

Dorval Brooks shall forthwith surrender unto the Surviving Corporation Thirty-four and Seven-tenths (34.7) shares of the five (5%) per cent cumulative preferred stock of Brookline Fabrics, Inc. and Seventeen and Five-tenths (17.5) shares of the five (5%) per cent cumulative preferred stock of Southern Pile Fabric Company and receive in exchange therefor Seventeen and Five-tenths (17.5) shares of the five (5%) per cent cumulative first preferred stock of the Surviving Corporation.

Marjorie D. Gregory shall forthwith surrender unto the Surviving Corporation Thirty-four and Seven-tenths (34.7) shares of the five (5%) per cent cumulative preferred stock of Brookline Fabrics, Inc. and Seventeen and Five-tenths (17.5) shares of the five (5%) per cent cumulative preferred stock of Southern Pile Fabric Company and receive in exchange therefor Seventeen and Five-tenths (17.5) shares of the five (5%) per cent cumulative first preferred stock of the Surviving Corporation.

Frances Torkington shall forthwith surrender unto the Surviving Corporation One Hundred and Fifty-five (155) shares of the five (5%) per cent cumulative preferred stock of Southern Pile Fabric Company and receive in exchange therefor Six Hundred and Twenty (620) shares of the \$1.25 cumulative second preferred stock of the Surviving Corporation.

William C. Torkington Shall forthwith surrender unto the Surviving Corporation Three Hundred Thirty-six and Five-tenths (336.5) shares of the five (5%) per cent cumulative preferred stock of Brookline Fabrics, Inc., One Hundred and Sixty (160) shares of the common stock of Brookline Fabrics, Inc., Two Hundred Twenty-nine and Three-tenths