

(i) Declare or pay any cash dividend on its common stock at a rate in excess of that paid in 1981; or

(ii) Declare or distribute any stock dividend, authorize a stock split or make any distribution of its capital stock.

**11. Representations and Warranties of Corporation**

Corporation represents and warrants that:

(a) Corporation is a corporation duly organized and validly existing in good standing under the laws of South Carolina. Its authorized capital stock consists of 936,704 shares of common stock (\$5.00 par value); 10,000 shares of Series "A" Cumulative Preferred Stock (\$50.00 par value); 15,000 shares of Series "B" Cumulative Preferred stock (\$50.00 par value); 8,077 shares of Series "C" Cumulative Preferred stock (\$20.00 par value); 8,000 shares of Series "D" Cumulative Preferred stock (\$50.00 par value). Of such shares there are issued and outstanding only forty shares of common stock.

(b) Shares of Corporation stock which are to be issued and delivered to shareholders of Bank pursuant to this Agreement, when so issued and delivered will be validly authorized and issued and fully paid and non-assessable.

(c) Corporation has furnished Bank and New Bank with copies of its financial statement for the period beginning with its date of organization and ending August 31, 1982, which fairly sets forth the financial condition of Corporation as of such date. Since such date there has been no material adverse change in the financial condition, assets, liabilities, business or operations of Corporation.

(d) Corporation will not prior to the Effective Date, without the written consent of Bank and New Bank, pay any cash dividend, or any stock dividend, authorize any stock split or make any distribution of its capital stock.

**12. Representations, Warranties and Covenants of New Bank**

New Bank represents and warrants that:

(a) New Bank is a banking corporation duly organized and validly existing in good standing under the laws of South Carolina, but that it has not yet actively engaged in the banking business. Its authorized capital stock consists of 976,704 shares of common stock (\$5.00 par value).

(b) New Bank will not, prior to the Effective Date, without the consent of Bank and Corporation, pay any cash dividend or stock dividend, authorize any stock split or make any distribution of its capital stock.

(c) New Bank, immediately after the effectiveness of the merger, will execute and deliver a Supplemental Indenture to that certain Indenture between Bank and the South Carolina National Bank dated August 1, 1977 (the "Indenture"), which shall comply with Article Eleven of the Indenture

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