# LIFE INSURANCE POLICY DIRECT SALE AND PURCHASE AGREEMENT

**THIS LIFE INSURANCE POLICY DIRECT SALE AND PURCHASE**

**AGREEMENT** (this “Agreement”) is entered into by and between Purchaser and Seller (together, the “Parties”; each of the Parties, a “Party”) as those terms are defined in the Glossary of Defined Terms attached hereto as Exhibit A (the “Glossary”), as of the Execution Date, as that term is defined in the Glossary.

# RECITALS

**WHEREAS**, theSeller desires to sell, and Purchaser desires to acquire, that certain life insurance policy described in Exhibit B to this Agreement (the “Policy”), and other property of Seller relating to the Policy, subject to the terms and conditions hereof;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged by the Parties, the Parties hereby agree as follows:

# AGREEMENT

ARTICLE I.

## DEFINITIONS

SECTION 1.01 Definitions. Capitalized terms used and not otherwise defined in this Agreement have the respective meanings given to them in the Glossary.

SECTION 1.02 Other Definitional and Interpretive Matters.

1. Unless otherwise expressly provided, for purposes of this Agreement, the

following rules of interpretation shall apply:

* 1. Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.
  2. Headings. The division of this Agreement into Articles, Sections and other subdivisions, and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any “Article” or “Section” are to the corresponding Article or Section of this Agreement, respectively, unless otherwise specified.
  3. Herein. Words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.
  4. Including. The word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

1. The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement, nor shall the rule of construction “*contra proferentum*” or any similar rule requiring construction against the drafter of an agreement be applied in construing this Agreement.

ARTICLE II.

## CONVEYANCE OF POLICY

SECTION 2.01 Conveyance of Policy Generally. Subject to the terms and conditions hereof, Seller hereby agrees to sell, convey, assign, set-over, transfer and deliver to Purchaser, on the Transaction Date, free and clear of all Liens other than any Permitted Lien(s), and Purchaser hereby agrees to purchase from Seller and accept assignment from Seller, on the Transaction Date, all of Seller’s right, title and interest in, to and under, the Subject Property. As used herein, “Subject Property” means:

(a) the Policy and all right, title, and interest, in, to, and under the Policy, except Permitted Liens, subject to Sections 2.03 and 3.02, including but not limited to:

1. all death benefits, proceeds and other amounts paid or payable by

the related Insurer under or otherwise with respect to the Policy on or after the related Transaction

Date, except as provided for in Section 2.03 and/or Section 3.02;

1. the right to designate and change each beneficiary of the Policy;
2. the right to assign and transfer ownership of, and to collaterally assign, the Policy;
3. the right to elect payment and settlement options available under the Policy;
4. the right to incur loans under the Policy pursuant to the terms of the Policy; and
5. any and all additional rights that may be exercised by an owner of the Policy;
6. The Policy File and all of the rights and obligations therein and thereunder; and
7. (i) all income, payments and proceeds relating to or arising out of any of the foregoing and (ii) all rights of recourse or recovery against any third party, and all other claims, rights and causes of action, relating to or arising out of any of the foregoing; provided, however, that notwithstanding the foregoing, but without in any way limiting Purchaser’s title and interest in any property being sold hereunder, Seller shall retain such rights and benefits (and related remedies) to the Subject Property to the extent such rights and benefits (and related remedies) relate to life insurance policies other than the Policy (even if such life insurance policies relate to the Insured(s) or are required by Seller and/or its Affiliates to (i) investigate or defend any investigation or Action initiated by any third party relating to any property being sold hereunder or (ii) fulfill its and their ongoing obligations, if any, to Purchaser (or the assignees thereof) in relation to the Policy and related Subject Property and in relation to the servicing thereof. Notwithstanding anything to the contrary contained herein, (i) Seller hereby grants to Purchaser and its successors and assigns an irrevocable, perpetual, royalty-free license to use any Power of Attorney and any and all rights thereunder, and (ii) Seller shall not hereunder (or be deemed or obligated hereunder to) sell, convey, assign, set-over, transfer or deliver to Purchaser, and Purchaser shall not hereunder be deemed or obligated to purchase from Seller or accept from Seller assignment of, any right, title or interest in, to or under any Matured Policy.

SECTION 2.02 Purchase Price. The Purchase Price for the Subject Property is set forth on the related Policy Schedule, subject to adjustment as provided for herein. Purchaser has previously delivered the full Purchase Price to Seller prior to the Execution Date, and Seller hereby acknowledges receipt of such Purchase Price in full satisfaction of Purchaser’s payment obligation under this Agreement.

SECTION 2.03 Matured Policy. Subject to Section 2.08, if, following the Transaction Date, a Party discovers that the Policy is, in fact, a Matured Policy due to the death of the Insured (or the second Insured on a second-to-die or joint survivorship Policy) prior to the Transaction Date, then such Party, as applicable, shall deliver written notice thereof to the other Party as soon as reasonably practicable after such discovery. Under such circumstances, the related Matured Policy Proceeds shall be the property of Seller, and Purchaser shall (i) cooperate with Seller to claim the Matured Policy Proceeds from the Insurer for and on behalf of Seller, and (ii) advance no claim of any Person other than in the interest of obtaining such Matured Policy Proceeds for Seller. Nonetheless, if the Matured Policy Proceeds are received by or on behalf of Purchaser, it is understood and agreed by the parties that such Matured Policy Proceeds are received for the benefit of, and shall be held in trust for, Seller, and Purchaser shall remit such Matured Policy Proceeds to Seller within three (3) Business Days after receipt of such payment from Insurer, and Seller shall promptly thereafter remit the related Repurchase Price to Purchaser. The Parties agree to act in good faith and with commercial reasonableness to ensure that the Matured Policy Proceeds and related Repurchase Price (or reimbursable Purchase Price, as applicable) are paid to the appropriate Party in accordance with this Agreement.

SECTION 2.04 Failed Acquisition. If Seller is unable or unwilling to acquire the Policy, Seller shall promptly reimburse Purchaser an amount equal to the Purchase Price with respect thereto.

SECTION 2.05 Time and Place of Closing. The closing of the Policy sale transaction contemplated by this Agreement (“Closing”) shall occur on the related Transaction Date following the execution of this Agreement, if such closing occurs. For all purposes of this Agreement, the sale and assignment of all of the Subject Property by Seller to Purchaser hereunder shall be deemed effective, and as having occurred at a place to be mutually agreed upon by Seller and Purchaser in New York, as of 12:01 a.m., New York City time, on the related Transaction Date.

SECTION 2.06 Closing Mechanics. In consideration of Purchaser’s prior payment of the Purchase Price, Seller shall, as of the Transaction Date, cause the Change Forms to be delivered to Purchaser for execution and delivery to the Insurer. Purchaser shall promptly deliver to Seller a copy of the fully executed Change Forms and shall keep Seller apprised as to the status thereof. Subsequent to its receipt of the Insurer Acknowledgment, Purchaser shall deliver a copy thereof to Seller. At Closing, Seller assigns, transfers and grants to Purchaser all of the Subject Property.

SECTION 2.07 Closing Deliverables. Following the Transaction Date, and in consideration of Purchaser’s prior payment of the Purchase Price, Seller shall deliver, or cause to be delivered, to Purchaser:

1. a bill of sale, in substantially the form attached hereto as Exhibit C (a “Bill of Sale”) that is dated as of the related Transaction Date and has been duly executed by Seller; and
2. Seller shall deliver or cause to be delivered to Purchaser a copy of the Policy

and Policy File.

SECTION 2.08 Rescission. If (within the related Rescission Period) the Underlying Seller validly exercises any statutory or contractual right of rescission, then Seller shall repurchase such Policy from Purchaser, and Purchaser shall sell such Policy to Seller, for the Repurchase Price no later than such date as will enable such Seller to retransfer such Policy to the Underlying Seller by the date required by Applicable Law. Seller shall deliver or cause to be delivered the Repurchase Price to Purchaser, by wire transfer of immediately-available funds in accordance with written instructions provided by Purchaser. Prior to the delivery of the Repurchase Price to Purchaser, Purchaser shall execute such documents as Seller may reasonably request to (i) return the Subject Property to the Underlying Seller and (ii) release Seller and its respective Affiliates from any further obligations with respect to the Policy.

ARTICLE III.

## REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER

SECTION 3.01 Representations and Warranties of Purchaser. On each of the Execution Date and Transaction Date, Purchaser acknowledges and hereby represents and warrants to Seller as follows:

1. Organization of Purchaser. Purchaser is duly organized, validly existing and in good standing under the Applicable Laws of the state of its formation, and has organizational power and authority to own its properties and to conduct its business as such properties shall then be owned and such business is then conducted, and had at all relevant times, and shall then have, organizational power, authority and legal right to own and lease its properties (and the Subject Property) and to carry on its business as conducted by it.

1. Authorization; Binding Effect. Purchaser has the power and authority to execute and deliver, and to perform its obligations under, this Agreement. Purchaser has taken all necessary action to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and thereunder. Purchaser has duly executed and delivered this Agreement. This Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Applicable Laws now or hereafter in effect affecting creditors’ rights generally and subject to the application of equitable principles and the availability of equitable remedies.
2. No Violations or Conflicts. The execution and delivery by Purchaser of this Agreement

and the performance by Purchaser of its obligations hereunder, including Purchaser’s purchase and acceptance of the assignment of the Subject Property from Seller (i) do not and will not violate, conflict with or result in any breach of any provision of Purchaser’s organizational documents; (ii) do not and will not violate or conflict with any Applicable Law or Order applicable to Purchaser; and (iii) do not and will not with or without the giving of notice or the passage of time or both, result in the termination of, or result in a breach of any provision of, or constitute a default under, or accelerate or permit the acceleration of the performance required by the terms of, or result in the creation of any Lien upon any asset or property under, any Contract to which Purchaser is a party or by which Purchaser or any of its assets or properties is bound or subject, which violation, breach or default could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the validity or enforceability of this Agreement or Purchaser’s ability to perform its obligations hereunder.

1. No Consents. The execution and delivery by Purchaser of this Agreement and the performance by Purchaser of its obligations hereunder and thereunder, including Purchaser’s purchase and acceptance of the assignment of the Subject Property hereunder from Seller, do not and will not require Purchaser or any Affiliate thereof to obtain, make, provide or deliver any consent, waiver, approval, license, permit, Order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any Governmental Authority or other Person, other than (i) any such consent, waiver, approval, license, permit, Order, designation, authorization, notice, registration, filing, qualification or declaration which is expressly contemplated by the terms of this Agreement, (ii) which is applicable solely as a result of a breach by Seller of any representation or warranty contained in this Agreement, or (iii) which has already been obtained.
2. No Actions. There are no pending or, to the knowledge of Purchaser or any of its Affiliates, threatened Actions by or against Purchaser or any of its Affiliates: (i) asserting the invalidity of, (ii) seeking to prevent the consummation of any of the transactions contemplated by, or (iii) seeking any determination or ruling that might materially and adversely affect the validity or enforceability of, this Agreement.
3. Accredited Investor; Securities Laws. Purchaser is an “Accredited Investor” as such term is defined in the United States Securities Act of 1933. Purchaser (A) may purchase and hold the Policy, (B) may resell the Policy and/or interests therein, and/or (C) may issue securities or other instruments or certificates representing interests in the Policy or payable from the proceeds thereof, in each case only in a manner that either satisfies the requirements for, or is exempt from registration under, the United States Securities Act of 1933 or comparable registration requirements of any non-U.S. Applicable Law.
4. USA Patriot Act. None of Purchaser, any Person that makes funds available to Purchaser, or any Person for whom Purchaser is acting as agent, manager, trustee, representative, intermediary or nominee or in any similar capacity, in connection with the transactions contemplated by this Agreement, is:
   1. a country, territory, entity or individual currently subject to any U.S.

sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”) or an entity or individual that resides or has a place of business in, or is organized under the laws of, a country or territory that is subject to any sanctions administered by OFAC; or

* 1. a country, territory, entity or individual that (1) has been designated

as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force, of which the United States is a member; (2) is the subject of an advisory issued by the Financial Crimes Enforcement Network of the U.S. Treasury Department or (3) has been designated by the Secretary of the Treasury under Section 311 of the USA PATRIOT Act as warranting special measures due to money laundering concerns (any such country or territory, a “Non-Cooperative Jurisdiction”), or an entity or individual that resides or has a place of business in, or is organized under the laws of, a Non-cooperative Jurisdiction.

1. Independent Decision. Purchaser has carefully read and understands this Agreement. Purchaser has performed due diligence regarding Seller, the Policy, and the Policy Purchase Documents to its full and complete satisfaction, and sought and obtained its own legal, tax, accounting, actuarial and financial advice with respect to this Agreement and any obligations that Purchaser will incur or undertake hereunder, and is relying solely upon its own legal, tax, accounting, actuarial, financial and other advisers in its decision to enter into this Agreement and consummate the transactions contemplated herein. Purchaser is sufficiently sophisticated, knowledgeable and experienced in financial and business matters to be capable of determining and evaluating the merits and risks of purchasing any rights related to the Policy and to be capable of protecting its interest in connection with any such purchase. Purchaser has made its own judgment on the reasonableness of any life expectancies, mortality ratings, and/or mortality assumptions (including, but not limited to, which life expectancy, mortality table and medical underwriter to use in its pricing and purchasing decisions). Purchaser has determined that its acquisition of the Policy is fully consistent with its financial needs, objectives and conditions, notwithstanding the risks inherent in investing in any life insurance policy.

SECTION 3.02 Covenants of the Purchaser.

1. Limitation on Resale of Policy. Purchaser will not sell, transfer, convey or

assign (each, a “Policy Resale”) any direct or indirect beneficial or ownership interest in the Policy to any Person (a “Policy Buyer”) unless:

* 1. such Policy Resale is pursuant to a document or instrument in which Policy Buyer agrees to be bound by a covenant identical to this Section 3.02(a) (except that such covenants shall name the parties to such document or instrument with respect to the identity of the seller and the purchaser);
  2. the Policy Resale (including the sale of the Subject Property) is in

accordance with all Applicable Laws and the Underlying Sale Agreement(s), including the obligation, if any, to notify the Underlying Seller of any Policy Resale.

ARTICLE IV.

## REPRESENTATIONS AND WARRANTIES OF THE SELLER

SECTION 4.01 Representations and Warranties of Seller. On each of the Execution Date and Transaction Date, Seller acknowledges and hereby represents and warrants to Purchaser:

1. Organization of Seller. Seller is duly organized, validly existing and in good standing under the laws of the State in which it is domiciled, and has all requisite organizational power and authority to own its own properties and to conduct its business as such properties shall then be owned and such business is then conducted, and had at all relevant times, and shall then have, organizational power, authority and legal right to own and lease its properties (including the Subject Property) and carry on its business as conducted by it.
2. Authorization; Binding Effect. Seller has the power and authority to execute and deliver, and to perform its obligations under, this Agreement. Seller has taken all necessary action to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. Seller has duly executed and delivered this Agreement. This Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Applicable Laws now or hereafter in effect affecting creditors’ rights generally and subject to the application of equitable principles and the availability of equitable remedies.
3. No Violations or Conflicts. The execution and delivery by Seller of this Agreement and the performance by Seller of its obligations hereunder and thereunder, including Seller’s sale and assignment of the Subject Property to Purchaser (i) do not and will not violate, conflict with or result in any breach of any provision of Seller’s organizational documents; (ii) do not and will not violate or conflict with any Applicable Law or Order applicable to Seller; and (iii) do not and will not with or without the giving of notice or the passage of time or both, result in the termination of, or result in a breach of any provision of, or constitute a default under, or accelerate or permit the acceleration of the performance required by the terms of, or result in the creation of any Lien upon any asset or property under, any Contract to which Seller is a party or by which Seller or any of its assets or properties is bound or subject, which violation, breach or default could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the validity or enforceability of this Agreement or Seller’s ability to perform its obligations hereunder.
4. No Consents. The execution and delivery by Seller of this Agreement and the performance by Seller of its obligations hereunder and thereunder, including the sale and assignment by Seller to Purchaser of the Subject Property, do not and will not require Seller or any of its Affiliates to obtain, make, provide or deliver any consent, waiver, approval, license, permit, Order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any Governmental Authority or other Person (including in accordance with the terms of the Subject Property), other than (i) any such consent, waiver, approval, license, permit, Order, designation, authorization, notice, registration, filing, qualification or declaration which is expressly contemplated by the terms of this Agreement, (ii) which is applicable solely as a result of a breach by Purchaser of any representation or warranty contained herein, or (iii) has already been obtained.
5. No Actions. There are no pending or, to the best of the actual knowledge of Seller or any of its Affiliates, threatened Actions by or against Seller or any of its Affiliates: (i) asserting the invalidity of, (ii) seeking to prevent the consummation of any of the transactions contemplated by, or (iii) seeking any determination or ruling that might materially and adversely affect the validity or enforceability of, this Agreement.

SECTION 4.02 Representations and Warranties of Seller as to Subject Property. Seller, with respect to the Subject Property, hereby represents and warrants to Purchaser:

1. Good, Valid and Marketable Title.
   1. Seller has good, valid and marketable title to the Policy, free and

clear of all Liens other than any Permitted Lien(s).

* 1. Seller has good, valid and marketable title to the Policy File, free

and clear of all Liens other than any Permitted Lien(s).

* 1. Upon completion of the Closing, and the payment by Purchaser of

the Purchase Price in accordance with this Agreement, Purchaser will have good, valid and marketable title to all of the Subject Property, in each case free and clear of all Liens other than any Lien(s) created by or through the Purchaser or any Permitted Lien(s).

1. Seller’s Compliance With Law. To the best of Seller’s actual knowledge,

(i) the acquisition of the Policy by Seller complied, in all material respects, with all Applicable Laws as then in effect, and

(ii) each prior transfer of any direct or indirect interest in the Policy (if any) complied, in all material respects, with all Applicable Laws.

1. Policy Characteristics.
   1. The Policy is not within the contestability period and is in full force

and effect. As of the related Transaction Date, the Policy will not be in a state of default or lapse pending.

* 1. To the best of Seller’s actual knowledge, there was no misrepresentation or fraud by any Insured, Underlying Seller or other Person (including any insurance agent, broker or producer) in connection with the application for, or the procurement of, the Policy or in connection with any previous sale or financing of any direct or indirect interest in the Policy. Neither Seller nor any of its Affiliates has received any written notice or other written communication from Insurer or any other Person alleging any such misrepresentation or fraud or otherwise relating to the possibility of there having occurred any such misrepresentation or fraud with respect to the Policy.

* 1. Neither Seller nor any of its Affiliates has received any written

notice or other written communication from Insurer seeking to rescind the Policy or stating that the Policy is void. Neither Seller nor any of its Affiliates has received any written notice from any Person of such Person’s intent to challenge the validity of, or Seller’s ownership or beneficial interest in, the Policy. Neither Seller nor any of its Affiliates has received any written notice from any Person asserting a Lien on the Policy other than Permitted Liens. Neither Seller nor any of its Affiliates has received any written notice of a Person’s objection to the transactions contemplated by this Agreement.

* 1. Neither Seller nor any of its Affiliates has received any written

notice from Insurer of Insurer’s intent to raise the cost of insurance in respect of the Policy other than as reflected in a written policy illustration provided to Purchaser or otherwise disclosed in writing to Purchaser.

* 1. To the best of Seller’s actual knowledge, the Policy was applied for,

issued and delivered in compliance with all Applicable Laws and Orders, and Seller acquired the Policy in compliance with all Applicable Laws and Orders (including without limitation any Applicable Laws regarding disclosure of producer compensation).

SECTION 4.03 No Other Representations and Non-Reliance. Except as expressly set forth in this Article IV, neither Seller, nor any of Seller’s Affiliates and their respective agents, employees or Representatives have made, nor are any of them making, any representation or warranty, express or implied, in respect of Seller, its Affiliates or the Subject Property, nor are any of them making any representation or warranty regarding the accuracy or completeness of any information provided to Purchaser or any of Purchaser’s Affiliates or their respective agents, employees or Representatives in connection with the negotiation of this Agreement or the purchase of the Subject Property, and any such other representations and warranties are hereby expressly disclaimed. Except as expressly set forth herein, nothing in this Agreement requires Seller or any of its Affiliates to sell or offer to sell the Policy or any other life insurance policy to Purchaser; or prohibits Seller or any of its Affiliates from maintaining ownership of the Policy or any other life insurance policy or selling or offering to sell the Policy or any other life insurance policy to any other Person. Purchaser acknowledges and agrees that it is relying on its own knowledge, investigation and analysis in entering into this Agreement and the consummation of the transactions contemplated hereby, and that this Agreement and the related agreements are the product of arms’-length negotiations, and that neither Seller nor any of its Affiliates is an agent or fiduciary of Purchaser. Purchaser acknowledges and agrees that it is an informed and sophisticated participant in the transactions contemplated by this Agreement and has undertaken such investigation, and has been provided with and has evaluated such documents and information as it has deemed necessary in connection with the execution, delivery and performance of this Agreement. Purchaser acknowledges and agrees that Seller and its Affiliates are not providing any representations or warranties as to: (i) the fitness of the Policy for any particular use or business purpose of Purchaser; (ii) the accuracy of any assessment of life expectancy, mortality rating or mortality table used by Purchaser, or the appropriateness of the methodology used by any medical underwriter to assess any life expectancy or assign any mortality rating; (iii) the amount the Purchaser ultimately will recover or receive as proceeds of the Policy or the timing of its receipt of any such amounts related thereto, if any; (iv) the accuracy of any Premium projections or the amount of Premiums required to maintain the Policy in effect; or (v) the existence of an "insurable interest" at the date of issuance of the Policy, as such term is defined by any court or Governmental Authority having jurisdiction over the Policy. Seller is under no obligation to provide Purchaser with any life expectancy information, any and all life expectancy quotes or reports provided by Seller, if any, are provided for informational purposes only, and Purchaser will not obtain any rights with respect to any such life expectancy reports against Seller, the preparer of such reports, or any other Person. Reference to any life expectancy quote or report is not an endorsement of its preparer, its underwriting methodology or a representation or warranty concerning the accuracy of its life expectancy estimates. With respect to any projections or forecasts delivered to Purchaser in connection with the transactions contemplated hereby, Purchaser acknowledges that: (a) there are uncertainties inherent in attempting to make such projections and forecasts; (b) the accuracy and correctness of such projections and forecasts may be affected by information that may become available over time or otherwise after the date prepared; (c) such projections and forecasts have not been independently verified, reflect various assumptions and may not prove to be correct; and (d) it is expertly familiar with each of the foregoing. Except for items specifically required to be delivered under this Agreement, Seller shall not have any duty or responsibility to provide Purchaser or any of its Affiliates any information that comes into the possession of Seller or any of its Affiliates.

ARTICLE V.

## INDEMNIFICATION

SECTION 5.01 Survival. All of the representations, warranties, covenants and obligations contained herein and any certificate delivered by Seller or Purchaser hereunder shall survive the consummation of the transactions contemplated to occur hereunder on the Transaction Date for a period of twelve (12) months following the Transaction Date.

SECTION 5.02 Indemnification by Seller. From and after the Transaction Date, Seller shall, subject to the terms of this Article V (including, without limitation, the survival provisions set forth in Section 5.01), indemnify and defend each of Purchaser and its Affiliates and Representatives and their respective successors and permitted assigns (collectively, “Purchaser Indemnified Persons”; each, a “Purchaser Indemnified Person”) against, hold each Purchaser Indemnified Person harmless from, and reimburse each Purchaser Indemnified Person for, all Losses that such Purchaser Indemnified Person suffers or incurs, or becomes subject to, and arise out of or otherwise relate to (i) any breach of any representation or warranty set forth in Article IV, or (ii) any failure by Seller to materially either perform or comply with any of its covenants or obligations contained in this Agreement; provided, that Seller shall not indemnify any Purchaser Indemnified Person for any Losses resulting from acts, omissions, or alleged acts or omissions that constitute gross negligence or willful misconduct by any Purchaser Indemnified Person or Affiliate thereof.

SECTION 5.03 Indemnification by Purchaser. From and after the Transaction Date, Purchaser shall, subject to the terms of this Article V (including, without limitation, the survival provisions set forth in Section 5.01), indemnify and defend each of Seller and its Affiliates and Representatives and their respective successors and permitted assigns (collectively, “Seller Indemnified Persons”; each, a “Seller Indemnified Person”) against, hold each Seller Indemnified Person harmless from, and reimburse each Seller Indemnified Person for, all Losses that such Seller Indemnified Person suffers or incurs, or becomes subject to, and arise out of or otherwise relate to (i) Purchaser’s breach of any representation or warranty set forth in Article III, or (ii) any failure by Purchaser to perform or comply with any of its covenants or obligations contained in this Agreement; provided, that Purchaser shall not indemnify any Seller Indemnified Person for any Losses resulting from acts, omissions, or alleged acts or omissions that constitute gross negligence or willful misconduct by any Seller Indemnified Person or Affiliate thereof.

SECTION 5.04 Seller’s Right to Repurchase.

1. In the event Purchaser desires to assert a claim for indemnification pursuant

to Section 5.02 arising out of or relating to a breach (or alleged breach) by Seller of Section 4.02, Purchaser shall provide written notice to Seller within three (3) months of Purchaser having knowledge of the basis for such claim. Within ten (10) Business Days after receipt of such notice, Seller may provide written notice to Purchaser of Seller’s election to repurchase the Policy giving rise to such claim. Within ten (10) Business Days of receipt of such notice, Purchaser shall notify Seller in writing whether or not Purchaser desires to re-sell the Policy to Seller.

(b) If Purchaser so notifies Seller that it does not desire to re-sell the Policy to Seller, or if Purchaser fails to notify Seller on or before such tenth (10th) Business Day, then: (i) Purchaser shall be deemed to have irrevocably waived and released any and all rights, remedies, claims, causes of action and recourse that Purchaser has, ever had, or could ever have but for this Section 5.04, at law or in equity, with respect to such breach (or alleged breach); and (ii) Purchaser shall take any and all actions necessary or otherwise reasonably requested by Seller to give full effect to such waiver and release, including terminating any action or proceeding commenced by Purchaser.

(c) If Purchaser so notifies Seller that it desires to re-sell the Policy to Seller, then:

(i) Purchaser shall promptly sell, assign, transfer, set-over and otherwise convey to Seller or its designee, and Seller or its designee shall promptly purchase, acquire, accept and assume from Purchaser, in each case free and clear of all Liens other than Permitted Liens and RDB Benefits, all right, title and interest in, to and under the Policy (and other Subject Property) in exchange for the Repurchase Price less any indemnification payments that Seller has previously made with respect to the Policy (the “Net Repurchase Price”); (ii) Seller shall, promptly following confirmation of satisfaction of clause (iii) below, pay to Purchaser an amount equal to the Net Repurchase Price; and (iii) Purchaser shall execute and deliver all appropriate documents and take all other actions necessary or reasonably requested by Seller to cause ownership of the Policy (and other Subject Property) to be transferred to Seller or its designee. In addition, Purchaser shall fully cooperate with Seller in taking such action (at Seller’s expense) necessary for Seller to pursue collection of any amounts Seller believes are due and payable with respect to the Policy for the benefit of Seller; provided, however, in no event shall Purchaser be required to take any action that may require Purchaser to incur any expense or liability unless Purchaser is provided with such security and indemnity against such expense or liability that Purchaser reasonably requires. Upon Seller making payment of the Net Repurchase Price, then: (i) Purchaser shall be deemed to have irrevocably waived and released any and all rights, remedies, causes of action and recourse that Purchaser has, ever had, or could ever have but for this Section 5.04, at law or in equity, with respect to such breach (or alleged breach); and (ii) Purchaser shall take any and all actions necessary or otherwise reasonably requested by Seller to give full effect to such waiver and release, including terminating any action or proceeding commenced by Purchaser.

SECTION 5.05 Exclusive Remedy. Except as expressly provided in **Section 5.04** (Repurchase Obligation), in any other provision of this Agreement expressly providing for a remedy, and with respect to **specific performance or injunctive relief (including enforcement of the obligations in Section 5.04)**, the remedies set forth in this Agreement shall be the sole and exclusive remedies of the Parties.

Notwithstanding anything to the contrary herein, and other than the remedies preserved in the preceding sentence:

1. the indemnification provisions in this Article V shall be the sole and exclusive remedy of a Party (and its respective Indemnified Persons) for any and all claims against the other Party for all Losses and damages of any kind, including claims based on fraud or negligence;
2. all applicable statutes of limitations or other claims periods with respect to claims hereunder shall be shortened to the survival period set forth in Section 5.01; and
3. each Party (for itself and its Indemnified Persons) irrevocably waives any and all rights it may have to assert claims against the other Party or such other Party’s Indemnified Persons under statute, common law, tort, or equity, except as expressly permitted in this Agreement.

ARTICLE VI.

CONFIDENTIALITY

SECTION 6.01 Confidentiality.

1. General Duty. Each Party agrees that, (a) this Agreement and its contents (and all drafts of this Agreement), and all written notices or instructions delivered hereunder (and the contents of such notices or instructions), (b) all medical, health, financial and personal information concerning each Insured and the Underlying Sellers, including, without limitation, any such person’s name, street or mailing address, electronic mail address, telephone or other contact information, employer, social security or tax identification number, date of birth, driver’s license number, photograph or documentation of identity or residency, and (c) each written report delivered on the Closing Date or otherwise by Seller (and the contents thereof) comprise the “Confidential Information.” Confidential Information does not include information or data that can be shown to have been (i) previously obtained or known by the receiving Party with no obligation to keep such information or data confidential with respect to the disclosing Party, (ii) in the public domain (either prior to or after the furnishing of such information or data hereunder) without a breach of the confidentiality provisions of this Agreement by such receiving Party, (iii) later acquired by the receiving Party from another source if the receiving Party is not aware that such source is under an obligation to a Party to keep such information or data confidential, or (iv) is produced as a result of the receiving Party’s independent development of the information without the use of any of the disclosing Party’s Confidential Information.
2. Reasonable Precautions. Either Party may disclose Confidential Information to those of its Representatives which such Party reasonably believes have a need to know such information in connection herewith and the performance of such Party’s obligations hereunder, or in connection with related financing, or administrative or servicing arrangements, it being understood that such Representatives shall have been informed of this Agreement and directed to handle the Confidential Information in accordance with the terms hereof. In any event, the receiving Party of any Confidential Information of the disclosing Party shall be responsible for any breach hereof by it or any of its employees, agents or Representatives. Each Party shall take such precautions as may be lawful and reasonably necessary to restrain its officers, directors, employees, agents or Representatives from disclosure of Confidential Information to any other Person; provided that Confidential Information may be disclosed in accordance with the terms of this Agreement: (i) to the extent that such Confidential Information has become publicly known other than as a result of a breach by Purchaser, or any of its officers, directors, employees, agents or advisors of any obligation to keep such Confidential Information confidential if disclosed in a manner that does not identify any Insured and could not reasonably be expected to facilitate the identification of any Insured by any other Person that does not have a right to know the identity of such Insured; (ii) to the extent ordered in writing to produce such Confidential Information by a competent court or other Governmental Authority having appropriate jurisdiction over such Party and the Confidential Information, but only if (to the extent lawful) such Party promptly supplies notice to the other Party of such Order and the specific Confidential Information identified therein and (to the extent known by such party and lawful) the basis and purpose of such order, so that the other Party may, at its sole cost and expense, contest such order or seek judicial or other relief before such Confidential Information is disclosed; and (iii) to the extent necessary or appropriate in support of any claim or motion before any Governmental Authority in an Action including the parties to this Agreement, provided that such Party (A) has petitioned the corresponding Governmental Authority to treat such Confidential Information confidentially to the fullest extent permissible under law and in the context of such dispute, and (B) if Seller is not a party to such action, has given Seller five (5) Business Days’ prior written notice of the anticipated disclosure. For avoidance of doubt, in the case of clauses (A) or (B) immediately above, the obligation to preserve the confidentiality of the Confidential Information shall survive termination hereof to the extent any such Confidential Information remains in the possession of the Party receiving the Confidential Information of the other Party.

ARTICLE VII.

## TERMINATION

SECTION 7.01 Termination. This Agreement may be terminated by the mutual agreement of the Parties and on any date as follows:

1. by Purchaser, in its sole discretion, by delivery thereby of written notice to Seller of such termination upon:
   1. the occurrence of a change in any Applicable Law that causes it to

be illegal for Purchaser to continue to perform its material obligations hereunder;

* 1. the occurrence and continuance of an Insolvency Event with respect

to Seller; or

* 1. the occurrence of a material breach of any representation, warranty

or covenant of Seller hereunder that continues uncured for more than fifteen (15) Business Days following the date notice thereof was first delivered by Purchaser to the Seller.

1. by Seller, in its sole discretion, by delivery thereby of written notice to Purchaser of such termination upon:
   1. the occurrence of a change in any Applicable Law that causes it to

be illegal for Seller to continue to perform its material obligations hereunder;

* 1. the occurrence and continuance of an Insolvency Event with respect

to Purchaser; or

* 1. the occurrence of a material breach of any representation, warranty

or covenant of Purchaser hereunder that continues uncured for more than fifteen (15) Business Days following the date notice thereof was first delivered by Seller to Purchaser.

SECTION 7.02 Survival. Notwithstanding anything contained herein to the contrary, Sections 2.03, 2.08, 3.02 and 4.03, and Articles V, VI, and VIII hereof shall survive termination of this Agreement.

ARTICLE VIII.

## MISCELLANEOUS PROVISIONS

Section 8.01 Dispute Resolution & Governing Law.

1. Dispute Resolution. Any dispute, claim or controversy, including tort

claims, arising out of or relating to this Agreement or to the breach, termination, enforcement, interpretation or validity hereof, including the determination of the scope or applicability of this arbitration provision, shall be determined by arbitration in accordance with the JAMS Comprehensive Arbitration Rules and Procedures (the “Rules”). In the event of a conflict between such Rules and this Agreement, the provisions of this Agreement will control. The tribunal will consist of three arbitrators. The place of arbitration will be New York County, New York, USA. One arbitrator shall be nominated by the Party initiating arbitration at the time of the filing of its demand for arbitration, the arbitrator shall be nominated by the opposing Party at the time of the filing of its answering statement, and the third arbitrator (who shall act as chairman) shall be jointly nominated by the Party-nominated arbitrators if they are able to agree. If the first two Party-nominated arbitrators are unable to agree upon a third arbitrator within fifteen (15) days after the nomination of the second, or if either Party fails to nominate an arbitrator as set forth herein, an arbitrator shall be appointed pursuant to the Rules. The arbitrators shall, in the award, allocate all the costs of the arbitration, including the fees of the arbitrators and the reasonable attorneys’ fees of the prevailing Party or Parties. The arbitrators may not award punitive, exemplary, incidental or consequential damages, and the Parties hereby irrevocably waive any claim(s) to such damages in disputes that are subject to this arbitration provision. The result of the arbitration will be final and binding on the Parties, and judgment upon any award rendered by the arbitrators may be entered by any court having jurisdiction. The Parties hereby agree not to appeal the result of the arbitration. The procedures set forth herein shall not preclude a Party from seeking injunctive relief or other provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The Parties agree not to disclose, whether orally or in written form, without the express written consent of the other Party, the existence of, or claims or defenses alleged in, any dispute or any arbitration, pending or completed, involving the Parties with respect to this Agreement.

1. Governing Law; Consents to Service of Process. This Agreement shall be

interpreted, construed, governed and enforced according to the laws of the State of New York, USA, without reference to its conflicts or choice of laws principles. The Parties submit to the exclusive jurisdiction of the federal and state courts located in New York County, New York for the limited purpose of an order to compel arbitration, for preliminary relief in aid of arbitration, for a preliminary injunction to maintain the status quo or prevent irreparable harm prior to the appointment of the arbitrators, for collection of unpaid Servicing Fees and for the enforcement of any award issued hereunder. The Parties hereby irrevocably waive any claim of forum non conveniens and any objections as to laying of venue. Each Party further irrevocably waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to such person at such person’s address for purposes of notices hereunder.

SECTION 8.02 Notices. All demands, notices and communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) personally delivered at, (b) delivered by electronic mail to, (c) mailed by certified mail, return receipt requested, to, (d) mailed by a nationally recognized overnight courier, to: (i) in the case of Seller, the Seller Address; and (b) in the case of Purchaser, the Purchaser Address. Notices, demands and communications hereunder given by electronic mail shall be deemed received upon oral confirmation of receipt by the addressee or upon the sender’s receipt of an affirmative confirmation of receipt thereof by the addressee. NOTWITHSTANDING THE FOREGOING, ANY NOTICE OF BREACH, SERVICE OF LEGAL PROCESS, CONSENT, WAIVER, DEMAND OR OTHER SIMILAR COMMUNICATIONS SHALL NOT BE GIVEN BY ELECTRONIC MAIL OR FACSIMILE, AND WILL NOT BE DEEMED DULY GIVEN UNDER THIS AGREEMENT IF DELIVERED BY SUCH MEANS.

SECTION 8.03 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms hereof shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms hereof and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions or terms hereof.

SECTION 8.04 Assignment. This Agreement may not be assigned by any Party without the prior written consent of the other Party.

SECTION 8.05 No Waiver. Except as otherwise provided herein, no failure to exercise and no delay in exercising, on the part of Purchaser or Seller, of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

SECTION 8.06 Counterparts. This Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 8.07 Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their successors and permitted assigns, and nothing in this Agreement is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason hereof.

SECTION 8.08 Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the Parties with respect to the subject matters addressed herein, and all prior understandings, written or oral, are superseded by this Agreement. No modification, amendment or waiver of, or with respect to, any provision hereof, and all other agreements, instruments and documents delivered pursuant hereto, shall be effective unless it shall be in writing and signed by the Parties.

SECTION 8.09 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 8.10 No Partnership or Joint Venture. Nothing contained herein shall be deemed or construed by the Parties or by any third person to create the relationship of principal and agent, of a partnership or joint venture, or of any fiduciary duty owed by Seller to Purchaser. The Parties agree that they will not take any action contrary to the foregoing intention and agree to report the transaction for all tax purposes consistent with the foregoing intention unless and until determined to the contrary by an applicable tax authority.

SECTION 8.11 Limited Recourse.

1. Except as otherwise provided herein, (i) the obligations of Purchaser hereunder are solely the obligations of Purchaser and are payable from, and are with recourse only to, the assets of Purchaser, and (ii) Seller hereby agrees that it shall have no right or ability to bring any action, suit, or proceeding, or to seek any legal, equitable, or other relief of any kind, or to make any claim of any nature whatsoever, against any Affiliate, partner, owner, beneficiary, officer, director, manager, employee or agent of Purchaser arising out of, relating to, or in connection with this Agreement or its subject matter. The scope of said agreement is intended to be all-encompassing of any and all claims relating to the subject matter of this Agreement, including, but not limited to, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. To the extent Seller has interactions with any Affiliate, partner, owner, beneficiary, officer, director, manager, employee or agent of Purchaser, Seller agrees that any such interactions are solely in that Person’s corporate (and not personal or any other) capacity. Nothing in this Section 8.11(a) shall relieve Purchaser of any liability which Purchaser may otherwise have in such capacity for its own gross negligence or willful misconduct.

SECTION 8.12 Original Documents. With respect to any Subject Property purchased hereunder, if Seller has delivered the original of any Policy File document(s) to Purchaser, and Seller or an Affiliate of Seller is required by Applicable Law to provide a Governmental Authority with such original document(s), then Purchaser shall promptly (but in no instance more than five (5) Business Days after receipt of a written request from Seller) deliver, or cause to be delivered, to Seller all such original Policy File documents.

[*Remainder of the page intentionally left blank.*]

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their respective officers as of the Execution Date.

# LEGAL & COMPLIANCE CONSULTANTS, LLC

## as Seller

A close-up of a letter

AI-generated content may be incorrect.

X:

By: Michael Alamo

Title: Managing Member

Date: {{execution\_date}}

**{{purchaser}}**

as Purchaser

X: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: {{signatory}}

Title: {{signatory\_title}}

Date: {{execution\_date}}

# EXHIBIT A GLOSSARY OF DEFINED TERMS

“Action” means any claim, action, suit, proceeding, arbitral action, governmental

inquiry, criminal prosecution or other investigation (including by an Insurer), whether or not filed or commenced with or in any court, tribunal or other Governmental Authority.

“Affiliate” means, for any specified Person, any other Person controlling or

controlled by, or under common control with, such specified Person. For the purposes of this definition, “control” (including the terms “controlling,” “controlled by” and “under common control with”) when used with respect to any specified Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by contract or otherwise and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Applicable Law” means all laws, rules, regulations, judgments, injunctions,

orders, writs and decrees of all Governmental Authorities of competent jurisdiction applicable to the Person, place, property and situation in question, including any of the foregoing items relating to the business of insurance.

“Bill of Sale” has the meaning set forth in Section 2.07(a).

“Business Day” means a day other than a Saturday or Sunday on which commercial

banks in New York, New York, the city and state in the Seller Address, and/or the city and state in the Purchaser Address are not authorized or required to be closed for business.

“Change Forms” means change of ownership and change of beneficiary designation

forms delivered to Insurer regarding the Policy and designating Purchaser or an Affiliate of Purchaser as the owner and beneficiary of the Policy, subject to the other terms and conditions of the Agreement.

“Closing” has the meaning set forth in Section 2.05.

“Contract” means any contract, agreement, lease, license, indenture, mortgage,

note, bond, insurance policy, Permit, undertaking or other legally binding commitment or obligation, whether written or oral.

“Deposit Date” means the date that Purchaser provided purchase funds to Seller.

“Execution Date” means the date signed by the Seller.

“Governmental Authority” means the United States of America, any state, territory

or other political subdivision thereof and any court or regulatory authority of competent jurisdiction exercising executive, legislative, judicial or regulatory functions of or pertaining to government, including any relevant insurance regulatory agency.

“Insolvency Event” means, with respect to any Person, either:

1. a case or other proceeding that shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any Applicable Law relating to bankruptcy, insolvency, reorganization, dissolution, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar Applicable Laws now or hereafter in effect; or
2. such Person shall commence a voluntary case or other proceeding under any

applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar Applicable Law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due or, if a corporation or similar entity, its board of directors or managers shall vote to implement any of the foregoing.

“Insured” means a natural person whose life is insured under the Policy.

“Insurer” means the life insurance company (or any successor to the obligations of

such life insurance company under such life insurance policy) that issued the Policy.

“Insurer Acknowledgment” means confirmation from the Insurer confirming that

change of ownership and beneficiary has occurred in accordance with the Change Forms.

“Lien” means any security interest, security entitlement, pledge, mortgage, lien (including any tax lien), charge, encumbrance, adverse claim, preferential arrangement, option, purchase right or restriction of any kind, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attribute of ownership.

“Loss” means any loss, damage, liability, injury, award, judgment or fine and any

cost or expense (including attorneys’ fees and expenses).

“Matured Policy” means the Policy if the Policy matures prior to the Transaction Date due to the death of the Insured (or the second Insured on a second-to-die or joint survivorship policy) prior to the Transaction Date.

“Matured Policy Proceeds” means the net death benefits and/or return of premiums,

and any interest accrued in relation thereto, as paid by Insurer to Purchaser under a Matured Policy.

“Net Repurchase Price” has the meaning set forth in Section 5.04(c).

“Non-Cooperative Jurisdiction” has the meaning set forth in Section 3.01(g)(ii).

“OFAC” has the meaning set forth in Section 3.01(g)(i).

“Order” means any writ, judgment, decree (including any consent decree),

injunction or similar order issued, promulgated or entered by or with any Governmental Authority, in each such case whether preliminary or final.

“Parties” has the meaning set to such term in the preamble to this Agreement.

“Party” has the meaning set to such term in the preamble to this Agreement.

“Permitted Lien” means (i) any right under Applicable Law of the Underlying Seller, a former beneficiary of the Policy or an Insured’s estate to receive any portion of the death benefit under the Policy in excess of the face amount of such Policy, and (ii) with respect to any asset or property, any Lien created thereon pursuant to this Agreement.

“Person” means any individual, corporation, partnership, joint venture, association,

joint-stock company, limited liability company, trust, unincorporated association, Governmental Authority or any other entity.

“Policy” has the meaning given to such term in the recitals hereto. For the

avoidance of doubt, “Policy” includes an RDB Policy.

“Policy Buyer” has the meaning given to such term in Section 3.02(a).

“Policy File” means a copy of the following: (i) the Policy Purchase Documents

relating to such Policy; (ii) each other document relating to such Policy delivered to Purchaser or its advisors in connection with the due diligence review of such Policy; (iii) the Policy (including all riders and endorsements thereto); (iv) a verification of coverage in respect of the Policy; (v) the Policy illustration used to price the Policy for purchase hereunder; (vi) change of owner and beneficiary forms acknowledged by Insurer in respect of each change of owner and beneficiary in respect of the Policy, to the extent in Seller’s possession; (vii) all agreements and other documents in the possession of Seller relating to any premium finance or other similar transaction with respect to which the Policy was subject; and (viii) all information, instruments and other documents evidencing or otherwise relating to any change, amendment or other modification to any term or provision of the Policy.

“Policy Loan” means any loan or other cash advance made against the cash value

of the Policy, as set forth on the Policy Schedule.

“Policy Purchase Documents” means a copy of the following: (i) the Underlying Sale Agreement relating to such Policy; (ii) each other agreement, instrument or other document that is identified as a “closing document,” “transaction document” or other similarly designated document under the Underlying Sale Agreement relating to such Policy.

“Policy Resale” has the meaning given to such term in Section 3.02(a).

“Power of Attorney” means an Insured’s authorization to release medical records,

power of attorney, and similar documents executed by an Underlying Seller and/or an Insured.

“Purchase Price” means the amount payable by Purchaser to Seller to acquire the Subject Property.

“Purchaser” means {{purchaser}}

“Purchaser Address” means {{purchaser\_address}}

“Purchaser Indemnified Person” has the meaning set forth in Section 5.02.

“RDB Beneficiary” means, with respect to an RDB Policy, each Person designated

as a beneficiary for the corresponding specified portion of the proceeds of the RDB Policy.

“RDB Benefits” means, with respect to an RDB Policy, the portion of the proceeds

thereof that are payable to the related RDB Beneficiaries, as specified in the related Policy Purchase Documents and/or on the books and records of Insurer, whether or not ultimately paid by Insurer.

“RDB Policy” means a Policy as to which an irrevocable beneficiary has been

designated by the Underlying Seller pursuant to the corresponding Underlying Sale Agreement for a specified portion of the death benefit proceeds.

“Representative” means, with respect to a Person, any director, officer, manager,

employee, advisor, agent, attorney, consultant, service provider (including of life settlement assets), securities intermediary, custodian, trustee, accountant, investment banker or other representative of such Person or of an Affiliate of such Person.

“Repurchase Price” means,

1. with respect to the Policy if being repurchased pursuant to Section 5.04 due to a breach by Seller of any representation or warranty relating to the Policy, the sum of (A) the Policy Purchase Price with respect thereto, plus (B) any unreimbursed minimum cost of insurance charges due and paid by Purchaser with respect thereto on or after the Transaction Date, together with interest on all the amounts described in the foregoing clauses (A) and (B) at a rate of 6% per annum; or
2. with respect to the Policy if being repurchased pursuant to Section 2.03 or Section 2.08, the sum of (A) the Purchase Price, plus (B) any unreimbursed minimum cost of insurance charges due and paid by Purchaser with respect thereto on or after the Transaction Date.

“Rescission Period” means the period during which any statutorily or contractually

created right of rescission inures to the benefit of the Underlying Seller until such right terminates, as specified by Applicable Law (or in the related Underlying Sale Agreement if otherwise and if not less restrictive).

“Seller” means Legal and Compliance Consultants, LLC.

“Seller Address” means the offices of Seller located at 140 Broadway, Suite 4609, New York, NY 10005, telephone 917-327-3788, e-mail address Michael@Alamoesq.com.

“Seller’s Account” means the account having the following wire transfer

instructions, or such other account that may be designated from time to time by written notice from Seller to Purchaser:

Bank Name Chase

Routing/Transit Number 02100021

Account Name Legal & Compliance Consultants LLC

Account Number 781390197

For Further Credit to Longevity Life

“Seller Indemnified Persons” has the meaning set forth in Section 5.03.

“Subject Property” has the meaning given to such term in Section 2.01.

“Transaction Date” means, with respect to any Subject Property sold by Seller and

purchased by Purchaser pursuant to the terms hereof, the date that is one (1) Business Day after Seller’s receipt of the Insurer Acknowledgment.

“Underlying Sale Agreement” means the sale agreement executed by an Underlying Seller to conduct a viatical or life settlement of the Policy through a secondary market transaction.

“Underlying Seller” means the owner of the Policy (other than Seller or any Affiliates of Seller) who has sold or is selling the Policy in a viatical or life settlement transaction with Seller or an Affiliate of Seller.

**EXHIBIT B**

**POLICY SCHEDULE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Policy Number** | **Insurer** | **RDB**  **Policy?**  **(Yes or No)** | **Net Death**  **Benefit**  **($USD)** | **Purchase Price ($USD)** | **Paid**  **Through Date** | **Premium**  **Reimbursement ($USD)** |
| {{policy\_number}} | {{carrier}} | No | {{death\_benefit}} | {{purchase\_price}} | {{paid\_through\_date}} | {{p\_reimburse}} |

**BILL OF SALE**

For good and valuable consideration, the receipt of which, including Purchaser’s prior payment of the Purchase Price, is hereby acknowledged by Seller, and effective as of [date], Seller hereby sells, conveys and assigns to [Purchaser Name] (“Purchaser”), and Purchaser hereby accepts assignment from Seller of, all of Seller’s right, title and interest in, to and under the life insurance policy described on Schedule I hereto and the other Subject Property (as defined in the Life Insurance Policy Direct Sale and Purchase Agreement, dated as of {{month}}/{{day}}/{{year}} (as amended, modified, supplemented, waived or restated from time to time in accordance with its terms, the “Purchase Agreement”) relating to such life insurance policy, to have and to hold the same for the use and enjoyment of Purchaser and its successors and assigns forever.

This bill of sale is being delivered pursuant to the Purchase Agreement, by and among Seller and Purchaser. Each capitalized term used but not otherwise defined in this bill of sale has the meaning given to such term in the Purchase Agreement.

The execution and delivery of this bill of sale by Seller shall not be (or be deemed to be) a waiver or discharge of any representation, warranty, covenant or agreement of Seller under the Purchase Agreement (other than a discharge of the obligation of Seller to execute and deliver this bill of sale), and such execution and delivery shall not be (or be deemed to be) a modification or amendment of any provision of the Purchase Agreement in any respect.

This bill of sale shall in all respects be governed by and construed in accordance with the internal laws of the State of New York, without reference to its conflicts of laws provisions (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law), and the obligations, rights and remedies of Seller and Purchaser and their respective successors and assigns shall be determined in accordance with such laws.

This bill of sale shall inure to the benefit of Purchaser and its successors and assigns and shall be binding upon Seller and its successors and assigns.

This bill of sale may be amended, modified, supplemented or restated, and the terms of this bill of sale may be waived, in each case only by a written instrument executed by Seller and Purchaser.

## [signature page follows]

**IN WITNESS WHEREOF**, Seller has duly executed and delivered this bill of sale as of the day and year first written above.

# LEGAL & COMPLIANCE CONSULTANTS, LLC

## as Seller

A close-up of a letter

AI-generated content may be incorrect.

X:

By: Michael Alamo

Title: Managing Member

Date: {{execution\_date}}

**{{purchaser}}**

as Purchaser

X: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: {{signatory}}

Title: {{signatory\_title}}

Date: {{execution\_date}}

**SCHEDULE I TO BILL OF SALE**

# POLICY SCHEDULE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Policy Number** | **Insurer** | **RDB**  **Policy?**  **(Yes or No)** | **Net Death**  **Benefit**  **($USD)** | **Purchase Price ($USD)** | **Paid**  **Through Date** | **Premium**  **Reimbursement ($USD)** |
| {{policy\_number}} | {{carrier}} | No | {{death\_benefit}} | {{purchase\_price}} | {{paid\_through\_date}} | {{p\_reimburse}} |

# GENERAL LIFE SETTLEMENT RISK DISCLOSURES

1. **Liquidity Risks**. Though a “Tertiary” market does exist at this time for life settlement policies, the liquidity of the Tertiary market may vary in the future, which may affect your ability to re-sell a policy.Prospective purchasers of policies must be prepared to hold the policies and bear the risk of the purchase until the demise of the insured under the Policy and payment of the death benefit. As a result of the foregoing, the purchase of any life settlement policy, is suitable only for persons who have substantial financial resources, who do not anticipate that they will be required to liquidate a policy in the foreseeable future and who understand the risk factors associated with the purchase.

1. **Life Expectancy and the Value of Life Insurance Policies**. Life expectancies are estimates of the expected longevity of an insured and are inherently uncertain. Life insurance policies are considered to have a positive net value because the present value of the expected future benefits is generally higher than the sum of the purchase price paid and the present value of the expected future premium payments. However, if an insured lives longer than expected or estimated, the value of the relevant insurance policy may decrease because the longer the insured lives, the longer the owner of the insurance policy must continue to pay the periodic insurance premium in order to maintain the policy; and the longer the beneficiary of the insurance policy must wait before the insurance company pays out the death benefit. There can be no assurance that the life expectancy of the Insured under the Policy is accurate or predictive of the Insured’s future longevity, and there are various unforeseeable events that may cause the life span of the Insured under the Policy to deviate from the medical life expectancy, including those described below.

* 1. **Medical Treatments & Therapy.** Medical technology continually improves, affording new ways to cure or treat different kinds of diseases. Therefore, the independent medical examiners take into account certain probabilities of expected developments in medical therapy when estimating the life expectancy of an insured person. However, an unanticipated medical breakthrough that affords a cure for, or improved treatment of, a condition or disease, will result in lower mortality rates than previously expected. If there are one or multiple unexpected medical breakthroughs that lower the mortality rate of the Insured under the Policy, the Company will have to support insurance premiums for a longer period of time before the related death benefit is paid.
  2. **Life Expectancy Provider’s Estimate of Life Expectancy.** Different independent life expectancy providers use different methods which may result in different life expectancies on the same Insured. If the independent life expectancy provider has underestimated the longevity of the Insured under the Policy, the prospective investor’s expected rate of return may also be adversely impacted. Although the independent life expectancy provider that will provide projected life expectancy certificate are well qualified, a risk exists that the attending physician or the underwriter and the physician working for the life expectancy provider may misdiagnose the Insured’s condition, resulting in the Insured living significantly longer than predicted.

1. **Premium Payments**.

* 1. **Premium Payments.** The amounts payable as premiums on the Policy, which are based on assumptions used by the specific issuing insurance company when setting the level and frequency of premium payments, may prove to be higher than would have been the case if alternative assumptions had been used by such companies; and, it is possible that the issuing carrier can raise the cost of insurance on the Policy, which will result in higher premiums. Payment of higher premiums by the Company in order to maintain the Policy in effect may adversely affect the economic value of the Company’s potential return on the Policy.
  2. **Incorrect Premium Calculations.** Premiums of certain universal and variable life insurance policies may vary from the optimized calculated premium. Carrier prepared premium illustrations can also contain inaccurate information with respect to future premium payments. The calculation of “optimized” premiums has been reviewed by an outside actuarial firm, for accuracy. A risk still exists that an error has been, or will be, made or a change in circumstances will occur which will require the Company to pay premiums in excess of the anticipated premium reserve.

1. **Changes in U.S. Insurance Regulations.** Changes in state and federal statutes, laws and regulations might make it difficult or impossible to sell the Policy, if the Purchaser should desire to do so.

1. **Privacy Laws and Other Factors May Limit the Information Received About The Policy.** Federal and state privacy laws may limit the information that the Company can receive about the Insured under the Policy. In addition, other factors, such as the Insured’s unwillingness to cooperate, may limit the information the Company receives about the Policy.

1. **Certain Litigation Risks.** Various parties may commence litigation attacking the activities of various parties involved in the purchase and sale of life insurance policies on the secondary market and, on behalf of the insureds, seeking rescission of the settlement contracts. Any such litigation may impact a life settlement policy.

1. **Insurance Company Default; Change in Ratings.** There is no guarantee that the insurance company which issued the Policy will not default on its obligations to pay timely death benefits on the Policy. There can be no assurance that the issuing insurance company will not default within the term of the settlement transaction and some or all of the death benefit will become uncollectible. Subsequent to the purchase of a life insurance policy, it is possible that the carrier’s rating may change and be downgraded. Such a downgrade could indicate serious financial instability within the carrier and could reduce the value of any policies issued by that carrier as a result of the increased risk that the death benefit will not be paid.

1. **Payment of Policy Proceeds**.A number of arguments may be made by former beneficiaries under a life insurance policy or by the insurance company issuing a policy to deny or delay payment of the proceeds of a policy following an insured’s demise, including arguments related to a lack of mental capacity of the insured or applicable periods of contestability or suicide provisions. If the demise of the insured under the Policy cannot be verified and no death certificate can be produced, the issuing insurance company may not pay the proceeds of the Policy.

1. **Monitoring of the Insured**. The Insured under the Policy sold must be monitored or “tracked” until her demise and documents establishing the Insured’s demise must be obtained in order to collect the death benefit under the Policy. The Insured will be required to furnish information that should enable tracking and to provide immediate notice of any change in the Insured’s residence. Nevertheless, there is a risk that the Insured may become “missing,” or that there may be a delay in ascertaining that the insured has passed away or in obtaining required documentation needed to claim the death benefit under the Policy.

1. **Certain Fraudulent Activities**. The Insured under the Policy or her agent may have submitted an original application for insurance containing false or misleading information. The Insured could have misrepresented the condition of her illness, may have failed to disclose all beneficiaries or may have sold the Policy to more than one purchaser.

1. **Lack of Insurable Interest**. Life insurance carriers have challenged life insurance policies that were issued without the existence of a legitimate insurable interest between the policy owner and the Insured. If the original owner of the Policy did not have a legitimate insurable interest in the Insured at the time the Policy was issued, then the insurer could challenge the validity of the Policy and seek to keep all premiums paid to such insurer, this resulting in a complete loss of all monies attributed towards the purchase of, and making premium payments on the Policy.

1. **Contestable Policies**. If it has been less than two years since the Policy was issued, then the Policy is still within its contestability period. While a policy is still within its contestability period, the insurer may undertake additional due diligence and may challenge and rescind the Policy for a variety of reasons. If the Insured under the Policy dies within the contestability period, then it is likely that the insurer will refuse to pay the death benefit and may also attempt to keep all premiums paid to date. If the insurer successfully challenges a Policy and refuses to pay the death benefit, this could result in a complete loss of all monies attributed towards the purchase of, and making premium payments on the Policy.

1. **Contest by Family Members**. The Policy may be contested by family members. Family members, when aware of the Policy and its benefits, may challenge the validity of the original sale of the Policy to the Company in court. This could delay payment or result in the Company receiving none of the projected benefits under the Policy.

1. **Maturity Risks**. The life insurance policy matures when the insured reaches the age 121. If the insured under the Policy should live to the age of 121, the Policy will mature and no return from the Policy’s death benefit will be realized by the Purchaser. Any cash value remaining in the Policy will be paid to the Purchaser upon maturity, but this will result in no death benefit being paid.

1. **Changes in Cost of Insurance**. Life insurance carriers can increase the cost of insurance charges (usually expressed as a fixed price per thousand dollars of insurance) on certain policies in a manner that appears to discriminate against policies that have been sold into the secondary market. It is possible that the cost of insurance for the Policy will be increased to the point that it is unlikely the Purchaser will be able to make a profit even if the Policy matures on time.

**IN WITNESS WHEREOF**, Purchaser has read and understands the general life settlement risk disclosures written above.

**Acknowledged and agreed:**

**{{purchaser}}**

as Purchaser

X: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: {{signatory}}

Title: {{signatory\_title}}

Date: {{execution\_date}}