

to its creditors, of at least Four Hundred Fifty-nine Thousand Four Hundred Twenty and 24/100ths (\$459,420.24) Dollars, or 7.81% of the estimated fair value of excess acceptable assets, over and above liabilities to creditors, of the Association, adjusted, however, for normal earnings and expenses between June 30, 1966, and the effective time of the merger, and, for allowance of cash payments, if any, permitted under this agreement.

The difference between the book value and the estimated fair value of assets to be contributed by First is made up as follows:

Adjustment for earnings on loans and discounts	\$ 84,147.96
Bond depreciation	(22,000.00)
Increased reserve for bad debts	(15,232.93)
Accrued taxes	<u>(23,200.00)</u>
Total Adjustments	\$ 23,715.03

At the effective time of the merger Peoples shall have on hand acceptable assets having a book value of at least Five Million Three Hundred Sixty-one Thousand Five Hundred Seventy and 88/100ths (\$5,361,570.88) Dollars, over and above its liability to its creditors, and having a fair value, over