

if any is found to exist, however, BANNER MUTUAL at present owes Thirty Two Thousand Five Hundred and no/100(\$32,500.00) Dollars in surplus funds certificates plus Fifteen Thousand Four Hundred Forty Two and 91/100(\$15,442.91) Dollars advanced and according to the records of BANNER MUTUAL, there exists no surplus as these surplus funds certificates have not been redeemed. CAROLINA GENERAL agrees to cancel these surplus funds certificates as a part of this re-insurance agreement. However, it being specifically understood that CAROLINA GENERAL does not assume any responsibility for any malfeasances in office on the part of any of the executives or the directors of BANNER MUTUAL and such will not inure to CAROLINA GENERAL.

#### ARTICLE IV

All monies, property or things of value received by BANNER MUTUAL on account of any of the assets or choses in action hereby conveyed to CAROLINA GENERAL, shall be deemed to be the property of CAROLINA GENERAL And CAROLINA GENERAL is hereby given full authority to receive, receipt for, endorse, sell, assign, transfer and deliver, by and in the name of BANNER MUTUAL wherever necessary and all of said assets or choses in action, and in the name of BANNER MUTUAL to institute, maintain, and defend any and all actions necessary or desirable, growing out of its rights and obligations hereunder.

#### ARTICLE V

CAROLINA GENERAL agrees that the securities and assets of BANNER MUTUAL on deposit with the Department of Insurance of the State of South Carolina in trust, as security for the holders of the policies and other obligations of BANNER MUTUAL, shall remain upon deposit with the Department of Insurance of the State of South Carolina, in trust, as aforesaid, until such time as this agreement

(Continued on next page)