

stock of Twenty-five Thousand (\$25,000.00) Dollars consisting of five thousand (5,000) shares of common stock with a par value of One (\$1.00) Dollar per share and two hundred (200) shares of four (4%) per cent non-cumulative preferred stock of a par value of One Hundred (\$100.00) Dollars per share all of which is presently issued and outstanding; and

WHEREAS, Excelsior Mills Inc. has heretofore been organized under and by virtue of the laws of the State of South Carolina; said corporation having been originally chartered by the Secretary of State of South Carolina under the name of McCormick Spinning Mill, Inc. on May 6, 1946, with its corporate name having been changed to Excelsior Mills Inc. on December 3, 1955 as evidenced by the records of the office of the Secretary of State of South Carolina and of Union, Oconee and McCormick Counties; and

WHEREAS, said Excelsior Mills Inc. has an authorized capital stock of One Million (\$1,000,000.00) Dollars consisting of ten thousand (10,000) shares of common stock with a par value of One Hundred (\$100.00) Dollars per share with nine thousand, six hundred, eighty-four and 88/100ths (9,684.88) shares presently being issued and outstanding; and

WHEREAS, the principal place of business of Gayley Mill Corporation is in Marietta, Greenville County, South Carolina, and the principal place of business of Excelsior Mills Inc. is in Oconee County, South Carolina, with its Post Office address being Pendleton, South Carolina.

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants herein contained, the corporations, parties to this Agreement, by and between their respective Boards of Directors have agreed and hereby agree, each with the other, that Excelsior Mills Inc. be merged into Gayley Mill Corporation, hereinafter referred to as the surviving corporation, pursuant to the laws of the State of South Carolina and Chapter 8, Title 12, of the Code of Laws of South Carolina,

(Continued on Next Page)