

the surviving corporation shall continue to be Commercial (which in its capacity as surviving corporation is hereinafter called the "Surviving Corporation"), and that the plan, terms and conditions of the merger and the mode of carrying it into effect shall be as follows:

ARTICLE I

(a) the Names of the Constituent Corporations to the merger are COMMERCIAL AFFILIATES, INC., COMMERCIAL CARPET CORP., VIKING CARPETS, INC., NEWHOUSE CARPETS, INC., ROBERTSON CARPET CORP., COMMERCIAL BROADLOOMS, INC., GEORGIA DYE CORPORATION, BROOKLINE CARPETS, INC., and ODYSSEY CARPETS, INC.

(b) the name of the Surviving Corporation is COMMERCIAL AFFILIATES, INC.

ARTICLE II

(a) Commercial has authorized capital stock consisting of 5 shares of Class A Common Stock, par value \$100.00 per share (th "Class A Common Stock"), 1,100 shares of Class B Common Stock, par value \$10.00 per share ("Class B Common Stock"), 5,000 shares of Class A Preferred Stock, par value \$100.00 per share (the "Class A Preferred Stock") and 58,000 shares of Class B Preferred Stock, par value \$100.00 per share (the "Class B Preferred Stock"), of which 5 shares of Class A Common Stock, 1,100 shares of Class B Common Stock, 4,577 shares of Class A Preferred Stock and 57,45248 shares of Class B Preferred Stock are issued and outstanding.