

(c) SBT owns 100% of the stock of Sunland Life Insurance Company which is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona, has corporate power to carry on its business as is now being conducted and is qualified to do business in every jurisdiction in which its character and location of assets owned by it or the nature of the business transacted by it require qualification. All of the outstanding shares of stock of this subsidiary are validly issued, fully paid and non-assessable and are free and clear of all liens, charges or encumbrances. There are no commitments, plans or arrangements to issue, and no options, warrants or other rights of any kind calling for the issuance of, shares of the capital stock of this subsidiary except as expressly set forth herein.

(d) SBT has delivered to Sobanco the following financial statements, each of which is true and correct and has been prepared in accordance with generally accepted accounting principles consistently applied.

(i) Consolidated Balance Sheet of SBT as of December 31, 1972, certified by Peat, Marwick, Mitchell & Co., which as of its date fairly presents financial condition, assets and liabilities.

(ii) Consolidated Statements of Income and retained earnings of SBT for its calendar year ended December 31, 1972, and for the two years prior thereto, certified by Peat, Marwick, Mitchell & Co. and for calendar years ended December 31, 1969 and 1968 certified by the President of SBT, each of which fairly presents the results of operations for the period indicated.

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