

(c) Issue any notes or other evidences of indebtedness except such instruments as may be issued in the ordinary course of its mortgage banking business.

(d) Dispose of or encumber any of its assets, except in the ordinary course of its banking business.

(e) Make capital expenditures.

(f) Pay or provide for salaries, bonuses or other forms of compensation to any of its officers, employees or agents in excess of the previously established policies of the Mortgage Company.

9. The Mortgage Company represents and warrants that:

(a) The Mortgage Company is a corporation for profit duly organized, validly existing and in good standing under the laws of Tennessee, with authorized and issued capital stock consisting of 5,071 shares of common stock having a par value of \$10 per share, all of which shares are fully paid, validly issued and non-assessable, and that each of its subsidiary corporations is also duly organized, validly existing and in good standing under the laws of the state where incorporated and that as of the date of the merger all of the outstanding stock of each such subsidiary is fully paid, validly issued and non-assessable.

(b) There are no outstanding options, warrants to purchase, contracts to issue, or any other contracts, rights or agreements entitling any person or party to acquire any other stock of the Mortgage Company, and there are no outstanding securities convertible into stock of the Mortgage Company.

(c) The Mortgage Company has furnished to the Holding Company copies of its and its subsidiaries' charters and by-laws and all amendments thereto, all of which have been certified to be complete and true copies by an officer of the Mortgage Company.

(d) The Mortgage Company has furnished to the Holding Company copies of its most recent Audited Financial Statements prepared by Ernst & Ernst as of February 28, 1974, which includes the balance