



VIATICAL & ELDERLY SETTLEMENT PROVIDERS, LLC

3210 Grace Street NW • Washington, D.C. 20007 • 888-999-9005 • Fax 202-333-4662

PURCHASE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, _____, by and between VIATICAL & ELDERLY SETTLEMENT PROVIDERS, LLC, ("VESPERS") a District of Columbia limited liability company, and the following individual, hereinafter referred to as "Purchaser":

Name: _____
Address: _____
City/State/Zip: _____
Home Telephone: _____ Work Telephone: _____
DOB: _____ Fax No.: _____
SSN: _____

WHEREAS, Purchaser desires to purchase viaticated life insurance and related death benefits; and

WHEREAS, Purchaser has reviewed and approves and adopts the criteria utilized by VESPERS to purchase said policies and desires to appoint VESPERS as its agent for the purpose of identifying, qualifying, and purchasing viaticated life insurance policies and related death benefits.

I. AUTHORIZATION

- A. Purchaser hereby agrees that VESPERS shall represent Purchaser as agent, and VESPERS agrees to represent Purchaser as agent, for the purpose of identifying, qualifying, and purchasing life insurance policies and related death benefits in the form of viatical settlements in accordance with the purchasing criteria and instructions set forth below. Purchaser hereby approves and adopts these purchasing criteria and instructions as the criteria and instructions to guide VESPERS while acting as Purchaser's agent hereunder.
- B. The relationship between Purchaser and VESPERS herein is that of principal and agent and neither VESPERS nor any of VESPERS' representatives is in any way acting as an insurance agent, insurance broker, insurance representative, securities dealer, securities broker, securities representative, investment advisor, financial planner, legal advisor or tax advisor. No transaction entered into hereunder shall be interpreted as the purchase of life insurance on Purchaser or as a security transaction.

II. AMOUNT OF PURCHASE AND INSTRUCTIONS

- A. Purchaser hereby agrees to deposit the sum of (\$ _____) via check or money order payable in U.S. dollars to Law Office William A. Marr, Jr., VESPERS TRUST ACCOUNT, 3861 Plaza Drive, Fairfax, VA, 22030.

- B. VESPERS shall identify and assist Purchaser in the purchase of life insurance policies which comply with the following criteria:
1. Insurance policy issued by an insurance company which has met the selection criteria of VESPERS.
 2. The Insured's age and current medical history must be reviewed by an independent medical physician.
- C. Due to confidentiality and privacy laws, the identities of the Insureds cannot be disclosed. Insureds will be given a code number which will be recorded and maintained in VESPERS' database. All insurance company documents and the independent reviewing physician letter referred to below will have any identifying information regarding the Insured deleted and it will be replaced with the code number. After closing, Purchaser will receive a copy of the original insurance policy, if applicable, along with a copy of the transfer of ownership form, if applicable, and a copy of the change of beneficiary documents submitted to the insurance company on the Purchaser's behalf. A copy of the independent reviewing physician's letter regarding life expectancy will also be provided. The above referenced documents will have the Insured's identity redacted as referenced above.
- D. The Purchaser may designate beneficiaries, proportionate to any share in a policy he/she purchases, in the Addendum attached hereto or as otherwise designated in writing by the Purchaser.
- E. The parties acknowledge that life insurance policies sold under this Purchase Agreement will be policies that provide for the change of ownership and/or the irrevocable designation of beneficiaries. Most, but not all, of the insurance policy(ies) available through VESPERS allow the Purchaser to designate the titleholder (owner) of the policy in addition to the beneficiaries. For those policies that provide this ownership option, VESPERS has arranged for the services of various independent trustees. These trustees are law firms or licensed viatical settlement companies. Some individual state's laws may require a viatical settlement company licensed by the state in which the Insured resides to become the titleholder or owner of a life insurance policy being sold and to service the life insurance policy after the settlement is completed. The choice of trustee may be determined based upon the laws of the state in which the Insured resides. As a result of the foregoing, VESPERS shall have the right, in its sole and absolute discretion, to determine the titleholder (owner) and Trustee of the Policy and Purchase Agreement
- F. The trustee(s) shall hold title (ownership) of the policy(ies) for all beneficiaries.
- G. Purchaser acknowledges that he/she has received a Risk Disclosure Notice from VESPERS and that he/she has read and understands such Notice.
- H. Purchaser represents and warrants that the policy(ies) is/are being acquired solely for the Purchaser's ownership and not for the distribution, assignment or resale to others, and no such other person has a direct or indirect beneficial interest in such policy(ies). Further, Purchaser has such knowledge and experience in financial, tax, and business matters (or has access to same) that he is able to evaluate the information involved in making such a purchase and to make an informed decision with respect thereto.
- I. Purchaser represents and warrants that he is a bona fide resident of the state indicated below and the address and other information set forth below are true and correct.
- J. Purchaser acknowledges that VESPERS has made available to him or his personal representative or advisor the opportunity to obtain additional information concerning the documents delivered to him and to evaluate the merits and risks of this relationship and the purchase of discounted life insurance policies and/or death benefits. Purchaser represents that by reason of his business and financial experience or

that of those retained to advise Purchaser, Purchaser has the capacity to understand this purchase and to protect himself with respect thereto.

- K. **INDEMNIFY AND HOLD HARMLESS.** PURCHASER FURTHER ACKNOWLEDGES THAT PURCHASER HAS READ THIS AGREEMENT AND CLEARLY UNDERSTANDS THE MEANING, DIMENSIONS, AND LEGAL CONSEQUENCES OF THE REPRESENTATIONS AND WARRANTIES MADE BY PURCHASER HEREIN AND THEREFORE DOES HEREBY, FOR HIMSELF, HIS HEIRS, ASSIGNS, AND REPRESENTATIVES, INDEMNIFY AND HOLD HARMLESS VESPERS AND VESPERS' PRINCIPALS, AGENTS, REPRESENTATIVES, CONSULTANTS, EMPLOYEES, AND OTHERS ASSOCIATED WITH OR WORKING IN COOPERATION WITH VESPERS PURSUANT TO THE AUTHORIZATION CONTAINED HEREIN, FROM ANY AND ALL DAMAGE AND/OR LIABILITY DUE TO OR ARISING OUT OF A BREACH OF ANY REPRESENTATIONS AND/OR WARRANTIES MADE HEREIN.
- L. Purchaser authorizes VESPERS to enter into any agreements or contracts necessary for the purchase of life insurance policies and/or death benefits on behalf of the Purchaser which fall within the agreed underwriting criteria set forth in this Agreement and related documents provided by VESPERS which more fully describe said criteria.

Purchaser appoints Law Office William A. Marr, Jr., as Escrow Agent for the purpose of holding funds for the purchase of a policy and/or beneficiary rights. The sole responsibilities of the Escrow Agent are:

1. To hold the funds forwarded by the Purchaser pursuant to this Agreement.
2. To hold the documents received from the Seller of a policy.
3. To receive and review written confirmation that the insurance company has accepted, recognized and/or noted on its books and records the transfer of the policy ownership, if applicable, and the change of beneficiary(ies) to the Purchaser. or his/her designee.
4. To disburse the closing proceeds in accordance with the Settlement Statement provided by VESPERS.
5. To perform all obligations under the Trustee Agreement, including but not limited to, payment of premiums.

Purchaser understands that Law Office William A. Marr, Jr., Escrow Agent, is not representing him/her in this transaction and is not rendering any legal advice or services to Purchaser and has no responsibility with regard to this transaction other than to comply with the terms of the escrow.

Purchaser authorizes the Escrow Agent to release administration costs, not to exceed 30% of the purchase funds from the purchase deposit at VESPERS discretion.

- M. In performing its duties as Escrow Agent, Law Office William A. Marr, Jr., shall not incur any liability to VESPERS or to Purchaser for any damages, losses or expenses which either party may sustain or incur, unless the same is a result of its negligence or intentional misconduct. Escrow Agent shall be protected in any action taken or omitted in good faith with respect to its duties and responsibilities. Escrow Agent shall be entitled to rely on any document(s) which Escrow Agent reasonably believes satisfy the terms and conditions of the escrow. As such, Escrow Agent may act in reliance upon any writing or instruction or signature, including fax, which it, in good faith, believes to be genuine; may assume the validity and accuracy of any statement or assertion contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instructions in connection with a change in ownership or beneficiary(ies) of a policy is authorized to do so.
- N. Purchaser authorizes VESPERS or its designee to file, complete, and record any documents necessary to complete the change of ownership and/or designation of beneficiary with the insurance carrier of the

purchased policy. VESPERS and Purchaser each agree to indemnify and hold harmless Escrow Agent from and against all losses, claims, damages, liabilities and expenses ("Damages") which it may sustain or incur hereunder, including, without limitation, reasonable attorneys fees, which may be imposed upon Escrow Agent or incurred by Escrow Agent in connection with the performance of its duties unless such Damages are the result of Escrow Agent's negligent or intentional conduct.

- O. Purchaser authorizes VESPERS or its designees to do any and all other actions which may be necessary to facilitate the purchase of said designated policy(ies) and/or related death benefits.
- P. Purchaser understands that he may be purchasing a fractional interest in the death benefit of a life insurance policy along with other purchasers of fractional interest in the same policy.

III. ACQUISITION AND CLOSING COSTS

The costs and fees for all services provided by VESPERS pursuant to this Agreement shall be complete and inclusive in the purchase deposit and Purchaser will not incur costs of any type beyond the amount of the purchase deposit herein (except that Purchaser may be required to pay additional premiums as described in Section IV below). Purchaser acknowledges that VESPERS does not make any representations as to what specific amounts will be accepted by any person on the selling side of any viatical settlement, nor as to the specific fee(s) assessed by VESPERS or by any supporting entity including, but not limited to, reviewing physicians, laboratories, attorneys and consultants, brokers, and/or legal and trust account costs.

IV. PAYMENT OF FUTURE PREMIUMS

For each policy, at the time of closing, the Escrow Agent shall transfer to a separate escrow account the amount of premiums for the life expectancy of the viator plus one year. The interest on this account and any unused premiums are the property of VESPERS and Purchaser has no right to a refund of any unused premiums. Unused premiums may result from the insured qualifying for premium disability waiver or when a policy matures earlier than the life expectancy. Purchaser acknowledges that if the viator outlives his life expectancy, Purchaser may have to pay future premiums to keep the policy purchased in effect.

V. NOTICES

All notices required or permitted under this Agreement shall be in writing addressed to recipient as set forth herein or any change thereto notice hereunder, and shall be deemed delivered upon mailing. The addresses herein may be changed by notice consistent with this provision.

VI. HEADINGS

The headings inserted throughout this Agreement exist solely for convenience and shall not be construed as part of this Agreement.

VII. GOVERNING LAW

This agreement shall be interpreted, enforced and governed by the laws of the District of Columbia. In any dispute, the prevailing party, in addition to any other recovery, award or settlement, shall be entitled to reasonable costs and expenses, including attorney's fees, whether or not litigation was initiated.

VIII. AUTHORITY TO ENTER INTO AND BINDING QUALITY OF AGREEMENT

This Agreement, the rights and obligations hereunder, shall inure to the benefit of and be binding upon the parties hereto as well as the successors-in-interest, heirs, assigns, executors and administrators, and representatives of the parties hereto. Each party represents and warrants that it or its representative has the requisite authority to enter into this Agreement.

IX. RIGHT OF RESCISSION

PURCHASER SHALL HAVE THE RIGHT TO RESCIND OR CANCEL THIS AGREEMENT, IN WHICH EVENT, VESPERS SHALL RETURN TO PURCHASER ALL FUNDS DEPOSITED PURSUANT TO THIS AGREEMENT LESS ANY PORTION OF THE PURCHASE DEPOSIT USED IN, OR NECESSARY TO, THE COMPLETION OF ANY VIATICAL SETTLEMENT CONDUCTED HEREUNDER. THE RIGHT TO RESCIND OR CANCEL TERMINATES AUTOMATICALLY UPON DISBURSEMENT OF PURCHASER'S FUNDS BY THE ESCROW AGENT.

TO RESCIND OR CANCEL THIS AGREEMENT, PURCHASER SHALL DELIVER WRITTEN NOTICE OF THE RESCISSION OR CANCELLATION TO VESPERS, WHICH NOTICE SHALL BE EFFECTIVE UPON ACTUAL RECEIPT OF SAME BY VESPERS. VESPERS SHALL HAVE A REASONABLE TIME THEREAFTER TO MAKE AN ACCOUNTING AND RETURN ANY MONIES DUE TO PURCHASER.

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

VIATICAL & ELDERLY SETTLEMENT PROVIDERS, LLC

By: _____

PURCHASER(S)

Signature(s): _____

PURCHASER'S SIGNATURE ACKNOWLEDGES RECEIPT OF A SEPARATE RISK DISCLOSURE STATEMENT