

1951 10355

ARTICLE I

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 1.1. The Guarantor does hereby represent and warrant that:

(a) American Hardware Supply Company is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is in good standing under the laws of the State of South Carolina; it has power under its charter and bylaws and under the laws of Pennsylvania and South Carolina to enter into and perform all agreements on its part herein contained; it has been authorized to enter into this Agreement by all necessary and proper action; and the execution and delivery of this Agreement and the agreements herein contained do not contravene or constitute a default under any agreement, indenture, commitment, provision of its charter or bylaws, or other requirement of law to which it is a party or by which it is or may be bound; and

(b) There is no litigation or proceeding pending against the Guarantor nor to the knowledge of the officers of the Guarantor threatened, which if decided adversely to the Guarantor, would have a material effect upon its financial condition or business.

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