replace such designated persons pursuant to the Acquisition Agreement. From and after the Effective Time of the Merger, James G. Lindley, shall be the Chairman of the Board and Chief Executive Officer of the Continuing Bank; Arthur M. Swanson shall be President of the Continuing Bank; and each of Joe A. Padgett, William J. Raffield and W.D. King shall be an Executive Vice President of the Continuing Bank. All other officers of the Continuing Bank shall be appointed by resolution of the directors in accordance with the Bylaws of the Continuing Bank.

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