

of the above ratio shall require; and the then outstanding certificates representing shares of the capital stock of the Mortgage Company shall thereafter represent shares of the common stock of the Holding Company, which certificates shall be exchanged by the holders thereof, after the merger becomes effective, on transmittal forms to be approved and provided by the hereinafter mentioned Exchange Agent, for certificates of the common stock of the Holding Company, subject to the provision herein made for fractional interests in shares.

(b) The Holding Company shall be allocated and entitled to receive 5,071 shares of the capital stock of the Mortgage Company having a par value of \$10 per share, allocated on the basis of one share of the capital stock of the Mortgage Company for each fourteen and $5829/10000$ (14.5829) shares of the common stock of the Holding Company allocated to the shareholders of the Mortgage Company as of record at the time the merger becomes effective. The basis of such allocation to the Mortgage Company shall include fractional share interests and shall be without adjustment for the shares of dissenting shareholders of the Mortgage Company, if any.

(c) In the event that the Holding Company shall at any time prior to the effective date of the merger (i) issue a dividend in shares of its stock, (ii) combine its outstanding shares of stock into a smaller number of shares, (iii) subdivide its outstanding shares of stock, or (iv) reclassify its shares of stock, then, in any such event, the total number of shares of stock of the Holding Company to be delivered to the shareholders of the Mortgage Company in exchange for each share of stock of the Mortgage Company, as provided in section 6(a) hereof, shall be adjusted so that each holder of shares of stock of the Mortgage Company shall be entitled to receive the number of shares of stock or other securities of the Holding Company which he would have been entitled to receive upon the happening of any of the aforementioned events had the

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