

Olney R. Pine shall forthwith surrender unto the Surviving Corporation One Hundred and Sixty (160) shares of the common stock of Brookline Fabrics, Inc., Fifty (50) shares of the five (5%) per cent cumulative preferred stock of Southern Pile Fabric Company, and One Hundred and Sixty (160) shares of the common stock of Southern Pile Fabric Company and receive in exchange therefor Two Hundred (200) shares of the \$1.25 cumulative second preferred stock of the Surviving Corporation and One Hundred and Sixty (160) shares of the common stock of the Surviving Corporation.

All stock certificates issued pursuant to the terms of this Agreement shall bear the legend, "Subject to the terms and provisions of a certain Agreement of Merger entered into on April 30th, 1953 by and between Southern Pile Fabric Company and Brookline Fabrics, Inc."

ARTICLE IV

Effective Date of Agreement

The effective date of this Agreement shall be May 1st, 1953.

ARTICLE V

Salaries and Bonuses

So long as there shall be any outstanding first preferred stock,

FIRST: Executive employees designated as the Western Sales Manager (President), Middle States Sales Manager (Assistant