

their businesses all personal property of which they are the lessee and SBT and its consolidated subsidiary have no knowledge of any default under any such lease.

(1) SBT has full power and legal right to execute, deliver and perform this Agreement. Prior to the date of this Agreement all corporate action necessary for the execution, delivery and performance of this Agreement, including, without limitation, action by stockholders of SBT has been duly taken. Except as specifically indicated herein, no consent of any party to any indenture, mortgage, deed of trust or other material agreement or instrument to which SBT or its subsidiary are a party is required for the execution, delivery or performance of this Agreement; and the execution, delivery or performance of this Agreement will not contravene any such contract or agreement or any provision of the certificate of incorporation or By-Laws of SBT.

8. Southern and Sobanco represent, warrant and agree as follows:

(a) Southern is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina, with an authorized capitalization consisting of 5,000,000 shares of common stock, par value \$2.50 per share, and 2,000,000 shares of voting preferred stock, par value \$10 per share, of which 400 shares of common stock are held by Directors as qualifying shares, which shares will be redeemed on the completion of formation of Southern. Sobanco is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina with an authorized capitalization consisting of 10,000 shares of capital stock, par value

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