

8.

It is an express condition precedent to the effectiveness of this Merger Agreement that the merger, upon the terms and conditions herein provided and the approval of the operation of a branch bank at Blacksburg, South Carolina, must have been approved by the South Carolina State Board of Bank Control and the Federal Deposit Insurance Corporation, and in the event that either or both such agencies should fail to so approve, then this Agreement shall be null and void, anything contained herein to the contrary notwithstanding. In addition, this Agreement is conditioned upon the approval of an amendment to the Charter of SOUTHERN increasing its authorized capital stock from two hundred eighty thousand eight hundred eighty-four (280,884) shares of the par value of Ten and no/100 (\$10.00) Dollars, to two hundred ninety thousand eight hundred eighty-four (290,884) shares of the par value of Ten and no/100 (\$10.00) Dollars, in conformity with the provisions of this Merger Agreement.

9.

Immediately upon the completion of the merger, BLACKSBURG shall be considered and is hereby declared to be completely merged into SOUTHERN within the meaning and intent of Section 12-20.1, et seq. of the Code of Laws of South Carolina, 1962, as amended.

10.

The By-Laws of SOUTHERN, except as may be necessarily modified by this Agreement, are hereby adopted as the By-Laws of the surviving corporation until otherwise changed, and the Directors and Officers of SOUTHERN shall be the Directors and Officers of the surviving corporation, until otherwise changed. Such Directors and Officers are as follows:

DIRECTORS

Harry R. Stephenson, Jr., Chairman

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