

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT  
IN AND FOR PALM BEACH COUNTY, FLORIDA  
CIVIL DIVISION**

STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

v.

CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.  
D/B/A SEEMAN HOLTZ, MARSHAL SEEMAN,  
BRIAN J. SCHWARTZ, EMERALD ASSETS 2018, LLC,  
CENTURION INSURANCE SERVICES GROUP, LLC,  
INTEGRITY ASSETS 2016, LLC,  
INTEGRITY ASSETS, LLC,  
PARA LONGEVITY 2014-5, LLC,  
PARA LONGEVITY 2015-3, LLC,  
PARA LONGEVITY 2015-5, LLC,  
PARA LONGEVITY 2016-3, LLC,  
PARA LONGEVITY 2016-5, LLC,  
PARA LONGEVITY 2018-3, LLC,  
PARA LONGEVITY 2018-5, LLC,  
PARA LONGEVITY 2019-3, LLC,  
PARA LONGEVITY 2019-5, LLC,  
PARA LONGEVITY 2019-6, LLC,  
PARA LONGEVITY VI, LLC,  
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,  
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,  
VALENTINO GLOBAL HOLDINGS, LLC,  
AMERITONIAN ENTERPRISES, LLC,  
SEEMAN-HOLTZ CONSULTING CORP.,  
CENTURION ISG HOLDINGS, LLC,  
CENTURION ISG HOLDINGS II, LLC,  
CENTURION ISG (EUROPE) LIMITED,  
CENTURION ISG SERVICES, LLC,  
CENTURION ISG FINANCE GROUP, LLC,  
CENTURION FUNDING SPV I LLC,  
CENTURION FUNDING SPV II LLC,  
GRACE HOLDINGS FINANCIAL, LLC,  
PRIME SHORT TERM CREDIT INC.,

Defendants,

THE ESTATE OF ERIC CHARLES HOLTZ,  
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC  
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,  
and SHPC HOLDINGS I, LLC,

Relief Defendants.

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**LIMITED OBJECTION OF PELICAN CAPITAL  
MANAGEMENT, LLC, TO SALE OF CENTURION ASSETS**

COMES NOW, PELICAN CAPITAL MANAGEMENT, LLC ("Pelican")<sup>1</sup>, by and through its undersigned attorneys, in accordance with the *Order Granting Corporate Monitor, Daniel J. Stermer's Motion for Entry of an Order Approving (I) a Marketing Process to Refinance Existing Secured Debt Obligation or Sell Assets, (II) Bid Procedures, (III) the Retention of Maplelife Analytics, LLC and (IV) the Agreement with Teleios, Including Authorizing Teleios (A) to Commence a Public Foreclosure Process, and (B) to Exercise Certain Remedies* (the "Sale Process Order"), and hereby files this limited objection to the relief requested by DANIEL J. STERMER, the Corporate Monitor of the Defendants (the "Corporate Monitor") in respect to the sale of the Centurion Assets. While Pelican does not object to the sale generally, Pelican does object to the sale of five of the life insurance policies the Corporate Monitor seeks to include in the sale, because Pelican is the owner of interests in such policies (and the proceeds thereof). Pelican further objects to the failure for any provision to be made for Pelican's interest in the proceeds of these policies, in the event this Court does permit the sale of such policies. In support thereof Pelican states the following:

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<sup>1</sup> Pelican is not currently a party to this action but has simultaneously herewith filed a motion to intervene.

## **BACKGROUND**

1. On July 12, 2021, the State of Florida, Office of Financial Regulation filed its *Complaint for Temporary and Permanent Injunction, Appointment of Receiver, Restitution, Civil Penalties, and Other Statutory and Equitable Relief* against what is now at least thirty (30) corporate-entity defendants (“Consenting Corporate Defendants”), two individual defendants, Marshal Seeman and Brian Schwartz (“Individual Defendants”) (collectively, “the Defendants”), and three Relief Defendants (“Relief Defendants”).

2. The Action allegedly seeks to restrain acts and practices of the above-captioned Defendants and Relief Defendants in violation of various provisions of Chapter 517, Florida Statutes, including sections 517.301, 517.12, and 517.07, and “halt the securities fraud scheme and common enterprise operated and controlled by Defendant Marshal Seeman (“Seeman”) and Seeman’s recently deceased business partner, Eric Charles Holtz (“Holtz”).”

3. On September 14, 2021, this Court entered an *Agreed Order Granting Plaintiff’s Consent Motion for Appointment of Corporate Monitor and Related Injunctive Relief*, (the “Appointment Order”) appointing the Corporate Monitor for the Consenting Corporate Defendants and their affiliates, successors, and assigns. Pursuant to the Appointment Order, the Corporate Monitor was directed to perform an assessment of the viability of the Consenting Corporate Defendants as an ongoing business enterprise and options and alternatives for their future. The Appointment Order specified the powers granted to the Corporate Monitor in order to exercise his duties.

4. According to the *Corporate Monitor’s Initial Report* (Doc. No. 26, pages 10-11) (hereinafter, “Initial Report”), filed by the Corporate Monitor on October 14, 2021, one of the Consenting Corporate Defendants, Centurion Insurance Services Group, LLC (“Centurion”), was formed as an “asset manager, consolidating the holdings and servicing of all life insurance

policies acquired.” The Initial Report states that Centurion currently has a portfolio of 61 life insurance policies with a total net policy value of approximately \$255 Million (the “Centurion Portfolio”). *See id.* at page 12.

5. The Initial Report notes that the Centurion Portfolio is pledged to Teleios LS Holdings V DE, LLC (“Teleios”), the Defendants’ secured lender. *See id.* at page 15.

6. The Initial Report goes on to state that Centurion entered into a number of “Life Insurance Policy Beneficiary Designation and Servicing Agreements” (“Beneficiary Designation Agreements”) with various individuals and entities, beginning in 2012 and continuing through 2020. *See id.* at page 27. The Initial Report describes how each of these Beneficiary Designation Agreements contained an exhibit detailing the specific designated life insurance policies to which the agreement pertained and obligating Centurion to pay the other party to the Beneficiary Designation Agreement from the policy proceeds after payment of Teleios. *See id.*

7. The Initial Report states that Pelican is a party to a Beneficiary Designation Agreement with Centurion. *See id.* at page 21. In fact, as Pelican details below, Pelican is party to three separate Beneficiary Designation Agreements collectively covering five of the life insurance policies in the Centurion Portfolio.

8. On April 6, 2022 the Corporate Monitor filed *Corporate Monitor Daniel J. Stermer’s Motion for Entry of an Order Approving (I) a Marketing Process to Refinance Existing Secured Debt Obligation or Sell Assets, (II) Bid Procedures, (III) the Retention of Maplelife Analytics, LLC and (IV) the Agreement with Teleios, Including Authorizing Teleios (A) to Commence a Public Foreclosure Process, and (B) to Exercise Certain Remedies* (the “Sale Process Motion”), in which he sought authority to commence a process that he hoped would result in the sale of the Centurion Portfolio and its related assets (the “Centurion Assets”). This

Court entered the Sale Process Order on April 21, 2022 approving such process and providing that objections “to the relief requested in the Motion in respect of the refinance or sale of Centurion Assets” or “any other aspect of the Monitor Auction” must be filed with the Court by 12:00 noon on June 2, 2022, with a hearing scheduled for 9:15 a.m. on June 16, 2022.

**PELICAN INTEREST IN CENTURION ASSETS**

9. Pelican is a limited liability company formed in the State of Florida.

10. As explained in further detail below, Pelican is party to three separate Beneficiary Designation Agreements collectively covering five of the life insurance policies in the Centurion Portfolio.

11. Pelican entered into a Beneficiary Designation Agreement with Centurion on July 30, 2020 (the “Kri\*\*\*\*/Le\*\*\*\* Agreement”) regarding two life insurance policies, a policy at Security Life of Denver with policy number ending 9634 and a policy at Lincoln National Life Insurance Company with policy number ending 2045 (the “Kri\*\*\*\*/Le\*\*\*\* Policies”). A copy of the Kri\*\*\*\*/Le\*\*\*\* Agreement is attached hereto as Exhibit “A”. Pursuant to this agreement, Pelican purchased the right to be the beneficiary under the Kri\*\*\*\*/Le\*\*\*\* Policies as well as the right to receive later ownership of these policies or to receive 95% of the proceeds of these policies less the secured claim of Teleios against these policies. In particular, the Kri\*\*\*\*/Le\*\*\*\* Agreement stated on its first page that “[Pelican] desires to purchase from [Centurion] and [Centurion] desires to sell the Policies to [Pelican] at a future date to be agreed by the Parties.” The Payment Schedule of the Kri\*\*\*\*/Le\*\*\*\* Agreement provides, “Upon any future sale, maturity or other winding up or liquidation of the [Policies, Centurion] agrees that [Pelican] shall be entitled to 95% participation in the proceeds less the amount due to [Teleios].” Thus, upon sale of the Kri\*\*\*\*/Le\*\*\*\* Policies, Pelican is entitled to receive 95% of the

proceeds remaining after payment of the amount due to Teleios. Pelican paid Centurion a purchase price of \$750,000 to obtain these rights under the Kri\*\*\*\*\*/Le\*\*\*\*\* Agreement.

12. Pelican entered into another Beneficiary Designation Agreement with Centurion on August 12, 2020 (the “Kre\*\*\*\*\* Agreement”) regarding a life insurance policy at Lincoln National Life Insurance Company with policy number ending 7091 (the “Kre\*\*\*\*\* Policy”). A copy of the Kre\*\*\*\*\* Agreement is attached hereto as Exhibit “B”. Pursuant to this agreement, Pelican purchased the right to be the beneficiary under the Kre\*\*\*\*\* Policy as well as the right to receive later ownership of this policy or to receive 95% of the proceeds of this policy less the secured claim of Teleios against this policy. In particular, the Kre\*\*\*\*\* Agreement stated on its first page that “[Pelican] desires to purchase from [Centurion] and [Centurion] desires to sell the Policies to [Pelican] at a future date to be agreed by the Parties.” The Payment Schedule of the Kre\*\*\*\*\* Agreement provides, “Upon any future sale, maturity or other winding up or liquidation of the Policy, [Centurion] agrees that [Pelican] shall be entitled to 95% participation in the proceeds less the amount due to [Teleios].” Thus, upon sale of the Kre\*\*\*\*\* Policy, Pelican is entitled to receive 95% of the proceeds remaining after payment of the amount due to Teleios. Pelican paid Centurion a purchase price of \$1,000,000 to obtain these rights under the Kre\*\*\*\*\* Agreement.

13. Pelican entered into a Beneficiary Designation Agreement with Centurion on April 14, 2021 (the “McD\*\*\*\*\*/Ger\*\*\*\*\* Agreement”) regarding two life insurance policies, a policy at Security Life of Denver with policy number ending 3922 and a policy at Phoenix Life Insurance Company with policy number ending 2213 (the “McD\*\*\*\*\*/Ger\*\*\*\*\* Policies”). A copy of the McD\*\*\*\*\*/Ger\*\*\*\*\* Agreement is attached hereto as Exhibit “C”. Pursuant to this agreement, Pelican purchased the right to be the beneficiary under the McD\*\*\*\*\*/Ger\*\*\*\*\*

Policies as well as the right to receive later ownership of these policies or to receive 95% of the proceeds of these policies less the secured claim of Teleios against these policies. In particular, the McD\*\*\*\*\*/Ger\*\*\*\*\* Agreement stated on its first page that “[Pelican] desires to purchase from [Centurion] and [Centurion] desires to sell the Policies to [Pelican] at a future date to be agreed by the Parties.” The Payment Schedule of the McD\*\*\*\*\*/Ger\*\*\*\*\* Agreement provides, “Upon any future sale, maturity or other winding up or liquidation of the Policies, [Centurion] agrees that [Pelican] shall be entitled to either 95% participation in the proceeds less the amount due to [Teleios], or an amount equal to [\$200,000].” Thus, upon sale of the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies, Pelican is entitled to receive either 95% of the proceeds remaining after payment of the amount due to Teleios or \$200,000. Pelican paid Centurion a purchase price of \$100,000 to obtain these rights under the McD\*\*\*\*\*/Ger\*\*\*\*\* Agreement.

14. Thus Pelican is the owner of interests in the Kri\*\*\*\*\*/Le\*\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies (or the proceeds thereof). Pursuant to the process he initiated with the Sale Process Motion, the Corporate Monitor is seeking to sell these life insurance policies and, implicitly, to extinguish any interest of Pelican in them (since a buyer would not buy the policies subject to such interests). The Sale Process Motion is silent as to whether Pelican’s interest in the proceeds of the policies would be recognized after such a sale.

#### **MEMORANDUM OF LAW**

15. A corporate monitor derives his powers from the court order that appoints him. *See Sallah v. BGT Consulting, LLC*, 2017 WL 2833455 (S.D. Fla. 2017) (finding that a corporate monitor had standing to bring an action for damages suffered by the entity over which the corporate monitor was appointed because such power was expressly provided in the order

appointing the corporate monitor). The powers of the Corporate Monitor here are enumerated in the Appointment Order. The Corporate Monitor exercises all of the powers, authority, and control of Centurion and the other Consenting Corporate Defendants over their assets and property interests. The Corporate Monitor has the exclusive right to take the actions that, prior to the Appointment Order, could have been taken by the officers, directors, member managers, and shareholders of the Consenting Corporate Defendants. In particular, the Corporate Monitor has all of the Consenting Corporate Defendants' rights, possession, and ownership of the Centurion Portfolio.

16. Notably, however, nothing in the Appointment Order gives the Corporate Monitor any powers or rights beyond that of the Consenting Corporate Defendants. The Corporate Monitor does not have the rights of creditors of the Consenting Corporate Defendants, and probably could not. *See Sallah* (corporate monitor “acknowledges that he cannot pursue claims owned directly by the creditors”). To the extent that Centurion’s rights in the Centurion Portfolio were subject to any limitations, therefore, the Corporate Monitor is subject to the same limitations.

17. Here, as discussed above, Pelican claims by contract with Centurion the right to be the beneficiary of the Kri\*\*\*\*/Le\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*/Ger\*\*\*\* Policies; the right to receive ownership of such policies after payment of the debt on the policies owed to Teleios; and the right to receive 95% of the proceeds of such policies after payment to Teleios. Like Centurion, the Corporate Monitor is subject to those contractual rights.

18. Once an entity has contracted to give rights in assets to another entity, or to sell assets to another entity, it cannot ask a court to disregard the contract, deprive the receiving

entity of the rights given, and sell those same assets to a third entity. That is exactly what the Corporate Monitor is seeking to do. He wishes to sell the Kri\*\*\*\*/Le\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies to a buyer other than Pelican (after which Pelican obviously would never become the beneficiary under the policies), notwithstanding the contracts that the Defendants entered into with Pelican. The Consenting Corporate Defendants would not be permitted to do such a thing. So neither can the Corporate Monitor. The Corporate Monitor stands in the shoes of the Consenting Corporate Defendants, and can only do what would be permissible for the Consenting Corporate Defendants to do.

19. Even if, notwithstanding the above objection, this Court were to permit the Corporate Monitor to sell the Kri\*\*\*\*/Le\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies, Pelican would be entitled to 95% of the sale proceeds remaining after payment of the amount due to Teleios. This is so for two reasons. First, the Beneficiary Designation Agreements between Centurion and Pelican expressly state that Pelican is entitled to 95% participation in the proceeds of the policies less the amount due to Teleios. The Corporate Monitor having no powers beyond that of the Consenting Corporate Defendants, the Corporate Monitor is bound by the contractual provisions of the Beneficiary Designation Agreements, and therefore must pay to Pelican from the sale proceeds as provided in the Beneficiary Designation Agreements.

20. Second, sale of those policies would be a breach of Centurion's contracts with Pelican, and Pelican would be entitled to the sale proceeds as damages for the breach of contract. *See Seaside Community Development Corp. v. Edwards*, 573 So. 2d 142, 147 (Fla. 1st DCA 1991) (defendant's sale to third party of asset previously contracted to be sold to plaintiff entitled plaintiff to damages amounting to all profits of defendant from the sale). At the very least,

Pelican would be have an equitable lien on the funds in the amount of the \$1,850,000 paid by Pelican to Centurion. *See In re Dorado Marine, Inc.*, 321 B.R. 581, 587 (Bankr. M.D. Fla. 2005) (person who paid debtor for a boat, that he did not receive because of sale of boat to third party, is entitled to an equitable lien, in the amount paid, on all net proceeds of any sale of boat, out of general considerations of justice).

**CONCLUSION**

WHEREFORE, PELICAN CAPITAL MANAGEMENT, LLC, respectfully requests this Court:

a. Not allow the Corporate Monitor to sell the Kri\*\*\*\*\*/Le\*\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies, except to Pelican in exchange for Pelican's payment of the amounts due to Teleios regarding these policies;

b. If the Court does allow the Corporate Monitor to sell the Kri\*\*\*\*\*/Le\*\*\*\*\* Policies, the Kre\*\*\*\*\* Policy, and the McD\*\*\*\*\*/Ger\*\*\*\*\* Policies, require Pelican to receive 95% of the sale proceeds of such policies remaining after payment of the amount due to Teleios; and

c. Grant Pelican such other and further relief as this Court deems just and proper.

Respectfully submitted this 2nd day of June, 2022.

**/s/ Angela C. Flowers**

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and

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*Attorneys for Intervenor,  
Pelican Capital Management, LLC*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 2nd day of June, 2022, a true and correct copy of the foregoing was served electronically through the Florida Court's E-Filing Portal upon all registered users and served by U.S. Mail to non-registered users listed in the Service List below.

**/s/ Angela C. Flowers**  
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**LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT**

**THIS LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT** (this "Agreement") is made and entered as of the 30<sup>th</sup> day of July 2020 (the "Effective Date"), by and between Centurion Insurance Services Group, LLC, a limited liability company formed in the state of Ohio in the United States of America, not in its individual capacity but solely as agent for Centurion ISG (Europe) Limited ("Europe"), a company organized under the laws of Ireland with registration number 514133 (hereinafter Centurion Insurance Services Group, LLC in its capacity as agent for Europe will be referred to as "CISG") and Pelican Capital Management, LLC ("Designee") (hereinafter each of CISG and Designee are individually referred to as a "Party" and collectively as the "Parties").

**WITNESSETH:**

WHEREAS, Wells Fargo Bank N.A., as securities intermediary (the "Securities Intermediary"), is the record owner and Beneficiary of the life insurance Policies set forth in in Exhibit A hereto and made a part hereof (each, a "Policy" and collectively, the "Policies"); and

WHEREAS, each Policy is credited to that certain securities account numbered [REDACTED], FFC Acct # [REDACTED] Centurion Funding SPV II, LLC Securities Account (the "CISG Securities Account") established by the Securities Intermediary for the benefit of Centurion Funding SPVII, LLC ("SPVII"), an entity wholly owned by Europe, or its assigns, as the "entitlement holder" thereof (as such term is defined in the Uniform Commercial Code as in effect from time to time in the State of New York) of CISG Securities Account; and

WHEREAS, SPVII is the beneficial owner of, and has control over and the requisite legal authority to control, CISG's Securities Account subject to the rights of TELEIOS LS HOLDINGS V DE, LLC ("Lender"), a Delaware limited liability company, as lender to SPVII; and

WHEREAS, the Parties acknowledge and agree that the market value of the first Policy is \$1,000,000.00 and the market value of the second Policy is \$650,000 (collectively, the "Policy Value").

WHEREAS, Designee desires to purchase from CISG and CISG desires to sell the Policies to Designee at a future date to be agreed by the Parties (the "Future Purchase Date"); and

WHEREAS, pending the transfer of ownership of the Policies by CISG to the Designee, the Parties agree that following receipt by CISG from Designee of the Consideration (as defined below), Designee shall be entitled to the proceeds of the Repurchase (as defined below) or an amount equal to 95% of the Policy Value less the amount on the Lender's interest therein and CISG shall hold its interest in each Policy subject to the rights of Designee as beneficiary thereof in accordance with the provisions of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter

set forth, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

## **ARTICLE I. DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Section 1.01 Definitions. All capitalized terms used, but not defined, herein shall have their respective meanings set forth in SCHEDULE I attached hereto.

Section 1.02 Interpretation. In this Agreement, unless the context otherwise requires, the singular shall include the plural and any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “hereof,” “herein,” “hereto,” and “hereunder,” and words of similar import, when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the term “including” is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included in the prior reference. Any reference in this Agreement to “Section”, “Article”, “Exhibit” or “Schedule” shall be a reference to this Agreement unless otherwise stated, and all such Exhibits and Schedules shall be incorporated in this Agreement by reference. Unless otherwise stated, any reference in this Agreement to any entity shall include its permitted successors and assigns, and, in the case of any Governmental Authority, any entity succeeding to its functions and capacities.

Section 1.03 Construction. If a conflict arises between the text of this Agreement and any schedule or exhibit, the terms of this Agreement shall prevail. The Parties acknowledge that each was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor of or against any Party because one is deemed to be the author thereof.

## **ARTICLE II. BENEFICIARY DESIGNATION**

Section 2.01 Consideration. Pursuant to the terms and conditions hereof, the Consideration to be paid by Designee to CISG for the Beneficiary Designation (defined below) in respect of each Policy shall be as is more particularly described in Exhibit A.

Section 2.02 Designee to Pay the Consideration on or before the Effective Date. On or before the Effective Date, Designee shall submit the Consideration to CISG by wire transfer into the account details of which are set out in Exhibit C attached hereto. CISG acknowledges that \$250,000 of the Consideration has been paid prior to the date of this Agreement and shall be credited against Designee’s payment obligation.

Section 2.03 Irrevocable Limited Beneficiary Designation by CISG. For the period commencing on the Effective Date and expiring on the Future Purchase Date (the “Beneficiary Period”), and subject to receipt by CISG of the Consideration from Designee on or before the Effective Date, CISG hereby irrevocably appoints and designates Designee as a beneficiary of each of the Policies

in an amount equal 95% of the Policy Value, as more fully set forth on Exhibit A (the “Limited Beneficiary Designation”) and Designee shall from that moment be a Beneficiary of each Policy to the extent set out in this Section 2.04 but not further or otherwise, for all purposes under this Agreement.

Section 2.04 Position if a Policy Matures During the Beneficiary Period. In the event that a Policy matures before the expiration of the Beneficiary Period, CISG shall pay Designee, in accordance with Schedule 2.04 within five (5) Business Days of receipt of the death benefit payable by the Insurance Company and all repurchase obligations shall no longer be in force nor effect.

Section 2.05 Repurchase Obligation. CISG shall have the obligation to repurchase the Policies on or prior to the Sale End Date as described in Schedule 2.05 at the price agreed and outlined on Schedule 2.05 (the “Repurchase”). If CISG fails to consummate the Repurchase on or prior to the latest date in Schedule 2.05, CISG shall do everything in its power to transfer the asset to the Designee. CISG’s payment obligations under this Section 2.05 shall be guaranteed by CISG both with their portfolio of insurance assets and with its interests as pledgee of all issued membership interests in SHPC Holdings I, LLC (“SHPC”)

### **ARTICLE III. REPRESENTATIONS AND WARRANTIES OF CISG**

Section 3.01 Except as otherwise specifically provided below, CISG hereby represents and warrants to Designee as of the Effective Date and as of the Closing Date as follows:

- (a) **Organization and Good Standing.** CISG is a legal entity duly formed, validly existing under the laws of the jurisdiction of Ireland.
- (b) **Power and Authority.** CISG has full power, authority and right to execute and deliver this Agreement, and has, and will continue to have during the entire term of this Agreement, full power and authority to perform its obligations hereunder, and has taken all necessary action to authorize the execution and delivery of this Agreement, as well as the performance of its obligations hereunder.
- (c) **Binding Obligation.** This Agreement constitutes legal, valid and binding obligations of CISG enforceable against CISG in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealings.
- (d) **Title to the Policy.** SPVII is, through the Securities Intermediary, the sole owner of, has good and marketable title to, and is the sole designated beneficiary of, each Policy, free and clear of all Liens, except for the Collateral Assignment, or any adverse claim by a third Person and, as of the Closing Date, no other Person shall have any interest in or claim to

each Policy or the proceeds derived or to be derived therefrom other than the Designee. With the exception of this Agreement and except as otherwise previously disclosed by CISG to the Designee, there are no agreements or understandings between (A) CISG or any of its Affiliates and (B) any other Person which limit or restrict the right of CISG to transfer each Policy to the Designee

- (e) **Validity of Purchased Assets.** (i) Each Policy is in-force and in good standing, (ii) each Policy is not in a grace period or lapse-pending status, (iii) to CISG's knowledge, each Policy was solicited, issued and delivered in compliance with all Applicable Law, (iv) to CISG's knowledge, the transaction by which CISG purchased each Policy was conducted in compliance with all Applicable Laws, (v) to CISG's knowledge, there was no misrepresentation or fraud in connection with the sale of any Policy by the original owner or the purchase of any Policy by CISG and (vi) CISG has not received notice of any claim from the Insurance Company challenging the validity or enforceability of any Policy, and to CISG's Knowledge, no Insurance Company has conducted any investigation concerning the validity or enforceability of any Policy.
- (f) **No Withdrawals.** From May 1, 2020 through the Effective Date, CISG has and shall not have taken any withdrawals of cash from the cash values of the Policies. Notwithstanding the foregoing, CISG may make necessary payments of premiums or other charges out of the cash value of the Policies.
- (g) **Conflicts.** None of the execution and delivery by CISG of this Agreement or any document to be executed by CISG pursuant to this Agreement, the consummation of the transaction contemplated hereby or thereby, or the compliance by CISG with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of, (i) the organizational documents of CISG, (ii) any contract or permit to which CISG is a party or by which CISG or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to CISG or by which any of the properties or assets of CISG are bound or (iv) any Applicable Law.
- (h) **Consents of Third Parties.** No consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of CISG in connection with the execution and delivery of this Agreement or the documents to be executed by CISG pursuant to this Agreement, the compliance by CISG with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by CISG of any other action contemplated hereby.
- (i) **Litigation.** There are no legal proceedings at law, equity or otherwise pending or, to the knowledge of CISG, threatened against CISG, or to which CISG is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of CISG to perform its obligations under this Agreement, or to consummate the transaction contemplated hereby. CISG is not

subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of CISG to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.

- (j) No Intention to Defraud. In completing the transaction contemplated by this Agreement, CISG does not intend to hinder, delay or defraud any present or future creditors of the Designee or CISG.
- (k) Pledgee Interests in SHPC Holdings I, LLC. CISG holds its interests as pledgee of all issued membership interests in SHPC with no set off or other liens or encumbrances, other than the one senior debt facility from Hudson previously disclosed to Designee. All such pledgee interests are owned and controlled by the founders and any related party at either SHPC or CISG and CISG represents that these pledgee interests are assets that are available to back stop CISG's obligations hereunder in the event full payment contemplated herein is not made by the Sale End Date.

#### **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF DESIGNEE**

Section 4.01 Designee represents and warrants to CISG as of the Effective Date as follows:

- (a) Organization and Good Standing. The Designee is a limited liability company duly and validly existing under the laws of the State of Florida and has the organizational power and authority to own its properties and to conduct its business as such business is presently conducted, and has at all relevant times, and has now organizational power, authority and legal right to carry on its business as now conducted.
- (b) Authorization of Agreement. The Designee has full company power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Designee in connection with the consummation of the transaction contemplated hereby and thereby (the "Designee Documents"), and to consummate the transaction contemplated hereby and thereby. The execution, delivery and performance by the Designee of this Agreement and each Designee Document have been duly authorized by all necessary limited liability company action on behalf of the Designee. This Agreement has been, and each Designee Document will be at or prior to the Effective Date, duly executed and delivered by the Designee and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Designee Document when so executed and delivered will constitute, the legal, valid and binding obligation of the Designee, enforceable against the Designee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing.
- (c) Conflicts. None of the execution and delivery by the Designee of this Agreement or the

Designee Documents, the consummation of the transaction contemplated hereby or thereby, or the compliance by the Designee with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of the Designee, (ii) any contract or permit to which the Designee is a party or by which the Designee or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to the Designee or by which any of the properties or assets of the Designee are bound or (iv) any Applicable Law.

- (d) Consents of Third Parties. No consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of the Designee in connection with the execution and delivery of this Agreement or the Designee Documents, the compliance by the Designee with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by the Designee of any other action contemplated hereby.
- (e) Litigation. There are no legal proceedings pending or, to the knowledge of the Designee, threatened against the Designee, or to which the Designee is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement, or to consummate the transaction contemplated hereby. The Designee is not subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.
- (f) Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Designee in connection with the transaction contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof. Without limiting the foregoing representation and warranty or the provisions of Article X, the Designee hereby agrees to indemnify and hold CISG and its directors, officers, employees, Affiliates, Subsidiaries, representatives, successors, limited partners, general partner and permitted assigns harmless from and against any and all Losses arising out of or in connection with any claim in connection with this Agreement or the transaction contemplated hereby by any person as a broker, finder, agent or other service provider to the Designee. The Designee acknowledges that it has not acted as a broker, finder, agent or other service provider to CISG in connection with the transaction contemplated by this Agreement.
- (g) Licenses. The Designee is qualified under the laws of Florida to acquire and own the Policies in accordance with all Applicable Laws
- (h) Condition of the Policies. The Designee acknowledges and agrees that CISG is not making any representations or warranties whatsoever, express or implied, beyond those

expressly given by CISG in Section 8.01 hereof, and the Designee acknowledges and agrees that, except for the representations and warranties contained therein, each Policy is being transferred on an “as is, where is” basis. Any claims the Designee may have for breach of representation or warranty shall be based solely on the representations and warranties of CISG set forth in Section 8.01 hereof. The Designee further represents that neither CISG nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding CISG, the Policies or the transaction contemplated by this Agreement not expressly set forth in this Agreement, and none of CISG, any of its Affiliates or any other Person will have or be subject to any liability to the Designee or any other Person resulting from the distribution to the Designee or its representatives or the Designee’s use of, any such information, including any confidential memoranda distributed on behalf of CISG relating to the Policies or other publications or data room information (including on-line materials) provided to the Designee or its representatives, or any other document or information in any form provided to the Designee or its representatives in connection with the sale of the Policies and the transaction contemplated hereby. The Designee acknowledges that as at the Effective Date the Designee has had sufficient opportunity to conduct, and will have conducted to its satisfaction, its own independent investigation of the Policies and, in making the determination to proceed with the transaction contemplated by this Agreement, the Designee has relied on the results of its own independent investigation.

- (i) Expertise. The Designee alone or with its advisors has such knowledge and experience in financial and business matters to enable it to evaluate and understand the merits and risks of a purchase of the Policies and the terms and conditions of this Agreement.
- (j) Patriot Act. Neither Designee nor any person or entity affiliated with Designee or that makes funds available to Designee in order to allow Designee to fulfill its obligations under this Agreement is (a) a person or entity listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), (b) named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, (c) a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank, (d) a senior non-U.S. political figure or an immediate family member or close associate of such figure or (e) otherwise prohibited from investing in the Assets or in Designee pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders.

## **ARTICLE V. COVENANTS OF THE PARTIES**

Section 5.01 Confidential Information. The Parties agree to hold, and use their respective best efforts to cause their respective Affiliates and any representatives to hold, all Confidential

Information in strict confidence from, and not to disclose to, any Person (other than any such Affiliate), unless (a) compelled to disclose by judicial or administrative process or by other requirements of Applicable Law or requests of Governmental Authorities in connection with any audit, examination or investigation by such Governmental Authorities, all Confidential Information concerning the other party or any of their respective Affiliates furnished to it by the other party in connection with this Agreement or the transactions contemplated hereby and the terms of this Agreement and the transactions contemplated hereby, (b) disclosed in any action or proceeding brought by a party in pursuit of its rights or in the exercise of its remedies under this Agreement, (c) disclosed only to the extent necessary to administer or service the Policies, or to perform any act or services required or contemplated under this Agreement, or (d) as otherwise allowed under this Agreement. However, either party may disclose Confidential Information to those of its representatives who have a need to know such information in connection with this Agreement and the performance of such party's obligations hereunder, or in connection with related financing, 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 of this Agreement. It is agreed between the parties to this Agreement that it shall not be a violation of this Section 6.01 to disclose Confidential Information to any Governmental Authority at the request of such Governmental Authority or in connection with any examination by any Governmental Authority. In any event, the receiving party of any Confidential Information of the disclosing party shall be responsible for any breach of this Agreement by it or any of its employees, agents or representatives. The obligation to preserve the confidentiality of the Confidential Information shall survive expiration or termination of this Agreement for so long as any such Confidential Information remains in the possession of the party receiving the Confidential Information of the other Party.

Section 5.02 Confidentiality of Consumer Information. Each of the Parties acknowledges that insurance regulations and any other Applicable Law are structured to provide confidentiality to the original owner of each Policy and the Insured with respect to Consumer Information in connection with ownership or sale of the Policies, and that brokers, Designees, CISG and Designee, and all of their respective agents and representatives, are obligated to keep Consumer Information confidential in accordance with Applicable Law. Each of the parties hereto agrees to comply with all Applicable Laws with respect to the confidentiality of Consumer Information; provided, however, that any party may disclose such information to any Governmental Authority in response to a request therefor, in connection with any audit, examination or investigation by any Governmental Authority or as otherwise required by Applicable Law.

Section 5.03 Disclosure of Confidential Information or Consumer Information by any Party. Nothing herein shall prevent either Party from sharing Confidential Information or Consumer Information with any Governmental Authority, such Party's outside legal counsel, auditors, direct or indirect investors, other finance providers or prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers in the course of a confidential or privileged communication, as required by such legal counsel, auditors, regulators, direct or indirect investors, other finance providers or prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers to discharge their respective duties in connection with the transactions contemplated hereby, or to any tracking or

monitoring service provider retained by Designee (and approved by CISG), in accordance with this Agreement, so long as (a) it imposes confidentiality obligations substantially similar to those contained in this Article VI upon any such recipient, (b) any such disclosures, other than those necessary to effect, administer or enforce the transactions contemplated by this Agreement, agreements entered into in connection herewith or in connection with the sale of the Policies, shall contain only depersonalized Consumer Information, and (c) such disclosures comply with all applicable insurance regulations and other Applicable Laws. Except for disclosure to Governmental Authorities as contemplated by this Article VII, and as expressly provided in this Section 8.03, neither Party to this Agreement shall disclose Confidential Information or Consumer Information to a third party, unless and until such third party enters into an agreement with such Party containing provisions substantially similar to this Article VI.

Section 5.04 Information. CISG shall provide Designee with any and all information rights typical with a policy of this type (annual statements, account values, illustrations, correspondence with carrier, etc.) when received, or upon request. CISG shall further execute a TPA with respect to each Policy with the carrier to enable Designee or its assign appropriate carrier access for each Policy.

Section 5.05 CISG to Provide Notice of Maturity. CISG shall provide immediate notice to Designee of any maturities of any Policy in the facility and to the maximum amount possible shall direct all such proceeds to the Designee until such time as the full amount is paid according to Schedule 2.05, unless the maturity is one of the Policies on Exhibit A.

Section 5.06 No Material Change to Teleios loan during the term. CISG shall not make any material change to loan, nor any change having any adverse effect on the values expected upon any maturity to any policies in this or any other agreement between the parties, and shall provide advance notice of anything that might be construed as having an impact on net value to the Parties prior to making or agreeing to any change or alteration in the facility.

## **ARTICLE VI. MISCELLANEOUS**

Section 6.01 Indemnification.

- (a) CISG shall indemnify and hold harmless Designee from and against any and all costs, expenses, losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by Designee of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of Designee, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (ii) any violation of Applicable Law by Designee, its Affiliates, employees, agents, representatives or servicers; (iii) Designee, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by Designee which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related

Insured's life and health status and whereabouts, and (iv) any circumstance, fact, or matter arising out of or in connection with Designee's ownership of the Policies.

- (b) Designee shall indemnify and hold harmless CISG from and against any and all costs, expenses, losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by v of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of CISG, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (ii) any violation of Applicable Law by CISG, its Affiliates, employees, agents, representatives or servicers; (iii) CISG, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by CISG which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related Insured's life and health status and whereabouts, and (iv) any circumstance, fact, or matter arising out of or in connection with CISG's ownership of the Policies.

Section 6.02 Notices. Any and all notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when (a) received by the receiving Party if mailed via United States registered or certified mail, return receipt requested, (b) received by the receiving Party if mailed by United States overnight express mail, (c) sent by facsimile or telecopy machine, followed by confirmation mailed by United States first-class mail or overnight express mail, or (d) delivered in person or by commercial courier to the Parties at the addresses set forth on the signature page hereto.

Section 6.03 Amendment. This Agreement may be amended from time to time by Designee and CISG in writing to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provision with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement. This Agreement may also be amended from time to time by Designee and CISG in writing for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Section 6.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 6.05 Assignments. This Agreement may not be assigned by (i) Designee without the prior written consent of CISG or (ii) CISG without the prior written consent of Designee.

Section 6.06 Entire Agreement. This Agreement, together and all exhibits or schedules attached hereto and thereto, contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written,

with respect to such matters.

**Section 6.07 Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.**

- (a) THIS AGREEMENT 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 AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.
  
- (b) EACH OF THE PARTIES HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN NEW YORK, NEW YORK IN CONNECTION WITH ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THE TERMS OF THIS AGREEMENT, AND HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF ANY SUMMONS, COMPLAINT, NOTICE OR OTHER PROCESS RELATING TO SUCH SUIT, ACTION OR OTHER PROCEEDING MAY BE EFFECTED IN THE MANNER PROVIDED BY THIS SECTION 8.08. EACH OF THE PARTIES UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO SEEK A JURY TRIAL IN ANY SUCH ACTION, SUIT OR OTHER PROCEEDING. TO THE EXTENT THAT ANY PARTY HERETO HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS HEREUNDER.

**Section 6.08 Limitation of Liability.** NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES UNDER, ARISING OUT OF, DUE TO OR IN CONNECTION WITH ITS PERFORMANCE OR NONPERFORMANCE UNDER THIS AGREEMENT OR ANY OF ITS OBLIGATIONS HEREIN OR THEREIN OR IN ANY OF THE ANCILLARY AGREEMENTS HERETO OR THERETO, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE.

**Section 6.09 Waivers.** No waiver of any of the provisions of this Agreement by a Party shall be deemed or shall constitute a waiver by such Party of any other provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

**Section 6.10 Binding Effect; Third-Party Beneficiaries.** This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except

as otherwise provided in this Agreement, no other Person will have any right, remedy or obligation hereunder. The Parties each acknowledge that TELEIOS LS HOLDINGS V DE, LLC, a Delaware limited liability company, as lender to the Seller, is a third party beneficiary of this Agreement.

Section 6.11 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 6.12 Counterparts. This Agreement may be executed and delivered in counterparts electronically or by telecopy, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. The section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

Section 6.13 Equal Preparation. Each of the parties hereto acknowledge and agree that they have had adequate opportunity to participate in the drafting and negotiation of this Agreement and that, therefore, no part of this Agreement shall be construed against any party by reason of such party having caused this Agreement to be drafted.

Section 6.14 Events of Default. In the event due to any action on the part of CISG or its lender that causes a Policy sale or maturity to result in a different value than what would have resulted from a market sale, using market LE data and a 14% IRR, or if higher, any market offer produced from a known buyer within the most recent six (6) months; CISG covenants that it will make up the difference from the proceeds to the expected proceeds to the Designee. In the event anything in this agreement causes any other deterioration in value, or loss of value or conflict or dispute as to the value inuring to CISG at the time of sale, disposal, maturity or repurchase, CISG shall pay to Designee the greater amount from either of the two methods described below to bring the full amount paid to Designee as above:

- (i) a market value using two recent (not to exceed 3 months old) LE reports at a 14% IRR discount using market valuation methods, or
- (ii) a bid or offer from an industry participant within the last 6 months

[SIGNATURES CONTAINED ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties have executed this Life Insurance Policy Beneficiary Designation Agreement as of the Effective Date.

**CISG:**

**CENTURION INSURANCE SERVICES GROUP  
LLC**, not in its individual capacity but solely as agent for  
Centurion ISG (Europe) Limited

By:  \_\_\_\_\_  
Name: Marshal Seeman  
Title: Authorized Signatory

**DESIGNEE:**

By:  \_\_\_\_\_  
Name: Robert Logan  
Title: Principal

## **SCHEDULE I**

### **DEFINITIONS**

(a) “Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means ownership of ten percent (10%) or more of voting securities of such Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(b) “Applicable Law” means any order, law, statute, regulation, rule, ordinance, writ, injunction, directive, judgment, decree, principle of common law, constitution or treaty enacted, promulgated, issued, enforced or entered by any Governmental Authority applicable to the Parties, or any of their respective businesses, properties or assets.

(c) “Beneficiary” means, in respect to a Policy, the Person or Persons owning the right to collect the Death Benefit or any other benefits accruing at any time thereunder and payable pursuant to such Policy which for the avoidance of doubt shall from the Effective Date mean Designee.

(d) “Business Day” means a day other than a Saturday or Sunday on which commercial banks in the City of New York are not authorized to be open or are required to be closed for business.

(e) “Code” means the Internal Revenue Code of 1986, as amended, and all rules and regulations from time to time promulgated thereunder.

(f) “Confidential Information” means all confidential or non-public information and data, in whatever form, whether written, oral, electronic or otherwise furnished by the disclosing Party to the receiving Party. Confidential Information does not include such 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, (ii) in the public domain (either prior to or after the furnishing of such information or data hereunder) through no fault of 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 another Party hereto 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. Confidential Information shall exclude Consumer Information.

(g) “Consumer” means the Insured, the original owner of a Policy, or a Person designated by the Insured to whom inquiries shall be directed for the purpose of monitoring the life status of the Insured, or any spouse or other individual closely related by blood or law to any such Person.

(h) “Consumer Information” means medical, health, financial and personal information of a Consumer, including, without limitation, a Consumer’s name, street or mailing address, e-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 (whether independently disclosed or contained in any disclosed document such as the Policies, a life expectancy evaluation, a life insurance application or viatical or life settlement

application).

(i) “Contract” means any contract, agreement, lease, sublease, license, note, bond, mortgage or indenture, permit, franchise, insurance policy or other instrument, whether written or oral.

(j) “Death Benefit” means the stated amount payable under a Policy as referred to in such Policy or a schedule thereto as of the Closing Date.

(k) “Designee” has the meaning set forth in the preamble.

(l) “Effective Date” shall mean the date of this Agreement.

(m) “Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

(n) “Insured” means each natural person whose life is insured under a Policy.

(o) “Insurance Company” means the life insurance company that has issued a Policy and is obligated to pay the death benefit of such Policy upon the death of the Insured or any other benefit provided by the terms of such Policy (or the successor to such obligation).

(p) “Knowledge” means the actual knowledge of any Managing Director, Director, President or Vice President, or individuals with substantially equivalent titles, duties or functions, and any employee who communicates with life insurance agents, broker or producers, or life settlement brokers, of CISG or otherwise has material responsibilities relating to the Policy.

(q) “Loan” or “Loans” means each loan corresponding to each life insurance policy listed on Exhibit A attached hereto as of the Effective Date.

(r) “Lien” means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude or transfer restriction.

(s) “Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association, Governmental Authority or any other entity.

(t) “Policy” means each of the life insurance policies listed on Exhibit A attached hereto as of the Effective Date.

(u) “Policy Documentation Package” shall mean the documents relating to the Designated Policy as identified on Exhibit B attached hereto.

(v) “Representatives” means a Party’s directors, managers, general partner, officers, employees, agents, counsel, accountants, financial advisors, consultants and other authorized representatives, as applicable.

## Schedule 2.04

### Payment Schedule

First, Repayment per the Schedule 2.05 is due immediately upon a Closing of any financing contemplated by Centurion or related parties. Upon any future sale, maturity or other winding up or liquidation of the Policy (the "Exit"), CISG agrees that the Designee shall be entitled to 95% participation in the proceeds less the amount due to the Lender. In the event proceeds are not at or above the amounts in Schedule 2.05; Centurion is to make up the difference, and shares pledged shall remain pledged until full payment is received with Default interest. The order of payment in any maturity, sale or other exit of one or both policies shall be as follows:

1. First, the Designee shall be entitled to \$1,125,000 [\$750,000 plus agreed \$375,000 for Repurchase, or as per the Schedule depending on the date]
2. Second, CISG or the Lender shall be paid the amount of the Lender's loan which shall include premiums paid from the date of this Agreement and interest; and
3. Third, any remaining amounts shall be split 95% to the Designee and 5% to CISG.

For example, in the event there is a sale of the Policies for \$2,000,000; and in the event that such sale happens following 3 months of premiums paid, but prior to the end of the 3<sup>rd</sup> month, and such premiums accounted for \$50,000 and the interest accrued thereon was \$3,000; the following would describe the flow of funds:

- First to the Designee, an amount of \$1,125,000 [ adjusted based upon the date and the Schedule]
- Second to Lender/CISG, an amount of \$300,000 ( [REDACTED] agreed senior debt) plus the \$50,000 plus the \$3,000 plus \$100,000 ( [REDACTED] agreed senior debt) for a total of \$453,000
- The remaining balance of \$422,000 would be divided 95% to the Participant and 5% to CISG

Notwithstanding the foregoing, at the Exit, the parties agree that regardless of the actual amount of proceeds received the Designee's minimum return shall be \$1,125,000, inclusive of the monies advanced on the Effective Date.

The Parties further agree that in the event the gross proceeds are in any way held up or encumbered through no fault of the Designee, CISG shall guarantee any amounts due per the above breakdown within 2 business days from the date of the Exit date. In the event there is a delay of payment, CISG will be responsible for default interest at the lower of 18% per annum or the maximum amount allowed by law. Further in the event of default, CISG shall provide a corporate guarantee to Designee stipulating that such guarantee from Centurion confirms that it holds its interests as pledgee of all issued membership

interests in SHPC and such guarantee shall be unwound/cancelled once full payment is received by Designee

## SCHEDULE 2.05

### Repurchase Schedule

On or Prior to October 30, 2020	\$1,125,000
After Oct 30 and prior to Nov 30, 2020	\$1,200,000
After Nov 30 and prior to Dec 30, 2020 (the "Sale End Date")	\$1,275,000

**EXHIBIT A**

**POLICY INFORMATION**

<u>Policy Number</u>	<u>Insurance Company</u>	<u>Face Amount</u>	<u>Consideration</u>
■ 9634	Security Life of Denver	\$2,750,000.00	
■ 2045	Lincoln National Life Insurance Company	2,500,000.00	
			750,000

The Parties agree that Consideration consists of \$250,000 paid in agreed payments made prior or coincident with the signing of this agreement and a wire transfer of the balance or \$500,000.

**EXHIBIT B**

**POLICY DOCUMENTATION PACKAGE**

Certain copies of policy-related documents that have already been provided by Seller to Purchaser.  
Hard copies of policy-related documents held and maintained by Seller as of the Closing Date.

**EXHIBIT C**

**CISG'S BANK WIRE INSTRUCTIONS**

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RECEIVING BANK: US Bank

ABA#: 042000013

BANK ADDRESS: 425 Walnut Street, Cincinnati, OH, 45202

ACCOUNT NUMBER:



ACCOUNT NAME: Centurion Insurance Services Group, LLC

**LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT**

**THIS LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT** (this "Agreement") is made and entered as of the 12<sup>th</sup> day of August 2020 (the "Effective Date"), by and between Centurion Insurance Services Group, LLC, a limited liability company formed in the state of Ohio in the United States of America, not in its individual capacity but solely as agent for Centurion ISG (Europe) Limited ("Europe"), a company organized under the laws of Ireland with registration number 514133 (hereinafter Centurion Insurance Services Group, LLC in its capacity as agent for Europe will be referred to as "CISG") and Pelican Capital Management, LLC ("Designee") (hereinafter each of CISG and Designee are individually referred to as a "Party" and collectively as the "Parties").

**WITNESSETH:**

WHEREAS, Wells Fargo Bank N.A., as securities intermediary (the "Securities Intermediary"), is the record owner and Beneficiary of the life insurance Policies set forth in Exhibit A hereto and made a part hereof (each, a "Policy" and collectively, the "Policies"); and

WHEREAS, each Policy is credited to that certain securities account numbered [REDACTED], FFC Acct # [REDACTED] Centurion Funding SPV II, LLC Securities Account (the "CISG Securities Account") established by the Securities Intermediary for the benefit of Centurion Funding SPVII, LLC ("SPVII"), an entity wholly owned by Europe, or its assigns, as the "entitlement holder" thereof (as such term is defined in the Uniform Commercial Code as in effect from time to time in the State of New York) of CISG Securities Account; and

WHEREAS, SPVII is the beneficial owner of, and has control over and the requisite legal authority to control, CISG's Securities Account subject to the rights of TELEIOS LS HOLDINGS V DE, LLC ("Lender"), a Delaware limited liability company, as lender to SPVII; and

WHEREAS, the Parties acknowledge and agree that the market value of the first Policy is \$2,600,000.00 (the "Policy Value").

WHEREAS, Designee desires to purchase from CISG and CISG desires to sell the Policies to Designee at a future date to be agreed by the Parties (the "Future Purchase Date"); and

WHEREAS, pending the transfer of ownership of the Policies by CISG to the Designee, the Parties agree that following receipt by CISG from Designee of the Consideration (as defined below), Designee shall be entitled to the proceeds of any sale, or maturity or the Repurchase (as defined below) or an amount equal to not more than 95% of the Policy Value, namely \$2,470,000.00 (the "Maximum BI"), or a prorated proportion thereof in the event that the Designee pays less than the full amount of the Consideration (defined herein), less the amount on the Lender's interest therein and CISG shall hold its interest in each Policy subject to the rights of Designee as beneficiary thereof in accordance with the provisions of this Agreement provided that notwithstanding any provision in this Agreement to the contrary the Parties have agreed that at no time shall the Designee's interest exceed the amount of the Maximum BI; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

## **ARTICLE I. DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Section 1.01 Definitions. All capitalized terms used, but not defined, herein shall have their respective meanings set forth in SCHEDULE I attached hereto.

Section 1.02 Interpretation. In this Agreement, unless the context otherwise requires, the singular shall include the plural and any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “hereof,” “herein,” “hereto,” and “hereunder,” and words of similar import, when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the term “including” is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included in the prior reference. Any reference in this Agreement to “Section”, “Article”, “Exhibit” or “Schedule” shall be a reference to this Agreement unless otherwise stated, and all such Exhibits and Schedules shall be incorporated in this Agreement by reference. Unless otherwise stated, any reference in this Agreement to any entity shall include its permitted successors and assigns, and, in the case of any Governmental Authority, any entity succeeding to its functions and capacities.

Section 1.03 Construction. If a conflict arises between the text of this Agreement and any schedule or exhibit, the terms of this Agreement shall prevail. The Parties acknowledge that each was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor of or against any Party because one is deemed to be the author thereof.

## **ARTICLE II. BENEFICIARY DESIGNATION**

Section 2.01 Consideration. Pursuant to the terms and conditions hereof, the Consideration to be paid by Designee to CISG for the Beneficiary Designation (defined below) in respect of each Policy shall be as is more particularly described in Exhibit A. In the event Designee pays a pro-rata portion of the Consideration, the Designee shall own an equal pro-rata portion of the Maximum BI as detailed herein, and the amount of any Repurchase Price shall be adjusted accordingly.

Section 2.02 Designee to Pay the Consideration on or before the Effective Date. On or before the Effective Date, Designee shall submit the Consideration to CISG by wire transfer into the account details of which are set out in Exhibit C attached hereto. CISG acknowledges that \$0 of the Consideration has been paid prior to the date of this Agreement and shall be credited against Designee’s payment obligation.

Section 2.03 Irrevocable Limited Beneficiary Designation by CISG. For the period commencing on the Effective Date and expiring on the Future Purchase Date (the “Beneficiary Period”), and subject to receipt by CISG of the Consideration from Designee on or before the Effective Date, CISG hereby irrevocably appoints and designates Designee as a beneficiary of each of the Policies in an amount equal 95% of the Policy Value, as more fully set forth on Exhibit A (the “Limited Beneficiary Designation”) and Designee shall from that moment be a Beneficiary of the Policy to the extent set out in this Section 2.04 but not further or otherwise, for all purposes under this Agreement.

Section 2.04 Position if a Policy Matures During the Beneficiary Period. In the event that a Policy matures before the expiration of the Beneficiary Period, CISG shall pay Designee, in accordance with Schedule 2.04 within five (5) Business Days of receipt of the death benefit payable by the Insurance

Company and all repurchase obligations shall no longer be in force nor effect.

**Section 2.05 Repurchase Obligation.** CISG shall have the obligation to repurchase the Policies on or prior to the Sale End Date as described in Schedule 2.05 at the price agreed and outlined on Schedule 2.05 (the “Repurchase”). If CISG fails to consummate the Repurchase on or prior to the latest date in Schedule 2.05, CISG shall do everything in its power to transfer the asset to the Designee. CISG’s payment obligations under this Section 2.05 shall be guaranteed by CISG both with their portfolio of insurance assets and with its interests as pledgee of all issued membership interests in SHPC Holdings I, LLC (“SHPC”). Further should payment not be made in full by the Sale End Date, SHPC shall grant Designee a UCC filing in favor of Designee across all assets of SHPC limited to the amount of the Maximum BI or a prorated proportion thereof in the event that the Designee pays an amount less the amount of the Consideration, provided that the Designee’s interest shall at all times be junior to any senior lender and/or creditor’s interest in such assets.

### **ARTICLE III. REPRESENTATIONS AND WARRANTIES OF CISG**

**Section 3.01** Except as otherwise specifically provided below, CISG hereby represents and warrants to Designee as of the Effective Date and as of the Closing Date as follows:

- (a) **Organization and Good Standing.** CISG is a legal entity duly formed, validly existing under the laws of the jurisdiction of Ireland.
- (b) **Power and Authority.** CISG has full power, authority and right to execute and deliver this Agreement, and has, and will continue to have during the entire term of this Agreement, full power and authority to perform its obligations hereunder, and has taken all necessary action to authorize the execution and delivery of this Agreement, as well as the performance of its obligations hereunder.
- (c) **Binding Obligation.** This Agreement constitutes legal, valid and binding obligations of CISG enforceable against CISG in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealings.
- (d) **Title to the Policy.** SPVII is, through the Securities Intermediary, the sole owner of, has good and marketable title to, and is the sole designated beneficiary of, each Policy, free and clear of all Liens, except for the Collateral Assignment, or any adverse claim by a third Person and, as of the Closing Date, no other Person shall have any interest in or claim to each Policy or the proceeds derived or to be derived therefrom other than the Designee. With the exception of this Agreement and except as otherwise previously disclosed by CISG to the Designee, there are no agreements or understandings between (A) CISG or any of its Affiliates and (B) any other Person which limit or restrict the right of CISG to transfer each Policy to the Designee
- (e) **Validity of Purchased Assets.** (i) Each Policy is in-force and in good standing, (ii) each Policy is not in a grace period or lapse-pending status, (iii) to CISG’s knowledge, each Policy was solicited, issued and delivered in compliance with all Applicable Law, (iv) to CISG’s knowledge, the transaction by which CISG purchased each Policy was conducted in compliance with all Applicable

Laws, (vi) to CISG's knowledge, there was no misrepresentation or fraud in connection with the sale of any Policy by the original owner or the purchase of any Policy by CISG and (vii) CISG has not received notice of any claim from the Insurance Company challenging the validity or enforceability of any Policy, and to CISG's Knowledge, no Insurance Company has conducted any investigation concerning the validity or enforceability of any Policy.

- (f) No Withdrawals. From May 1, 2020 through the Effective Date, CISG has and shall not have taken any withdrawals of cash from the cash values of the Policies. Notwithstanding the foregoing, CISG may make necessary payments of premiums or other charges out of the cash value of the Policies.
- (g) Conflicts. None of the execution and delivery by CISG of this Agreement or any document to be executed by CISG pursuant to this Agreement, the consummation of the transaction contemplated hereby or thereby, or the compliance by CISG with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of, (i) the organizational documents of CISG, (ii) any contract or permit to which CISG is a party or by which CISG or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to CISG or by which any of the properties or assets of CISG are bound or (iv) any Applicable Law.
- (h) Consents of Third Parties. No consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of CISG in connection with the execution and delivery of this Agreement or the documents to be executed by CISG pursuant to this Agreement, the compliance by CISG with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by CISG of any other action contemplated hereby.
- (i) Litigation. There are no legal proceedings at law, equity or otherwise pending or, to the knowledge of CISG, threatened against CISG, or to which CISG is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of CISG to perform its obligations under this Agreement, or to consummate the transaction contemplated hereby. CISG is not subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of CISG to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.
- (j) No Intention to Defraud. In completing the transaction contemplated by this Agreement, CISG does not intend to hinder, delay or defraud any present or future creditors of the Designee or CISG.
- (k) Pledgee Interests in SHPC Holdings I, LLC. CISG holds its interests as pledgee of all issued membership interests in SHPC with no set off or other liens or encumbrances, other than the one senior debt facility from Hudson previously disclosed to Designee. All such pledgee interests are owned and controlled by the founders and any related party at either SHPC or CISG and CISG represents that these pledgee interests are assets that are available to back stop CISG's obligations hereunder in the event full payment contemplated herein is not made by the Sale End Date.

#### **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF DESIGNEE**

Section 4.01 Designee represents and warrants to CISG as of the Effective Date as follows:

- (a) **Organization and Good Standing.** The Designee is a limited liability company duly and validly existing under the laws of the State of Florida and has the organizational power and authority to own its properties and to conduct its business as such business is presently conducted, and has at all relevant times, and has now organizational power, authority and legal right to carry on its business as now conducted.
- (b) **Authorization of Agreement.** The Designee has full company power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Designee in connection with the consummation of the transaction contemplated hereby and thereby (the “Designee Documents”), and to consummate the transaction contemplated hereby and thereby. The execution, delivery and performance by the Designee of this Agreement and each Designee Document have been duly authorized by all necessary limited liability company action on behalf of the Designee. This Agreement has been, and each Designee Document will be at or prior to the Effective Date, duly executed and delivered by the Designee and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Designee Document when so executed and delivered will constitute, the legal, valid and binding obligation of the Designee, enforceable against the Designee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing.
- (c) **Conflicts.** None of the execution and delivery by the Designee of this Agreement or the Designee Documents, the consummation of the transaction contemplated hereby or thereby, or the compliance by the Designee with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of the Designee, (ii) any contract or permit to which the Designee is a party or by which the Designee or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to the Designee or by which any of the properties or assets of the Designee are bound or (iv) any Applicable Law.
- (d) **Consents of Third Parties.** No consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of the Designee in connection with the execution and delivery of this Agreement or the Designee Documents, the compliance by the Designee with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by the Designee of any other action contemplated hereby.
- (e) **Litigation.** There are no legal proceedings pending or, to the knowledge of the Designee, threatened against the Designee, or to which the Designee is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement, or to consummate the transaction contemplated hereby. The Designee is not subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.

- (f) Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Designee in connection with the transaction contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof. Without limiting the foregoing representation and warranty or the provisions of Article X, the Designee hereby agrees to indemnify and hold CISG and its directors, officers, employees, Affiliates, Subsidiaries, representatives, successors, limited partners, general partner and permitted assigns harmless from and against any and all Losses arising out of or in connection with any claim in connection with this Agreement or the transaction contemplated hereby by any person as a broker, finder, agent or other service provider to the Designee. The Designee acknowledges that it has not acted as a broker, finder, agent or other service provider to CISG in connection with the transaction contemplated by this Agreement.
- (g) Licenses. The Designee is qualified under the laws of Florida to acquire and own the Policies in accordance with all Applicable Laws
- (h) Condition of the Policies. The Designee acknowledges and agrees that CISG is not making any representations or warranties whatsoever, express or implied, beyond those expressly given by CISG in Section 8.01 hereof, and the Designee acknowledges and agrees that, except for the representations and warranties contained therein, each Policy is being transferred on an “as is, where is” basis. Any claims the Designee may have for breach of representation or warranty shall be based solely on the representations and warranties of CISG set forth in Section 8.01 hereof. The Designee further represents that neither CISG nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding CISG, the Policies or the transaction contemplated by this Agreement not expressly set forth in this Agreement, and none of CISG, any of its Affiliates or any other Person will have or be subject to any liability to the Designee or any other Person resulting from the distribution to the Designee or its representatives or the Designee’s use of, any such information, including any confidential memoranda distributed on behalf of CISG relating to the Policies or other publications or data room information (including on-line materials) provided to the Designee or its representatives, or any other document or information in any form provided to the Designee or its representatives in connection with the sale of the Policies and the transaction contemplated hereby. The Designee acknowledges that as at the Effective Date the Designee has had sufficient opportunity to conduct, and will have conducted to its satisfaction, its own independent investigation of the Policies and, in making the determination to proceed with the transaction contemplated by this Agreement, the Designee has relied on the results of its own independent investigation.
- (i) Expertise. The Designee alone or with its advisors has such knowledge and experience in financial and business matters to enable it to evaluate and understand the merits and risks of a purchase of the Policies and the terms and conditions of this Agreement.
- (j) Patriot Act. Neither Designee nor any person or entity affiliated with Designee or that makes funds available to Designee in order to allow Designee to fulfill its obligations under this Agreement is (a) a person or entity listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), (b) named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, (c) a non-U.S. shell bank or is providing banking services indirectly to

a non-U.S. shell bank, (d) a senior non-U.S. political figure or an immediate family member or close associate of such figure or (e) otherwise prohibited from investing in the Assets or in Designee pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders.

## **ARTICLE V. COVENANTS OF THE PARTIES**

Section 5.01 Confidential Information. The Parties agree to hold, and use their respective best efforts to cause their respective Affiliates and any representatives to hold, all Confidential Information in strict confidence from, and not to disclose to, any Person (other than any such Affiliate), unless (a) compelled to disclose by judicial or administrative process or by other requirements of Applicable Law or requests of Governmental Authorities in connection with any audit, examination or investigation by such Governmental Authorities, all Confidential Information concerning the other party or any of their respective Affiliates furnished to it by the other party in connection with this Agreement or the transactions contemplated hereby and the terms of this Agreement and the transactions contemplated hereby, (b) disclosed in any action or proceeding brought by a party in pursuit of its rights or in the exercise of its remedies under this Agreement, (c) disclosed only to the extent necessary to administer or service the Policies, or to perform any act or services required or contemplated under this Agreement, or (d) as otherwise allowed under this Agreement. However, either party may disclose Confidential Information to those of its representatives who have a need to know such information in connection with this Agreement and the performance of such party's obligations hereunder, or in connection with related financing, 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 of this Agreement. It is agreed between the parties to this Agreement that it shall not be a violation of this Section 6.01 to disclose Confidential Information to any Governmental Authority at the request of such Governmental Authority or in connection with any examination by any Governmental Authority. In any event, the receiving party of any Confidential Information of the disclosing party shall be responsible for any breach of this Agreement by it or any of its employees, agents or representatives. The obligation to preserve the confidentiality of the Confidential Information shall survive expiration or termination of this Agreement for so long as any such Confidential Information remains in the possession of the party receiving the Confidential Information of the other Party.

Section 5.02 Confidentiality of Consumer Information. Each of the Parties acknowledges that insurance regulations and any other Applicable Law are structured to provide confidentiality to the original owner of each Policy and the Insured with respect to Consumer Information in connection with ownership or sale of the Policies, and that brokers, Designees, CISG and Designee, and all of their respective agents and representatives, are obligated to keep Consumer Information confidential in accordance with Applicable Law. Each of the parties hereto agrees to comply with all Applicable Laws with respect to the confidentiality of Consumer Information; provided, however, that any party may disclose such information to any Governmental Authority in response to a request therefor, in connection with any audit, examination or investigation by any Governmental Authority or as otherwise required by Applicable Law.

Section 5.03 Disclosure of Confidential Information or Consumer Information by any Party. Nothing herein shall prevent either Party from sharing Confidential Information or Consumer Information with any Governmental Authority, such Party's outside legal counsel, auditors, direct or indirect investors, other finance providers or prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers in the course of a confidential or privileged communication, as required by such legal counsel, auditors, regulators, direct or indirect investors, other finance providers or

prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers to discharge their respective duties in connection with the transactions contemplated hereby, or to any tracking or monitoring service provider retained by Designee (and approved by CISG), in accordance with this Agreement, so long as (a) it imposes confidentiality obligations substantially similar to those contained in this Article VI upon any such recipient, (b) any such disclosures, other than those necessary to effect, administer or enforce the transactions contemplated by this Agreement, agreements entered into in connection herewith or in connection with the sale of the Policies, shall contain only depersonalized Consumer Information, and (c) such disclosures comply with all applicable insurance regulations and other Applicable Laws. Except for disclosure to Governmental Authorities as contemplated by this Article VII, and as expressly provided in this Section 8.03, neither Party to this Agreement shall disclose Confidential Information or Consumer Information to a third party, unless and until such third party enters into an agreement with such Party containing provisions substantially similar to this Article VI.

Section 5.04 Information. CISG shall provide Designee with any and all information rights typical with a policy of this type (annual statements, account values, illustrations, correspondence with carrier, etc.) when received, or upon request. CISG shall further execute a TPA with respect to each Policy with the carrier to enable Designee or its assign appropriate carrier access for each Policy.

Section 5.05 CISG to Provide Notice of Maturity. CISG shall provide immediate notice to Designee of any maturities of any Policy in the facility and to the maximum amount possible shall direct all such proceeds to the Designee until such time as the full amount is paid according to Schedule 2.05, unless the maturity is one of the Policies on Exhibit A.

Section 5.06 No Material Change to Teleios loan during the term. CISG shall not make any material change to loan, nor any change having any adverse affect on the values expected upon any maturity to any policies in this or any other agreement between the parties, and shall provide advance notice of anything that might be construed as having an impact on net value to the Parties prior to making or agreeing to any change or alteration in the facility

## **ARTICLE VI. MISCELLANEOUS**

Section 6.01 Indemnification.

- (a) CISG shall indemnify and hold harmless Designee from and against any and all costs, expenses, losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by Designee of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of Designee, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (iii) any violation of Applicable Law by Designee, its Affiliates, employees, agents, representatives or servicers; (iii) Designee, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by Designee which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related Insured's life and health status and whereabouts, and (iv) any circumstance, fact, or matter arising out of or in connection with Designee's ownership of the Policies.
- (b) Designee shall indemnify and hold harmless CISG from and against any and all costs, expenses,

losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by v of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of CISG, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (ii) any violation of Applicable Law by CISG, its Affiliates, employees, agents, representatives or servicers; (iii) CISG, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by CISG which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related Insured's life and health status and whereabouts, and (iv) any circumstance, fact, or matter arising out of or in connection with CISG's ownership of the Policies.

Section 6.02 Notices. Any and all notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when (a) received by the receiving Party if mailed via United States registered or certified mail, return receipt requested, (b) received by the receiving Party if mailed by United States overnight express mail, (c) sent by facsimile or telecopy machine, followed by confirmation mailed by United States first-class mail or overnight express mail, or (d) delivered in person or by commercial courier to the Parties at the addresses set forth on the signature page hereto.

Section 6.03 Amendment. This Agreement may be amended from time to time by Designee and CISG in writing to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provision with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement. This Agreement may also be amended from time to time by Designee and CISG in writing for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Section 6.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 6.05 Assignments. This Agreement may not be assigned by (i) Designee without the prior written consent of CISG or (ii) CISG without the prior written consent of Designee.

Section 6.06 Entire Agreement. This Agreement, together and all exhibits or schedules attached hereto and thereto, contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.07 Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.

- (a) THIS AGREEMENT 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 AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

- (b) EACH OF THE PARTIES HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN NEW YORK, NEW YORK IN CONNECTION WITH ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THE TERMS OF THIS AGREEMENT, AND HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF ANY SUMMONS, COMPLAINT, NOTICE OR OTHER PROCESS RELATING TO SUCH SUIT, ACTION OR OTHER PROCEEDING MAY BE EFFECTED IN THE MANNER PROVIDED BY THIS SECTION 8.08. EACH OF THE PARTIES UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO SEEK A JURY TRIAL IN ANY SUCH ACTION, SUIT OR OTHER PROCEEDING. TO THE EXTENT THAT ANY PARTY HERETO HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS HEREUNDER.

Section 6.08 Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES UNDER, ARISING OUT OF, DUE TO OR IN CONNECTION WITH ITS PERFORMANCE OR NONPERFORMANCE UNDER THIS AGREEMENT OR ANY OF ITS OBLIGATIONS HEREIN OR THEREIN OR IN ANY OF THE ANCILLARY AGREEMENTS HERETO OR THERETO, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE.

Section 6.09 Waivers. No waiver of any of the provisions of this Agreement by a Party shall be deemed or shall constitute a waiver by such Party of any other provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

Section 6.10 Binding Effect; Third-Party Beneficiaries. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as otherwise provided in this Agreement, no other Person will have any right, remedy or obligation hereunder. The Parties each acknowledge that TELEIOS LS HOLDINGS V DE, LLC, a Delaware limited liability company, as lender to the Seller, is a third party beneficiary of this Agreement.

Section 6.11 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 6.12 Counterparts. This Agreement may be executed and delivered in counterparts electronically or by telecopy, each of which shall be deemed an original, but such counterparts shall together

constitute but one and the same Agreement. The section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

Section 6.13 Equal Preparation. Each of the parties hereto acknowledge and agree that they have had adequate opportunity to participate in the drafting and negotiation of this Agreement and that, therefore, no part of this Agreement shall be construed against any party by reason of such party having caused this Agreement to be drafted.

Section 6.14 Events of Default. In the event due to any action on the part of CISG or its lender that causes a Policy sale or maturity to result in a different value than what would have resulted from a market sale, using market LE data and a 14% IRR, or if higher, any market offer produced from a known buyer within the most recent six (6) months; CISG covenants that it will make up the difference from the proceeds to the expected proceeds to the Designee. In the event anything in this agreement causes any other deterioration in value, or loss of value or conflict or dispute as to the value inuring to CISG at the time of sale, disposal, maturity or repurchase, CISG shall pay to Designee the greater amount from either of the two methods described below to bring the full amount paid to Designee as above:

- (i) a market value using two recent (not to exceed 3 months old) LE reports at a 14% IRR discount using market valuation methods, or
- (ii) a bid or offer from an industry participant within the last 6 months

[SIGNATURES CONTAINED ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties have executed this Life Insurance Policy Beneficiary Designation Agreement as of the Effective Date.

**CISG:**

**CENTURION INSURANCE SERVICES GROUP LLC**, not  
in its individual capacity but solely as agent for  
Centurion ISG (Europe) Limited

By:  \_\_\_\_\_  
Name: Marshal Seeman  
Title: Authorized Signatory

**DESIGNEE:**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Parties have executed this Life Insurance Policy Beneficiary Designation Agreement as of the Effective Date.

**CISG:**

**CENTURION INSURANCE SERVICES GROUP LLC**, not  
in its individual capacity but solely as agent for  
Centurion ISG (Europe) Limited

By: \_\_\_\_\_  
Name: Marshal Seeman  
Title: Authorized Signatory

**DESIGNEE:** Pelican CAPITAL MGMT, LLC

By:  \_\_\_\_\_  
Name: ROBERT W. RYAN  
Title: PRINCIPAL

## **SCHEDULE I**

### **DEFINITIONS**

(a) “Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means ownership of ten percent (10%) or more of voting securities of such Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(b) “Applicable Law” means any order, law, statute, regulation, rule, ordinance, writ, injunction, directive, judgment, decree, principle of common law, constitution or treaty enacted, promulgated, issued, enforced or entered by any Governmental Authority applicable to the Parties, or any of their respective businesses, properties or assets.

(c) “Beneficiary” means, in respect to a Policy, the Person or Persons owning the right to collect the Death Benefit or any other benefits accruing at any time thereunder and payable pursuant to such Policy which for the avoidance of doubt shall from the Effective Date mean Designee.

(d) “Business Day” means a day other than a Saturday or Sunday on which commercial banks in the City of New York are not authorized to be open or are required to be closed for business.

(e) “Code” means the Internal Revenue Code of 1986, as amended, and all rules and regulations from time to time promulgated thereunder.

(f) “Confidential Information” means all confidential or non-public information and data, in whatever form, whether written, oral, electronic or otherwise furnished by the disclosing Party to the receiving Party. Confidential Information does not include such 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, (ii) in the public domain (either prior to or after the furnishing of such information or data hereunder) through no fault of 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 another Party hereto 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. Confidential Information shall exclude Consumer Information.

(g) “Consumer” means the Insured, the original owner of a Policy, or a Person designated by the Insured to whom inquiries shall be directed for the purpose of monitoring the life status of the Insured, or any spouse or other individual closely related by blood or law to any such Person.

(h) “Consumer Information” means medical, health, financial and personal information of a Consumer, including, without limitation, a Consumer’s name, street or mailing address, e-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 (whether independently disclosed or contained in any disclosed document such as the Policies, a life expectancy evaluation, a life insurance application or viatical or life settlement application).

(i) “Contract” means any contract, agreement, lease, sublease, license, note, bond, mortgage or indenture, permit, franchise, insurance policy or other instrument, whether written or oral.

(j) “Death Benefit” means the stated amount payable under a Policy as referred to in such Policy or a schedule thereto as of the Closing Date.

(k) “Designee” has the meaning set forth in the preamble.

(l) “Effective Date” shall mean the date of this Agreement.

(m) “Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative

functions of or pertaining to government.

(n) “Insured” means each natural person whose life is insured under a Policy.

(o) “Insurance Company” means the life insurance company that has issued a Policy and is obligated to pay the death benefit of such Policy upon the death of the Insured or any other benefit provided by the terms of such Policy (or the successor to such obligation).

(p) “Knowledge” means the actual knowledge of any Managing Director, Director, President or Vice President, or individuals with substantially equivalent titles, duties or functions, and any employee who communicates with life insurance agents, broker or producers, or life settlement brokers, of CISG or otherwise has material responsibilities relating to the Policy.

(q) “Loan” or “Loans” means each loan corresponding to each life insurance policy listed on Exhibit A attached hereto as of the Effective Date.

(r) “Lien” means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude or transfer restriction.

(s) “Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association, Governmental Authority or any other entity.

(t) “Policy” means each of the life insurance policies listed on Exhibit A attached hereto as of the Effective Date.

(u) “Policy Documentation Package” shall mean the documents relating to the Designated Policy as identified on Exhibit B attached hereto.

(v) “Representatives” means a Party’s directors, managers, general partner, officers, employees, agents, counsel, accountants, financial advisors, consultants and other authorized representatives, as applicable.

## SCHEDULE 2.04

### Payment Schedule

First, Repayment per the Schedule 2.05 is due immediately upon a Closing of any financing contemplated by Centurion or related parties. Upon any future sale, maturity or other winding up or liquidation of the Policy (the "Exit"), CISG agrees that the Designee shall be entitled to 95% participation in the proceeds less the amount due to the Lender. In the event proceeds are not at or above the amounts in Schedule 2.05; Centurion is to make up the difference, and shares pledged shall remain pledged until full payment is received with Default interest. The order of payment in any maturity, sale or other exit of one or both policies shall be as follows:

1. First, the Designee shall be entitled to \$2,000,000 [\$1,000,000 plus agreed \$1,000,000 for Repurchase, or as per the Schedule depending on the date]
2. Second, CISG or the Lender shall be paid the amount of the Lender's loan which shall include premiums paid from the date of this Agreement and interest; and
3. Third, any remaining amounts shall be split 95% to the Designee and 5% to CISG provided that notwithstanding any provision in this Agreement to the contrary the Parties have agreed that at no time shall the Designee's interest exceed the amount of the Maximum BI and this provision shall be read and construed accordingly.

For example, in the event there is a sale of the Policies for \$3,000,000; and in the event that such sale happens following 3 months of premiums paid, but prior to the end of the 3<sup>rd</sup> month, and such premiums accounted for \$100,000 and the interest accrued thereon was \$6,000; and, given that the Maximum BI is \$2,470,000.00, the following would describe the flow of funds:

- First to the Designee, an amount of \$2,000,000 [ adjusted pro rata based upon the total consideration and the Schedule], leaving a maximum balance of \$470,000.
- Second to Lender/CISG, an amount of \$300,000 [redacted] agreed senior debt) plus the \$100,000 plus the \$6,000 for a total of \$406,000
- The remaining balance would be divided 95% to the Participant and 5% to CISG, subject to the remaining balance of the Maximum BI so that the Designee would receive \$470,000 and the Participant would receive the balance

Notwithstanding the foregoing, at the Exit, the parties agree that regardless of the actual amount of proceeds received the Designee's minimum return shall be \$2,000,000, inclusive of the monies advanced on the Effective Date provided that in the event the Designee pays less than the full amount of the Consideration then such minimum amount shall be prorated accordingly.

The Parties further agree that in the event the gross proceeds are in any way held up or encumbered through no fault of the Designee, CISG shall guarantee any amounts due per the above breakdown within 2 business days from the date of the Exit date. In the event there is a delay of payment, CISG will be responsible for default interest at the lower of 18% per annum or the maximum amount allowed by law. Further in the event of default, CISG shall provide a corporate guarantee to Designee stipulating that such

guarantee from Centurion confirms that it holds its interests as pledgee of all issued membership interests in SHPC and such guarantee shall be unwound/cancelled once full payment is received by Designee

### **SCHEDULE 2.05**

#### **Repurchase Schedule**

Anytime prior to Dec 30, 2020 (the "Sale End Date")	\$2,000,000

Note: in the event the Designee funds a pro-rata portion of the Consideration the same pro-rata shall be applied to the Repurchase amount.

**EXHIBIT A**  
**POLICY INFORMATION**

<u>Policy Number</u>	<u>Insurance Company</u>	<u>Face Amount</u>	<u>Consideration</u>
██████7091	Lincoln National Life Insurance Co.	\$10,000,000	
			1,000,000

The Parties agree that Consideration consists of \$250,000 paid in agreed payments made prior or coincident with the signing of this agreement and a wire transfer of the balance or \$500,000.

**EXHIBIT B**

**POLICY DOCUMENTATION PACKAGE**

Certain copies of policy-related documents that have already been provided by Seller to Purchaser. Hard copies of policy-related documents held and maintained by Seller as of the Closing Date.

**EXHIBIT C**

**CISG'S BANK WIRE INSTRUCTIONS**

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RECEIVING BANK: US Bank

ABA#: 042000013

BANK ADDRESS: 425 Walnut Street, Cincinnati, OH, 45202

ACCOUNT NUMBER:



ACCOUNT NAME: Centurion Insurance Services Group, LLC

**LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT**

**THIS LIFE INSURANCE POLICY BENEFICIARY DESIGNATION AGREEMENT** (this "Agreement") is made and entered as of the 14th day of April 2021 (the "Effective Date"), by and between Centurion Insurance Services Group, LLC, a limited liability company formed in the state of Ohio in the United States of America, not in its individual capacity but solely as agent for Centurion ISG (Europe) Limited ("Europe"), a company organized under the laws of Ireland with registration number 514133 (hereinafter Centurion Insurance Services Group, LLC in its capacity as agent for Europe will be referred to as "CISG") and Pelican Capital Management, LLC ("Designee") (hereinafter each of CISG and Designee are individually referred to as a "Party" and collectively as the "Parties").

**WITNESSETH:**

WHEREAS, Wells Fargo Bank N.A., as securities intermediary (the "Securities Intermediary"), is the record owner and Beneficiary of the life insurance Policies set forth in in Annex 1 hereto and made a part hereof (the "Policies"); and

WHEREAS, each Policy is credited to that certain securities account numbered [REDACTED], FFC Acct # [REDACTED] Centurion Funding SPV II, LLC Securities Account (the "CISG Securities Account") established by the Securities Intermediary for the benefit of Centurion Funding SPVII, LLC ("SPVII"), an entity wholly owned by Europe, or its assigns, as the "entitlement holder" thereof (as such term is defined in the Uniform Commercial Code as in effect from time to time in the State of New York) of the CISG Securities Account; and

WHEREAS, SPVII is the beneficial owner of, and has control over and the requisite legal authority to control, the CISG's Securities Account subject to the rights of TELEIOS LS HOLDINGS V DE, LLC ("Lender"), a Delaware limited liability company, as lender to SPVII; and

WHEREAS, the Parties acknowledge and agree that the market value of the Policies is \$600,000.00 ("Policies Value"); and

WHEREAS, Designee desires to purchase from CISG and CISG desires to sell the Policies to Designee at a future date to be agreed by the Parties (the "Future Purchase Date"); and

WHEREAS, pending the transfer of the beneficial ownership of the Policies by CISG to the Designee, the Parties agree that following receipt by CISG from Designee of an amount equal to \$100,000 (the "Consideration"), CISG shall hold its interest in the Policies subject to the rights of Designee as beneficiary thereof in accordance with the provisions of this Agreement; and while the Parties further agree that there is senior debt currently on each of the Policies; it is agreed that unless and until Centurion exercises the Option (as defined in Section 2.05), such ownership net of any accrued debt by Telios as per the agreement that has existed since the original issuance of such debt, shall remain subject to the rights of Designee as beneficiary thereof in accordance with

the provisions of this Agreement , and

WHEREAS, if a maturity of either of the Policies occurs prior to exercise of the Option, the Parties agree that Designee shall receive 5% of such maturity in addition to any amount then due under the Option Agreement, should Centurion choose to exercise such Option Agreement at or immediately following such maturity, and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

## **ARTICLE I. DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Section 1.01 Definitions. All capitalized terms used, but not defined, herein shall have their respective meanings set forth in SCHEDULE I attached hereto.

Section 1.02 Interpretation. In this Agreement, unless the context otherwise requires, the singular shall include the plural and any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “hereof,” “herein,” “hereto,” and “hereunder,” and words of similar import, when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the term “including” is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included in the prior reference. Any reference in this Agreement to “Section”, “Article”, “Exhibit” or “Schedule” shall be a reference to this Agreement unless otherwise stated, and all such Exhibits and Schedules shall be incorporated in this Agreement by reference. Unless otherwise stated, any reference in this Agreement to any entity shall include its permitted successors and assigns, and, in the case of any Governmental Authority, any entity succeeding to its functions and capacities.

Section 1.03 Construction. If a conflict arises between the text of this Agreement and any schedule or exhibit, the terms of this Agreement shall prevail. The Parties acknowledge that each was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor of or against any Party because one is deemed to be the author thereof.

## **ARTICLE II. BENEFICIARY DESIGNATION**

Section 2.01 Consideration. Pursuant to the terms and conditions hereof, the Consideration to be paid by Designee to CISG for the Beneficiary Designation (defined below) in respect of the Policies shall be as is more particularly described in Exhibit A.

Section 2.02 Designee to Pay the Consideration on or before the Effective Date. On or before the Effective Date, Designee shall submit the Consideration to CISG by wire transfer into the account details of which are set out in Exhibit C attached hereto

Section 2.03 Irrevocable Limited Beneficiary Designation by CISG. For the period commencing on the Effective Date and expiring on the Future Purchase Date (the “Beneficiary Period”), and subject to receipt by CISG of the Consideration from Designee on or before the Effective Date, CISG hereby irrevocably appoints and designates Designee as a beneficiary of each of the Policies in an amount equal 95% of the Policies Value, as more fully set forth on Exhibit A (the “Limited Beneficiary Designation”) and Designee shall from that moment be a Beneficiary of the Policies to the extent set out in this Section 2.04 but not further or otherwise, for all purposes under this Agreement.

Section 2.04 Position if a Policy Matures During the Beneficiary Period. In the event that any Policy matures before the expiration of the Beneficiary Period, CISG shall pay Designee, in accordance with Schedule 2.04 within five (5) Business Days following receipt of notice of such maturity or the Option Agreement shall be expired and become null and void.

Section 2.05 RePurchase Rights / Option Agreement. Centurion shall have the right and the obligation to Repurchase the Policies on or prior to the Sale End Date as described in Schedule 2.05 at the price agreed and outlined on Schedule 2.05 (the “Option”). If Centurion fails to exercise the Option on or prior to the latest date in Schedule 2.05, Centurion shall do everything in its power to transfer the Policies to the Designee, and absent that shall issue Designee both a first or second position lien on any and all assets held by Centurion.

Section 2.06 Personal Guaranty. One or all owners of 5% or greater of SHPC, shall sign a Personal Guaranty in favor of Designee, enforceable in the event Centurion fails to exercise the Option on or prior to the Sale End Date, such Guaranty shall be for an amount equal to the maximum due as per the Option.

Section 2.07 Cross Collateralization. This BDA and all others like it with the same counter parties shall be Cross Collateralized across all collateral described in each of the related transactions such that if one asset becomes less valuable the remaining assets shall be further pledged or assigned to make up the shortfall. Further, should there be any default under any of the BDA agreements, they shall all be deemed in default, immediately triggering the Personal Guaranty.

Section 2.08 Policy Sales, Policy Maturities. In the event there are any other sales or maturities across any asset in the same pool or any asset owned directly or indirectly by Centurion in any account, and such of the proceeds as are actually received by Centurion are in an amount sufficient to satisfy the price set forth in Schedule 2.05 Centurion, such event shall (x) trigger the exercise of the Option and (y) such funds shall first be applied by Centurion towards the repurchase of such of the Policies as can be repurchased from such funds received by Centurion and to the extent that there is any surplus of such funds sufficient, without recourse to funds other than such surplus, to enable Centurion to repurchase any other life insurance assets in similar agreements outstanding with Designee, Centurion shall repurchase such other life insurance assets in

accordance with such similar agreement or agreements. Any failure to do so, shall be deemed a default and trigger the same remedies described herein.

**ARTICLE III. REPRESENTATIONS AND WARRANTIES OF CISG**

Section 3.01 Except as otherwise specifically provided below, CISG hereby represents and warrants to Designee as of the Effective Date and as of the Closing Date as follows:

- (a) Organization and Good Standing. CISG is a legal entity duly formed, validly existing under the laws of the jurisdiction of Ireland.
- (b) Power and Authority. The CISG has full power, authority and right to execute and deliver this Agreement and the Escrow Agreement, and has, and will continue to have during the entire term of this Agreement, full power and authority to perform its obligations hereunder and thereunder, and has taken all necessary action to authorize the execution and delivery of this Agreement and the Escrow Agreement, as well as the performance of its obligations hereunder and thereunder.
- (c) Binding Obligation. This Agreement and the Escrow Agreement constitute legal, valid and binding obligations of the CISG enforceable against the CISG in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealings.
- (d) Title to the Policies. SPVII is, through the Securities Intermediary, the sole owner of, has good and marketable title to, and is the sole designated beneficiary of, each Policies, free and clear of all Liens, except for the Collateral Assignment, or any adverse claim by a third Person and, as of the Closing Date, no other Person shall have any interest in or claim to the Policies or the proceeds derived or to be derived therefrom other than the Designee. With the exception of this Agreement and except as otherwise previously disclosed by the CISG to the Designee, there are no agreements or understandings between (A) the CISG or any of its Affiliates and (B) any other Person which limit or restrict the right of the CISG to transfer the Policies to the Designee
- (e) Validity of Purchased Assets. (i) Each Policies is in-force and in good standing, (ii) each Policies is not in a grace period or lapse-pending status, (iii) to the CISG's knowledge, each Policies was solicited, issued and delivered in compliance with all applicable Law, (iv) to the CISG's knowledge, the transaction by which the CISG purchased each Policies was conducted in compliance with all applicable Laws, (vi) to the CISG's knowledge, there was no misrepresentation or fraud in connection with the sale of any Policies by the original

owner or the purchase of any Policies by the CISG and (vii) the CISG has not received notice of any claim from the Insurance Company challenging the validity or enforceability of any Policies, and to CISG's Knowledge, no Insurance Company has conducted any investigation concerning the validity or enforceability of the Policies.

- (f) No Withdrawals. From May 1, 2020 through the Effective Date, the CISG has and shall not have taken any withdrawals of cash from the cash values of the Policies. Notwithstanding the foregoing, the CISG may make necessary payments of premiums or other charges out of the cash value of the Policies.
- (g) Conflicts. None of the execution and delivery by the CISG of this Agreement or any document to be executed by the CISG pursuant to this Agreement, the consummation of the transaction contemplated hereby or thereby, or the compliance by the CISG with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of, (i) the organizational documents of the CISG, (ii) any contract or permit to which the CISG is a party or by which the CISG or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to the CISG or by which any of the properties or assets of the CISG are bound or (iv) any applicable Law.
- (h) Consents of Third Parties. Except for the Escrow Agent, no consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of the CISG in connection with the execution and delivery of this Agreement or the documents to be executed by the CISG pursuant to this Agreement, the compliance by the CISG with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by the CISG of any other action contemplated hereby.
- (i) Litigation. There are no legal proceedings at law, equity or otherwise pending or, to the knowledge of the CISG, threatened against the CISG, or to which the CISG is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of the CISG to perform its obligations under this Agreement or the Escrow Agreement, or to consummate the transaction contemplated hereby. The CISG is not subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of the CISG to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.
- (j) No Intention to Defraud. In completing the transaction contemplated by this Agreement, the CISG does not intend to hinder, delay or defraud any present or future creditors of the Designee or the CISG.

## **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF DESIGNEE**

Section 4.01 Designee represents and warrants to CISG as of the Effective Date as follows:

- (a) **Organization and Good Standing.** The Designee is an investment company duly and validly existing under the Laws of Wyoming and has the organizational power and authority to own its properties and to conduct its business as such business is presently conducted, and has at all relevant times, and has now organizational power, authority and legal right to carry on its business as now conducted.
  
- (b) **Authorization of Agreement.** The Designee has full company power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Designee in connection with the consummation of the transaction contemplated hereby and thereby (the “Designee Documents”), and to consummate the transaction contemplated hereby and thereby. The execution, delivery and performance by the Designee of this Agreement and each Designee Document have been duly authorized by all necessary limited liability company action on behalf of the Designee. This Agreement has been, and each Designee Document will be at or prior to the Effective Date, duly executed and delivered by the Designee and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Designee Document when so executed and delivered will constitute, the legal, valid and binding obligation of the Designee, enforceable against the Designee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing.
  
- (c) **Conflicts.** None of the execution and delivery by the Designee of this Agreement or the Designee Documents, the consummation of the transaction contemplated hereby or thereby, or the compliance by the Designee with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of the Designee, (ii) any contract or permit to which the Designee is a party or by which the Designee or its properties or assets are bound, (iii) any order of any Governmental Authority applicable to the Designee or by which any of the properties or assets of the Designee are bound or (iv) any Applicable Law.
  
- (d) **Consents of Third Parties.** No consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required on the part of the Designee in connection with the execution and delivery of this Agreement or the Designee Documents, the compliance by the Designee with any of the provisions hereof or thereof, the consummation of the transaction contemplated hereby or the taking by the Designee of any other action contemplated hereby.
  
- (e) **Litigation.** There are no legal proceedings pending or, to the knowledge of the Designee,

threatened against the Designee, or to which the Designee is otherwise a party before any Governmental Authority, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement or the Escrow Agreement, or to consummate the transaction contemplated hereby or thereby. The Designee is not subject to any order of any Governmental Authority except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of the Designee to perform its obligations under this Agreement or to consummate the transaction contemplated hereby.

- (f) Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Designee in connection with the transaction contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof. Without limiting the foregoing representation and warranty or the provisions of Article X, the Designee hereby agrees to indemnify and hold the CISG and its directors, officers, employees, Affiliates, Subsidiaries, representatives, successors, limited partners, general partner and permitted assigns harmless from and against any and all Losses arising out of or in connection with any claim in connection with this Agreement or the transaction contemplated hereby by any person as a broker, finder, agent or other service provider to the Designee. The Designee acknowledges that it has not acted as a broker, finder, agent or other service provider to the CISG in connection with the transaction contemplated by this Agreement.
- (g) Licenses. The Designee is qualified under the laws of Wyoming to acquire and own the Policies in accordance with all applicable requirements of Law.
- (h) Condition of the Policies. The Designee acknowledges and agrees that the CISG is not making any representations or warranties whatsoever, express or implied, beyond those expressly given by the CISG in Section 8.01 hereof, and the Designee acknowledges and agrees that, except for the representations and warranties contained therein, the Policies are being transferred on an “as is, where is” basis. Any claims the Designee may have for breach of representation or warranty shall be based solely on the representations and warranties of the CISG set forth in Section 8.01 hereof. The Designee further represents that neither the CISG nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the CISG, the Policies or the transaction contemplated by this Agreement not expressly set forth in this Agreement, and none of the CISG, any of its Affiliates or any other Person will have or be subject to any liability to the Designee or any other Person resulting from the distribution to the Designee or its representatives or the Designee’s use of, any such information, including any confidential memoranda distributed on behalf of the CISG relating to the Policies or other publications or data room information (including on-line materials) provided to the Designee or its representatives, or any other document or information in any form provided to the Designee or its representatives in connection with the sale of the Policies and the transaction contemplated hereby. The Designee acknowledges that as at the Effective Date the Designee has had sufficient opportunity to conduct, and will have conducted to

its satisfaction, its own independent investigation of the Policies and, in making the determination to proceed with the transaction contemplated by this Agreement, the Designee has relied on the results of its own independent investigation. Notwithstanding all of the above, should any asset in this document or any that are like it and deemed cross collateralized become less valuable than described herein or therein, a replacement asset shall be agreed by the Parties to become a part of this or any other agreement such that the net resulting value remains the same.

- (i) Expertise. The Designee alone or with its advisors has such knowledge and experience in financial and business matters to enable it to evaluate and understand the merits and risks of a purchase of the Policies and the terms and conditions of this Agreement.
- (j) Patriot Act. Neither Designee nor any person or entity affiliated with Designee or that makes funds available to Designee in order to allow Designee to fulfill its obligations under this Agreement is (a) a person or entity listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), (b) named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, (c) a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank, (d) a senior non-U.S. political figure or an immediate family member or close associate of such figure or (e) otherwise prohibited from investing in the Assets or in Designee pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders.

## **ARTICLE V. COVENANTS OF THE PARTIES**

Section 5.01 Confidential Information. The Parties agree to hold, and use their respective best efforts to cause their respective Affiliates and any representatives to hold, all Confidential Information in strict confidence from, and not to disclose to, any Person (other than any such Affiliate), unless (a) compelled to disclose by judicial or administrative process or by other requirements of Applicable Law or requests of Governmental Authorities in connection with any audit, examination or investigation by such Governmental Authorities, all Confidential Information concerning the other party or any of their respective Affiliates furnished to it by the other party in connection with this Agreement or the transactions contemplated hereby and the terms of this Agreement and the transactions contemplated hereby, (b) disclosed in any action or proceeding brought by a party in pursuit of its rights or in the exercise of its remedies under this Agreement, (c) disclosed only to the extent necessary to administer or service the Policies, or to perform any act or services required or contemplated under this Agreement, or (d) as otherwise allowed under this Agreement. However, either party may disclose Confidential Information to those of its representatives who have a need to know such information in connection with this Agreement and the performance of such party's obligations hereunder, or in connection with related financing, 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 of this Agreement. It is agreed between the parties to this Agreement that it shall not be a violation of this Section 6.01 to disclose Confidential Information to any Governmental Authority at the request of such Governmental Authority or in connection with any examination by any Governmental Authority. In any event, the receiving party of any Confidential Information of the disclosing party shall be responsible for any breach of this Agreement by it or any of its employees, agents or representatives. The obligation to preserve the confidentiality of the Confidential Information shall survive expiration or termination of this Agreement for so long as any such Confidential Information remains in the possession of the party receiving the Confidential Information of the other Party.

Section 5.02 Confidentiality of Consumer Information. Each of the Parties acknowledges that insurance regulations and any other Applicable Law are structured to provide confidentiality to the original owner of the Policies and the Insured with respect to Consumer Information in connection with ownership or sale of the Policies, and that brokers, Designees, CISG and Designee, and all of their respective agents and representatives, are obligated to keep Consumer Information confidential in accordance with Applicable Law. Each of the parties hereto agrees to comply with all Applicable Laws with respect to the confidentiality of Consumer Information; provided, however, that any party may disclose such information to any Governmental Authority in response to a request therefor, in connection with any audit, examination or investigation by any Governmental Authority or as otherwise required by Applicable Law.

Section 5.03 Disclosure of Confidential Information or Consumer Information by any Party. Nothing herein shall prevent either Party from sharing Confidential Information or Consumer Information with any Governmental Authority, such Party's outside legal counsel, auditors, direct or indirect investors, other finance providers or prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers in the course of a confidential or privileged communication, as required by such legal counsel, auditors, regulators, direct or indirect investors, other finance providers or prospective investors, pledgees, direct or indirect counterparties in any swap hedges or similar arrangements or arrangers to discharge their respective duties in connection with the transactions contemplated hereby, or to any tracking or monitoring service provider retained by Designee (and approved by CISG), in accordance with this Agreement, so long as (a) it imposes confidentiality obligations substantially similar to those contained in this Article VI upon any such recipient, (b) any such disclosures, other than those necessary to effect, administer or enforce the transactions contemplated by this Agreement, agreements entered into in connection herewith or in connection with the sale of the Policies, shall contain only depersonalized Consumer Information, and (c) such disclosures comply with all applicable insurance regulations and other Applicable Laws. Except for disclosure to Governmental Authorities as contemplated by this Article VII, and as expressly provided in this Section 8.03, neither Party to this Agreement shall disclose Confidential Information or Consumer Information to a third party, unless and until such third party enters into an agreement with such Party containing provisions substantially similar to this Article VI.

Section 5.04 Information. CISG shall provide Designee with any and all information rights typical with a Policies of this type (annual statements, account values, illustrations, correspondence with carrier, etc) when received, or upon request. CISG shall further execute a TPA with respect

to the Policies with the carrier to enable Designee or its assign appropriate carrier access for the Policies.

Section 5.05 **CISG to Provide Notice of Maturity.** CISG shall provide immediate notice to Designee of any maturities of any Policy in the facility and to the maximum amount possible shall direct all such proceeds to the Designee until such time as the full amount is paid according to Schedule 2.05, unless the maturity is one of the Policies on Exhibit A.

Section 5.06 No Material Change to Teleios loan during the term. CISG shall not make any material change to loan, nor any change having any adverse affect on the values expected upon any maturity to any policies in this or any other agreement between the parties, and shall provide advance notice of anything that might be construed as having an impact on net value to the Parties prior to making or agreeing to any change or alteration in the facility

Section 5.07

**ARTICLE VI. MISCELLANEOUS**

Section 6.01 Indemnification.

- (a) CISG shall indemnify and hold harmless Designee from and against any and all costs, expenses, losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by Designee of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of Designee, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (iii) any violation of Applicable Law by Designee, its Affiliates, employees, agents, representatives or servicers; (iv) Designee, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by Designee which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related Insured's life and health status and whereabouts, and (v) any circumstance, fact, or matter arising out of or in connection with Designee's ownership of the Policies.
- (b) Designee shall indemnify and hold harmless CISG from and against any and all costs, expenses, losses, claims, damages, liabilities, fines, penalties, and injuries arising out of or in connection with (i) any breach by v of its representations, warranties and covenants contained herein or in the Origination Agreement; (ii) the willful misconduct, gross negligence or omissions of CISG, its Affiliates, employees, agents, representatives or servicers in the performance of its duties under this Agreement; (iii) any violation of Applicable Law by CISG, its Affiliates, employees, agents, representatives or servicers; (iv) CISG, its Affiliates or their respective Representatives' negligence, misconduct or violation of any applicable federal or state laws or the negligence, misconduct or violation of any applicable federal or state laws by any tracking or monitoring service provider retained by CISG which occurs in connection with the administration of the Policies, including, without limitation, the monitoring of the related Insured's life and health status and whereabouts, and (v) any circumstance, fact, or matter arising out of or in connection

with CISG's ownership of the Policies.

Section 6.02 Notices. Any and all notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when (a) received by the receiving Party if mailed via United States registered or certified mail, return receipt requested, (b) received by the receiving Party if mailed by United States overnight express mail, (c) sent by facsimile or telecopy machine, followed by confirmation mailed by United States first-class mail or overnight express mail, or (d) delivered in person or by commercial courier to the Parties at the addresses set forth on the signature page hereto.

Section 6.03 Amendment. This Agreement may be amended from time to time by Designee and CISG in writing to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provision with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement. This Agreement may also be amended from time to time by Designee and CISG in writing for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Section 6.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 6.05 Assignments. This Agreement may not be assigned by (i) Designee without the prior written consent of CISG or (ii) CISG without the prior written consent of Designee.

Section 6.06 Entire Agreement. This Agreement, together and all exhibits or schedules attached hereto and thereto, contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.07 Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.

- (a) THIS AGREEMENT 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 AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.
- (b) EACH OF THE PARTIES HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN NEW YORK, NEW YORK IN CONNECTION WITH ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THE TERMS OF THIS AGREEMENT, AND HEREBY

UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF ANY SUMMONS, COMPLAINT, NOTICE OR OTHER PROCESS RELATING TO SUCH SUIT, ACTION OR OTHER PROCEEDING MAY BE EFFECTED IN THE MANNER PROVIDED BY THIS SECTION 8.08. EACH OF THE PARTIES UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO SEEK A JURY TRIAL IN ANY SUCH ACTION, SUIT OR OTHER PROCEEDING. TO THE EXTENT THAT ANY PARTY HERETO HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS HEREUNDER.

Section 6.08 Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES UNDER, ARISING OUT OF, DUE TO OR IN CONNECTION WITH ITS PERFORMANCE OR NONPERFORMANCE UNDER THIS AGREEMENT OR ANY OF ITS OBLIGATIONS HEREIN OR THEREIN OR IN ANY OF THE ANCILLARY AGREEMENTS HERETO OR THERETO, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE.

Section 6.09 Waivers. No waiver of any of the provisions of this Agreement by a Party shall be deemed or shall constitute a waiver by such Party of any other provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

Section 6.10 Binding Effect; Third-Party Beneficiaries. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as otherwise provided in this Agreement, no other Person will have any right, remedy or obligation hereunder. The Parties each acknowledge that TELEIOS LS HOLDINGS V DE, LLC, a Delaware limited liability company, as lender to the Seller, is a third party beneficiary of this Agreement.

Section 6.11 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 6.12 Counterparts. This Agreement may be executed and delivered in counterparts

electronically or by telecopy, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. The section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

Section 6.13 Equal Preparation. Each of the parties hereto acknowledge and agree that they have had adequate opportunity to participate in the drafting and negotiation of this Agreement and that, therefore, no part of this Agreement shall be construed against any party by reason of such party having caused this Agreement to be drafted.

Section 6.14 Events of Default. In the event due to any action on the part of CISG or its lender that causes the Policies sale or maturity to result in a different value than what would have resulted from a market sale, using market LE data and a 14% IRR, or if higher, any market offer produced from a known buyer within the most recent six (6) months; CISG covenants that it will make up the difference from the proceeds to the expected proceeds to the Designee. In the event anything in this agreement causes any other deterioration in value, or loss of value or conflict or dispute as to the value incurring to CISG at the time of sale, disposal, maturity or repurchase, CISG shall pay to Designee the greater amount from either of the two methods described below to bring the full amount paid to Designee as above.

- (i) a market value using two recent (not to exceed 3 months old) LE reports at a 14% IRR discount using market valuation methods, or
- (ii) a bid or offer from an industry participant within the last 6 months

[SIGNATURES CONTAINED ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties have executed this Life Insurance Policies Beneficiary Designation Agreement as of the Effective Date.

**CISG:**

**CENTURION INSURANCE SERVICES GROUP  
LLC**, not in its individual capacity but solely as agent for  
Centurion ISG (Europe) Limited

By:   
Name: Marshal Seeman  
Title: Authorized Signatory

**DESIGNEE:**

By:   
Name: *MARCO*  
Title: *Robert Lopez*

## SCHEDULE I

### DEFINITIONS

(a) “Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means ownership of ten percent (10%) or more of voting securities of such Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(b) “Applicable Law” means any order, law, statute, regulation, rule, ordinance, writ, injunction, directive, judgment, decree, principle of common law, constitution or treaty enacted, promulgated, issued, enforced or entered by any Governmental Authority applicable to the Parties, or any of their respective businesses, properties or assets.

(c) “Beneficiary” means, in respect to the Policies, the Person or Persons owning the right to collect the Death Benefit or any other benefits accruing at any time thereunder and payable pursuant to the Policies which for the avoidance of doubt shall from the Effective Date mean Designee.

(d) “Business Day” means a day other than a Saturday or Sunday on which commercial banks in the City of New York are not authorized to be open or are required to be closed for business.

(e) “Code” means the Internal Revenue Code of 1986, as amended, and all rules and regulations from time to time promulgated thereunder.

(f) “Confidential Information” means all confidential or non-public information and data, in whatever form, whether written, oral, electronic or otherwise furnished by the disclosing Party to the receiving Party. Confidential Information does not include such 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, (ii) in the public domain (either prior to or after the furnishing of such information or data hereunder) through no fault of 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 another Party hereto 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. Confidential Information shall exclude Consumer Information.

(g) “Consumer” means the Insured, the original owner of the Policies, or a Person designated by the Insured to whom inquiries shall be directed for the purpose of monitoring the life status of the Insured, or any spouse or other individual closely related by blood or law to any such Person.

(h) “Consumer Information” means medical, health, financial and personal information of a Consumer, including, without limitation, a Consumer’s name, street or mailing address, e-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 (whether independently disclosed or contained in any disclosed document such as the Policies, a life expectancy evaluation, a life insurance application or viatical or life settlement

application).

(i) “Contestability Period” means the period, commencing upon the date of issuance of a Policies, during which the Insurance Company may contest and terminate the Policies under Applicable Law based upon a material misrepresentation or omission in connection with the application for the Policies.

(j) “Contract” means any contract, agreement, lease, sublease, license, note, bond, mortgage or indenture, permit, franchise, insurance Policies or other instrument, whether written or oral.

(k) “Death Benefit” means the stated amount payable under the Policies as referred to in the Policies or a schedule thereto as of the Closing Date.

(l) “Policies” means the life insurance Policies listed on Exhibit A attached hereto as of the Effective Date.

(m) “Designee” has the meaning set forth in the preamble.

(n) “Effective Date” shall mean the date of this Agreement.

(o) “Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

(p) “Governmental Order” means, unless otherwise indicated, any order, writ, judgment, injunction, decree, stipulation, determination or administrative ruling or award entered by or with any Governmental Authority.

(q) “Insured” means each natural person whose life is insured under the Policies.

(r) “Insurance Company” means the life insurance company that has issued the Policies and is obligated to pay the death benefit of the Policies upon the death of the Insured or any other benefit provided by the terms of the Policies (or the successor to such obligation).

(s) “Knowledge” means the actual knowledge of any Managing Director, Director, President or Vice President, or individuals with substantially equivalent titles, duties or functions, and any employee who communicates with life insurance agents, broker or producers, or life settlement brokers, of CISG or otherwise has material responsibilities relating to the Policies.

(t) “Loan” or “Loans” means each loan corresponding to each life insurance Policies listed on Exhibit A attached hereto as of the Effective Date.

(u) “Lien” means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude or transfer restriction.

(v) “Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated association, Governmental Authority or any other entity.

(w) “Policies” means a non-variable life insurance Policies insuring the life of one or more individuals what are U.S. citizens and residents issued by a life insurance company domiciled in a state or other jurisdiction of the United States.

(x) “Policies Documentation Package” shall mean the documents relating to the Designated Policies as identified on Exhibit C attached hereto.

(y) “Policies Premium” means the premium payable on the Policies to the Insurance Company as set out in the Premium Payment Schedule, together with all other amounts required to maintain such Policies in full force and effect.

(z) “Representatives” means a Party’s directors, managers, general partner, officers,

employees, agents, counsel, accountants, financial advisors, consultants and other authorized representatives, as applicable.

## Schedule 2.04

### Payment Schedule

Upon any future sale, maturity or other winding up or liquidation of the Policies (the "Exit"), CISG agrees that the Designee shall be entitled to either 95% participation in the proceeds less the amount due to the Lender, or an amount equal to the Schedule 2.05 below. The order of payment shall be as follows:

1. First, the Designee shall be entitled to \$200,000 [\$100,000 plus agreed \$100,000 for Repurchase, or as per the Schedule depending on the date]
2. Second, CISG or the Lender shall be paid the amount of the Lender's loan which shall include premiums paid from the date of this Agreement and interest; and
3. Third, any remaining amounts shall be split 95% to the Designee and 5% to CISG.

For example, in the event there is a sale of the Policies; the following would describe the flow of funds:

- First to the Designee, an amount of \$200,000 [ adjusted based upon the date and the Schedule]
- Second to Lender/CISG, an amount of the loan balance including any and all interest due.
- The remaining balance of \$173,500 would be divided 95% to the Participant and 5% to CISG

Notwithstanding the foregoing, at the Exit, the parties agree that regardless of the actual amount of proceeds received the Designee's minimum return shall be \$200,000, inclusive of the monies advanced on the Effective Date.

The Parties further agree that in the event the gross proceeds are in any way held up or encumbered through no fault of the Designee, CISG shall guarantee any amounts due per the above breakdown within 2 business days from the date of the Exit date. In the event there is a delay of payment, CISG will be responsible for default interest at the lower of 18% per annum or the maximum amount allowed by law. Further in the event of default, CISG shall issue a blanket lien on all assets or a corporate guarantee from Seeman Holtz Property and Casualty or Centurion depending upon which is deemed by the Designee in its sole discretion as having the stronger balance sheet at the time.

## SCHEDULE 2.05

### Repurchase Schedule

On or Prior to May 15, 2021	\$150,000
After May 15 and prior to June 15, 2021	\$175,000
After June 15 and prior to July 15, 2021	\$200,000
Sale End Date and Default	July 15, 2021

**EXHIBIT A**

**POLICIES INFORMATION**

<u>Policy Number</u> <u>Insured Name</u>	<u>Insurance Company</u>	<u>Face Amount</u>	<u>Consideration</u>
██████████ 3922 ██████████	Security Life of Denver Insurance Company	\$10,000,000.00	\$100,000
██████████ 2213 ██████████	Phoenix Life Insurance Company	\$10,000,000	

**EXHIBIT B**

**POLICIES DOCUMENTATION PACKAGE**

Certain copies of Policies-related documents that have already been provided by Seller to Purchaser. Hard copies of Policies-related documents held and maintained by Seller as of the Closing Date.

**EXHIBIT C**

**CISG'S BANK WIRE INSTRUCTIONS**

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RECEIVING BANK: US Bank

ABA#: 042000013

BANK ADDRESS: 425 Walnut Street, Cincinnati, OH, 45202

ACCOUNT NUMBER:



ACCOUNT NAME: Centurion Insurance Services Group, LLC