

3.

The amount of the authorized capital stock of the Surviving Corporation shall be Four Million One Hundred Twenty-Three Thousand Seven Hundred Twenty-Five and no/100 (\$4,123,725.00) Dollars, divided into eight hundred twenty-four thousand seven hundred forty-five (824,745) shares of common stock of the par value of Five (\$5.00) Dollars per share of which six hundred ninety-six thousand four hundred sixty-six (696,466) will be issued and outstanding. The balance of one hundred twenty-eight thousand two hundred seventy-nine (128,279) is reserved, unissued, to provide for the conversion of Capital Notes issued and outstanding.

4.

The said Surviving Corporation shall have and possess all of the rights, privileges, powers and franchises of each of the said constituent corporations so merged. For the purposes of this Agreement and in accordance with the statutes thereto appertaining, a balance sheet and profit and loss statement of both SOUTHERN and M&P for the immediately preceding three fiscal years have 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 shareholders of both corporations at the same time that notices are mailed to the shareholders of the meeting of the shareholders to be held for the purpose of approving or rejecting this Merger Agreement.

5.

Upon the completion of the merger as aforesaid, each shareholder in M&P shall be entitled to eleven and 55/100 (11.55) shares of the new common stock of SOUTHERN, the Surviving Corporation, for each share of stock owned in M&P. Each holder of the common stock of M&P, upon surrender of the certificate(s) of the present shares of stock in M&P, properly endorsed with signature guaranteed, shall receive full shares in exchange therefor. When this Agreement is signed, acknowledged, approved by the shareholders of the merging