

against all claims and demands arising out of the consolidation; and the time at which the constituent corporations shall be so consolidated shall be and is referred to herein as the "effective date of the consolidation".

The assets and liabilities of Franklin National Life Insurance Company acquired by the Consolidated Corporation on the effective date of the consolidation shall be taken up on the books of the Consolidated Corporation at the amounts at which they, respectively, shall be carried at such date on the books of Franklin National Life Insurance Company, subject to such intercompany adjustments or eliminations as may be required in giving effect to the consolidation.

Each constituent corporation agrees that from time to time, as and when requested by the Consolidated Corporation or by its successors or assigns, it will execute and deliver, or cause to be executed and delivered, all such deeds, insurance contracts and other instruments, and will take or cause to be taken such further or other action as the Consolidated Corporation may deem necessary or desirable in order to vest in and confirm to the Consolidated Corporation title to and possession of all its property, rights, privileges, powers and franchises and otherwise to carry out the intent and purposes of this Agreement.

Excepting insofar as the same may be continued by law or in order to carry out the purposes of this Agreement, and except as continued in and consolidated into the Consolidated Corporation, the separate existence of Franklin National Life Insurance Company shall cease as of the effective date of the consolidation.

ARTICLE IX.

Expenses.

The Consolidated Corporation shall pay all expenses of carrying this Agreement into effect and accomplishing the consolidation; provided, however, that in the event the consolidation shall not become effective for any reason, Palmetto State Life Insurance Company and Franklin National Life Insurance Company each shall pay its own expenses in connection with the preparation for the consolidation.

ARTICLE X.

Abandonment of Consolidation.

This Agreement of Consolidation may be terminated and abandoned (a) by the Board of Directors of either of the constituent corporations, at any time prior to its adoption by the stockholders of both of the constituent corporations, or (b) by mutual consent of the Board of Directors of both the constituent corporations at any time prior

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