

3. Upon the merger becoming effective, the shares of stock of NCNB Mortgage, then issued and outstanding shall continue to be issued and outstanding with their same par value of \$1.00 per share, and the holders thereof shall retain their present rights therein, and upon the merger becoming effective each of the outstanding shares of Common Stock of Mortgage South shall be exchangeable for ten (10) shares of capital stock of NCNB Mortgage.

4. The persons constituting the Board of Directors of NCNB Mortgage upon the merger becoming effective shall continue to constitute the Board of Directors of NCNB Mortgage until their terms expire or until their successors are elected and qualified.

5. The Charter and the Bylaws of NCNB Mortgage after the merger shall become effective shall be the present Charter and Bylaws of NCNB Mortgage.

6. This Plan and Agreement of Merger shall be submitted to the stockholders of Mortgage South and the stockholders of NCNB Mortgage for approval, and the consummation of this Plan and Agreement of Merger and the merger herein provided for are conditioned upon approval hereby by the stockholders of Mortgage South and NCNB Mortgage as required by law.

7. Upon compliance with the conditions hereinbefore specified, Articles of Merger setting forth, among other things, this Plan and Agreement of Merger, shall be delivered to the Secretary of State of North Carolina and the Secretary of State of South Carolina for filing; and upon the completion of such filings, the merger herein provided for shall become effective at 11:59 p.m., Eastern Standard Time, on January 31, 1979.

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