

be made to prevent such disqualification) or (ii) cause the imposition of an excise tax under section 4972 of the Code.

(o) Major Business Decisions. Cause the Chief Executive Officer of Columbia to consult and confer with the Chief Executive Officer of AHL with respect to all major business decisions affecting any of the Companies.

Section 5.2 Covenants of AHL and AH Acquisition. From the date hereof through the Closing Date, AHL and AH Acquisition will each:

(a) Further Actions. Execute, acknowledge and deliver any further documents reasonably requested by Columbia consistent with the terms of this Agreement.

(b) Reasonable Efforts. Use their reasonable efforts to fulfill, as soon as practicable, all of the conditions contained in Section 6.2 hereof.

(c) Notice and Cure. Notify Columbia promptly in writing of, and contemporaneously provide Columbia with complete and correct copies of, any and all information or documents relating to, and use all reasonable efforts to cure before the Closing, any event, development, transaction or circumstance occurring after the date of this Agreement that causes or could cause any covenant or agreement of AHL or AH Acquisition under this Agreement to be breached, or that renders or could render untrue any representation or warranty of AHL or AH Acquisition contained in this Agreement as if the same were made on or as of the date of such event, development, transaction or circumstance; and use all reasonable efforts to cure, before the Closing, any violation or breach of any representation, warranty, covenant or agreement made by AHL or AH Acquisition in this Agreement, whether occurring or arising before or after the date of this Agreement.

## ARTICLE 6

### Conditions Precedent

Section 6.1 AHL and AH Acquisition. The obligations of AHL and AH Acquisition to consummate the transactions provided for in this Agreement shall be subject to the fulfillment, on or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties. The representations and warranties of Columbia set forth in Section 4.1 hereof shall be true and correct in all material respects on the Closing Date as if made on and as of such date, except to the extent the representations and warranties speak as of an earlier date, and AH Acquisition shall have received a certificate to such effect, dated as of the Closing Date, executed on behalf of Columbia by the Chief Executive Officer and Chief Financial Officer of Columbia.

(b) Officer Certificates. AH Acquisition shall have received a certificate executed by Louis F. Crane, Mike Pinkham, Brian D. Forman, Evelynie Lubowski and Zack G. Athens to the effect that to each of their knowledge, (i) all representations and warranties of Columbia set forth in this Agreement are true and correct as of the Closing Date as if made on and as of such date, except to the extent that such representations and warranties speak as of an earlier date, and (ii) no event or circumstance has occurred that has not been disclosed by Columbia on a schedule to this Agreement that might reasonably create an obligation of Columbia to indemnify any of its officers, employees, agents or directors.

(c) Performance of Obligations. Columbia and the Subsidiaries shall have performed in all material respects all of their obligations contained in this Agreement to be

performed on or prior to the Closing Date, and AH Acquisition shall have received a certificate to such effect, executed on behalf of Columbia by the Chief Executive Officer and Chief Financial Officer of Columbia and dated as of the Closing Date.

(d) Authorization. All corporate action necessary to authorize the execution, delivery and performance by Columbia of this Agreement, and the consummation of the transactions contemplated hereby, shall have been duly and validly taken by Columbia, and Columbia shall have furnished AH Acquisition with copies of all applicable resolutions adopted by the Board of Directors and stockholders of Columbia, certified by the Secretary or Assistant Secretary of Columbia.

(e) Threatened or Pending Proceedings. No proceedings shall have been threatened or initiated by any person to enjoin or restrain the consummation of the transactions contemplated hereby or seeking damages or other relief as a result thereof.

(f) Approvals and Consents. The waiting period, if any, pursuant to HSR shall have expired without objection and any necessary approval of the Texas Department and the insurance departments of other states and jurisdictions, and all other consents of any person required to permit the consummation of the transactions contemplated by this Agreement without any violation by AHL, AHLIC, AH Acquisition, Columbia or the Subsidiaries of any law or obligation shall have been obtained and such approvals and consents shall not contain any materially burdensome conditions or requirements on or applicable to AHL, AHLIC, AH Acquisition, Columbia or any Subsidiary.

(g) Legal Opinions. AH Acquisition shall have received the opinions of Fulbright & Jaworski L.L.P., Bible, Haney, Hoy, Trachok, Wadhams & Woloson and at AH

Acquisition's option, Florida counsel reasonably acceptable to AH Acquisition, as to such matters as may be reasonably requested by AH Acquisition.

(h) No Adverse Change. Since December 31, 1996, there shall not have been, occurred or arisen any material adverse change in, or any event, development, transaction, condition or state of facts of any character (including without limitation any damage, destruction or loss whether or not covered by insurance or reinsurance) that individually or in the aggregate has or could have a material adverse effect on, the business or financial condition of any Company.

(i) Secretary's Certificates. AH Acquisition shall have received from Columbia (i) a certificate dated the Closing Date from Columbia's Secretary attaching (A) a copy of Columbia's Articles of Incorporation certified by the Secretary of State of Nevada, which certification shall be dated not more than ten days prior to the Closing Date, (B) a copy of Columbia's Bylaws, and (C) a Good Standing Certificate for Columbia from the Secretary of State of Nevada, which Certificate shall be dated no more than ten days prior to the Closing Date, (ii) a certificate dated the Closing Date from Columbia Life's Secretary attaching (A) a copy of Columbia Life's Articles of Incorporation, certified by the Texas Secretary of State, which certification shall be dated not more than ten days prior to the Closing Date, (B) a copy of Columbia Life's Bylaws, (C) a Good Standing Certificate for Columbia Life from the Texas Secretary of State, which Certificate shall be dated not more than ten days prior to the Closing Date and (D) Certificates of Status and Authority for Columbia Life from the Texas Department of Insurance and (iii) a certificate dated the Closing Date from Columbia Financial's Secretary attaching (A) a copy of Columbia Financial's Certificate of Incorporation, certified by the

Delaware Secretary of State, which certification shall be dated not more than ten days prior to the Closing Date, (B) a copy of Columbia Financial's Bylaws and (C) a Good Standing Certificate for Columbia Financial from the Delaware Secretary of State, which Certificate shall be dated not more than ten days prior to the Closing Date.

(j) Employment Agreement. Mike Pinkham shall have executed and delivered an employment agreement with Columbia Life in form and substance acceptable to AH Acquisition.

(k) Stockholder Approval. Columbia's stockholders shall have approved the Merger and Columbia stockholders holding more than ten percent of the outstanding Columbia's Stock shall not have delivered notice to Columbia pursuant to NRS Section 92A.420 of their intent to demand payment for their shares pursuant to dissenters' rights provided by the NRS.

(l) Completion of Audit. The Audit shall have been completed, including all tests and procedures required by AH Acquisition and AH Acquisition shall have received the Audit report, all supporting workpapers, reports, schedules or other documentation relating to the special tests and procedures conducted at AH Acquisition's request (the "Audit Documents") and AH Acquisition shall have had at least ten business days to review all such documents.

(m) Review. The Review shall have been completed and shall indicate that from December 31, 1996 through the Effective Time, there has not been any material adverse change in the financial condition of Columbia, Columbia Financial or Columbia Life.

Section 6.2 Conditions to the Obligations of Columbia. The obligation of Columbia to consummate the transactions provided for in this Agreement shall be subject to the fulfillment, on or prior to the Closing Date, of the following conditions:

(a) Representations and Warranties. The respective representations and warranties of AHL and AH Acquisition set forth in Section 4.2 hereof shall be true and correct in all material respects on the Closing Date as if made on and as of such date, except to the extent such representations and warranties speak as of an earlier date, and Columbia shall have received certificates to such effect, executed on behalf of AHL and AH Acquisition by their respective Chief Executive Officers and Chief Financial Officers, dated as of the Closing Date.

(b) Performance of Obligations. AHL and AH Acquisition shall have performed in all material respects all of their respective obligations contained in this Agreement to be performed on or prior to the Closing Date, and Columbia shall have received certificates to such effect, executed on behalf of AHL and AH Acquisition by their respective Chief Executive Officers and Chief Financial Officers, dated as of the Closing Date.

(c) Threatened or Pending Proceedings. No proceedings shall have been threatened or initiated by any person to enjoin or restrain the consummation of the transactions contemplated hereby or seeking damages or other relief as a result thereof.

(d) Approvals and Consents. The waiting period, if any, pursuant to HSR shall have expired without objection and any necessary approvals of the Texas Department and the insurance departments of other states or jurisdictions and all other consents listed on Schedule 4.1(d) required to permit consummation of the transactions contemplated by this Agreement

without any violation by Columbia or the Subsidiaries of any law or obligation shall have been obtained.

(e) Legal Opinion. Columbia shall have received the opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., as to such matters as Columbia shall reasonably request.

(f) Stockholder Approval. The Columbia stockholders shall have approved the Merger.

(g) Authorization. All corporate action necessary to authorize the execution, delivery and performance by AHL and AH Acquisition of this Agreement, and the consummation of the transactions contemplated hereby, shall have been duly and validly taken by AHL and AH Acquisition, and AHL and AH Acquisition shall have furnished Columbia with copies of all applicable resolutions adopted by their respective Boards of Directors and their respective stockholders, certified in each case by a Secretary or Assistant Secretary of AHL and AH Acquisition, respectively.

(h) Deposit with Exchange Agent. There shall have been deposited with the Exchange Agent the Exchange Fund in accordance with Section 2.3(a).

## ARTICLE 7

### Closing

Section 7.1 Closing. A closing (the "Closing") for the consummation of the transactions contemplated herein shall be held at the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., Jacksonville, Florida, at 9:00 A.M., local time, on the second business day following the date on

which all of the conditions set forth in Article 6 have been (or can be at the Closing) satisfied or have been waived by the party permitted to do so (the "Closing Date").

Section 7.2 Filings at the Closing. Subject to the provisions of Article 6 hereof, AH Acquisition and Columbia shall at the Closing cause the Articles of Merger to be filed and recorded in accordance with the provisions of Section 607.1105 of the FBCA and Section 92A.200 of the NRS and shall take any and all other lawful actions and do any and all other lawful things necessary to cause the Merger to become effective.

## ARTICLE 8

### Termination

Section 8.1 Termination. This Agreement, other than the obligations contained in Article 9 and Section 10.2, which shall survive any termination of this Agreement, may be terminated as to all parties hereto and the transactions contemplated herein abandoned prior to the Closing:

(a) by the mutual consent of the parties hereto;

(b) by AH Acquisition at any time after April 15, 1997, if at such time the conditions set forth in Section 6.1 hereof have not been satisfied through no fault of AH Acquisition and AH Acquisition gives Columbia notice of such termination;

(c) by AH Acquisition at any time on or before the tenth business day after AH Acquisition has received the Audit Documents, in the event that the results of the Audit are unacceptable to AH Acquisition;



(d) by AH Acquisition at any time prior to Closing, if the Review discloses a material adverse change in the condition (financial or otherwise) of any of the Companies from December 31, 1996 through the Effective Time;

(e) by AH Acquisition at any time on or before February 14, 1997, if pursuant to the review conducted by AH Acquisition pursuant to Section 3.2 hereof, AH Acquisition discovers any material information, fact, event or circumstance related to Columbia, Columbia Life or Columbia Financial that AH Acquisition deems unacceptable or if AH Acquisition, in its sole discretion, is dissatisfied with the content of the schedules hereto;

(f) by AH Acquisition at any time after holders of greater than ten percent of the outstanding Columbia's Stock have delivered notice to Columbia pursuant to the NRS of their intent to demand payment pursuant to the provisions for dissenters' rights provided by the NRS;

(g) by Columbia at any time after April 15, 1997, if at such time the conditions set forth in Section 6.2 hereof have not been satisfied through no fault of Columbia and Columbia gives AH Acquisition notice of such termination;

(h) by Columbia in accordance with the provisions of Section 3.6; and

(i) by AHL and AH Acquisition in accordance with the provisions of Section 3.6.

Termination of this Agreement as provided in this Agreement shall not affect any other rights or remedies any party may have at law, in equity or otherwise for breach of this Agreement or otherwise, including, but not limited to, any right AH Acquisition may have to receive the fee specified in Section 3.6(e) hereof.

## ARTICLE 9

### Confidentiality

Section 9.1 Confidentiality. From and after the date hereof, unless otherwise agreed to by the parties, each of the parties shall keep, and shall ensure that its directors, officers, employees, contractors, consultants and agents keep, confidential all information acquired from another party pursuant to this Agreement or otherwise, including the contents of this Agreement and any document delivered pursuant thereto or in connection therewith, except that the foregoing restriction shall not apply to any information that: (i) is or hereafter becomes generally available to the public other than by reason of any default with respect to a confidentiality obligation under this Agreement, (ii) was already known to the recipient party as evidenced by prior written documents in its possession (unless the information is covered by a prior confidentiality agreement between the parties), (iii) is disclosed to the recipient party by a third party who is not in default of any confidentiality obligation to the disclosing party hereunder, (iv) is developed by or on behalf of the receiving party, without reliance on confidential information received hereunder, (v) is submitted by the recipient party to governmental authorities or regulatory bodies to facilitate the issuance of approvals necessary or appropriate for the operation of their businesses, provided that reasonable measures shall be taken to assure confidential treatment of such information, (vi) is provided by the recipient party to third parties under appropriate terms and conditions, including confidentiality provisions substantially equivalent to those in this Agreement and with the consent of the other party or (vii) is otherwise required to be disclosed in compliance with applicable laws or regulations or order by a court or other government authority or regulatory body having competent jurisdiction. Without limiting the generality of the foregoing, no press

release or similar public announcement or disclosure concerning this Agreement or the transactions contemplated herein shall be made by any party hereto without the prior consent of the other parties unless the party making the announcement or disclosure is informed by such party's counsel that such information is required to be disclosed in compliance with applicable laws or regulations or order by a court or other government authority or regulatory body having competent jurisdiction. Any party shall be entitled, in addition to any other right or remedy it may have, at law or in equity, to an injunction, without the posting of any bond or other security, enjoining or restraining the other parties from any violation or threatened violation of this Section.

## ARTICLE 10

### Miscellaneous

Section 10.1 Consent to Jurisdiction and Service of Process. Any legal action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby may be instituted in any state or federal court sitting in Duval County, Florida or Travis County, Texas, and each party agrees not to assert as a defense in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against a party if given properly pursuant to the United States Federal Rules of Civil Procedure or other applicable rules.

Section 10.2 Expenses. Each party shall bear their respective legal and other costs and expenses incurred in connection with the preparation, execution, delivery and performance of this

Agreement and the transactions contemplated hereby without right of reimbursement from any other party.

Section 10.3 Notices. All notices and other communications hereunder shall be in writing and shall be delivered personally, telegraphed, telexed (with appropriate answerback received), sent by facsimile transmission (with immediate confirmation thereafter) or sent by registered, certified or express mail, postage prepaid, return receipt requested, or sent by a nationally recognized overnight courier service, marked for overnight delivery. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed (provided the correct answerback is received) or sent by facsimile transmission (provided confirmation is received immediately thereafter); or if mailed, upon receipt or rejection by the addressee; or if sent by overnight courier, one business day after the date of delivery to the courier service marked for overnight delivery; in each case addressed as follows:

(a) If to AHL or AH Acquisition, to:

American Heritage Life Investment Corporation  
1776 American Heritage Life Drive  
Jacksonville, Florida 32224  
Attention: T. O'Neal Douglas  
Telephone: (904)992-1776  
Facsimile: (904)992-2658

with a copy to:

John R. Byers, Esq.  
LeBoeuf, Lamb, Greene & MacRae, L.L.P.  
50 North Laura Street, Suite 2800  
Jacksonville, FL 32202-3650  
Telephone: 904/354-8000  
Facsimile: 904/353-1673

(b) If to Columbia, to:

Columbia Universal Corporation  
11044 Research Boulevard  
Austin, Texas 78759  
Attention: Louis F. Crane and Mike Pinkham  
Telephone: 512-345-3200  
Facsimile: 512-345-8906

with a copy to:

Robert E. Wilson, Esq.  
Fulbright & Jaworski L.L.P.  
1301 McKinney, Suite 5100  
Houston, Texas 77010-3095  
Telephone: 713-651-5151  
Facsimile: 713-651-5246

or to such other address as the parties hereto may specify from time to time by notice given as provided herein.

Section 10.4 Amendment. This Agreement may be amended only by an instrument in writing executed by each of the parties hereto.

Section 10.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to principles of conflicts of laws.

Section 10.7 Entire Agreement. This Agreement, together with the Exhibits and Schedules hereto, sets forth the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior negotiations, agreements, understandings or arrangements between the parties hereto with respect to the subject matter

hereof, including without limitation thereto, that certain letter agreement dated December 13, 1996.

Section 10.8 Waivers. The provisions of this Agreement may only be waived by an instrument in writing executed by the party granting the waiver. The failure of a party at any time or times to require performance of any provision hereof in any instance shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Agreement in respect of any subsequent instance. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition in respect of any subsequent instance or breach or a waiver of any other condition or of the breach of any other term of this Agreement. Without limiting the generality of the foregoing, no action taken pursuant to this Agreement, other than proceeding with the consummation of the transactions contemplated herein, shall be deemed to constitute a waiver by the party taking such action or of compliance with any representations, warranties, covenants or agreements contained in this Agreement.

Section 10.9 Interpretation. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article, Section, Exhibit or Schedule, respectively, of this Agreement unless otherwise indicated. The table of contents and the headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation hereof.

Section 10.10 No Assignment. This Agreement and the rights, interests and obligations hereunder may not be assigned by AHL, by AH Acquisition or by Columbia, by operation of law or otherwise, except that AH Acquisition may assign all of its rights, interests and obligations

hereunder to another wholly owned (directly or indirectly) subsidiary of AHL, provided that such subsidiary agrees in writing to be bound by all of the terms, conditions and provisions contained herein.

Section 10.11 No Survival of Representations and Warranties. The respective representations and warranties, obligations, covenants and agreements contained in this Agreement or in any Schedule, certificate or letter delivered pursuant hereto (including the officer certificates delivered pursuant to Section 6.1(b)), other than those contained in Articles 1 and 2, shall expire and be terminated and extinguished at the Effective Time.

Section 10.12 Further Assurances. From and after the Closing, each party shall execute and deliver such documents and take such other actions as the other party may reasonably request to further effect or evidence the purposes and intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day  
and year first above written.

COLUMBIA UNIVERSAL CORPORATION

By \_\_\_\_\_

AH ACQUISITION CORPORATION

By 

AMERICAN HERITAGE LIFE INVESTMENT  
CORPORATION

By 



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day  
and year first above written.

COLUMBIA UNIVERSAL CORPORATION

By   
AH-ACQUISITION CORPORATION

By \_\_\_\_\_

AMERICAN HERITAGE LIFE INVESTMENT  
CORPORATION

By \_\_\_\_\_