

purposes of this Agreement of Merger and affords a proper basis for exchange of shares hereunder; and

WHEREAS, this Merger Agreement entered into and to be effected pursuant to the statutory laws of the State of South Carolina, is intended as, and shall be deemed, a Plan of Reorganization for each of the said corporations under Section 368 (a) (1) (A) of the Internal Revenue Code of 1954.

NOW THEREFORE, by and on behalf of Stone Manufacturing Co., Economy Textiles, Inc., Culler & Oblander, Inc., and North-South Mfg. Company, Inc., it is hereby agreed that as soon as this Agreement of Merger shall have been ratified, approved and adopted by the stockholders of each of said constituent corporations, representing a majority of the outstanding shares of stock of each of said corporations respectively, and such approval and ratification shall have been certified to and endorsed on the Agreement by the Secretary of each corporation under its Corporate Seal, and this Agreement so adopted and certified shall have been signed by the President, or a Vice President, and by the Secretary, or an Assistant Secretary, of each of said corporations under their respective Corporate Seals thereof, and shall have been acknowledged under oath by the President, or Vice President, of each of said corporations before an officer authorized by the laws of the State of South Carolina to administer oaths, to be the act, deed, and agreement of each such corporation respectively, and when this Agreement of Merger shall have been filed in the office of the Secretary of State, and a certified copy thereof filed for record in the Counties of Greenville and Orangeburg, South Carolina, as required by law, the said Economy Textiles, Inc., Culler & Oblander,

(Continued on Next Page)