UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10/A

(Amendment No. 1)

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934

LIFE PARTNERS POSITION HOLDER TRUST
LIFE PARTNERS IRA HOLDER PARTNERSHIP, LLC

(Exact name of registrants as specified in their charters)

Texas Texas	81-6950788 81-4644966
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Nos.)*
1717 Main Street, Suite 4200, Dallas, TX	75201
(Address of Principal Executive Offices)	*(Zip Code)*

Registrants' telephone number, including area code: **214-698-7893**

Securities to be registered under Section 12(b) of the Act:

Title of each class to be so registered	Name of exchange on which each class is to be registered
N/A	**N/A**

Securities to be registered under Section 12(g) of the Act:

Position Holder Trust Interests
(Title of Class)

Continuing Fractional Interests
(Title of Class)

IRA Partnership Interests
(Title of Class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of ''large accelerated filer,'' ''accelerated filer'' and ''smaller reporting company'' in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☒

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Registration Statement contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our industry, our beliefs and our assumptions. Words such as ''anticipates,'' ''expects,'' ''intends,'' ''plans,'' ''believes,'' ''seeks,'' ''estimates,'' ''would,'' ''should,'' ''targets,'' ''projects'' and variations of these words and similar expressions are intended to identify forward-looking statements; although not all forward-looking statements include these words. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including the factors set forth below and elsewhere in this Registration Statement:

- uncertainties and estimates related to the valuation of life insurance policy assets reflected on our financial statements;
- uncertainties and estimates related to our ability to make cash distributions in satisfaction of payment obligations as life insurance policies mature;
- the reliability of assumptions underlying our actuarial models, including life expectancy estimates;
- risks relating to the validity and enforceability of the life insurance policies in our portfolio;
- our reliance on information provided and obtained by third parties;
- increasing cost-of-insurance (premiums) on the life insurance contracts in our portfolio;
- our limited operating history; and
- general economic outlook, including prevailing interest rates.

We base these forward-looking statements on current expectations and projections about future events and the information currently available to us. Although we believe that the assumptions for these forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Consequently, no representation or warranty can be given that the estimates, opinions, or assumptions made in or referenced will prove to be accurate. We undertake no obligation to update our forward-looking statements.

Item 1. Business.

Background

Life Partners Position Holder Trust (''Trust'') and Life Partners IRA Holder Partnership, LLC (''IRA Partnership'') were created on December 9, 2016, as a result of bankruptcy proceedings initiated in 2015 by Life Partners Holdings, Inc., a Texas corporation, its wholly-owned subsidiary Life Partners, Inc., a Texas corporation, and its wholly-owned subsidiary LPI Financial Services, Inc., a Texas corporation (collectively ''Debtors''). From 1991 until 2014, Life Partners, Inc. was a specialty financial services company engaged in the business of purchasing individual life insurance policies from third parties by raising money from the offer and sale to investors of ''fractional interests'' in such policies. LPI Financial Services, Inc. was organized to bill and collect certain fees charged to investors in connection with the business.

The Bankruptcy Court created the Trust and IRA Partnership as part of the Debtors' plan of reorganization to satisfy the claims of a creditor group that was comprised of approximately 22,000 holders of record (''Investors''), of nearly 100,000 ''fractional interests'' in life insurance policies on third parties, with a face amount of approximately $2.2 billion as of December 9, 2016 (''Policies''). Also, as a result of the bankruptcy, the Trust is designated as the sole shareholder of the reorganized Debtors.

When used in this Registration Statement, unless otherwise indicated, the terms ''Registrants,'' ''we,'' ''us'' and ''our'' refers to Life Partners Position Holder Trust and Life Partners IRA Holder Partnership, LLC together; ''Trust'' or ''Position Holder Trust'' refers to Life Partners Position Holder Trust; the ''IRA Partnership'' refers to Life Partners IRA Holder Partnership, LLC; and ''Debtors'' collectively refers to Life Partners Holdings, Inc., Life Partners, Inc. and LPI Financial Services, Inc.

The Bankruptcy

The Registrants were formed pursuant to the Revised Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., *et al.*, dated as of October 27, 2016 (''Plan''), that was confirmed by order of the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division on November 1, 2016. The Plan became effective on December 9, 2016 (''Effective Date''), and the Bankruptcy Court appointed Eduardo S. Espinosa, Esq. to serve as Trustee of the Position Holder Trust and as Manager of the IRA Partnership, as of the Effective Date.

The Registrants' primary purpose is to liquidate the assets of the Debtors in a manner calculated to conserve, protect and maximize the value of the assets and to distribute the proceeds thereof to the Investors who hold the securities issued by the Registrants. The Position Holder Trust was established as a liquidating trust, treated as a grantor trust for state law and federal income tax purposes, and has no objective or authority to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, its liquidating purpose. Upon completion of their liquidating purpose, the Trust and the IRA Partnership will be dissolved.

Detailed background information regarding the Registrants' formation, and the proceedings in the Bankruptcy Court pursuant to which the Plan was developed, confirmed and is being implemented is included in the Disclosure Statement for the Plan, a copy of which is filed as Exhibit 2.2 to this Registration Statement, and a copy of the Plan itself that is filed as Exhibit 2.1, both of which are incorporated herein by reference. In addition, a copy of the Confirmation Order of the Bankruptcy Court is filed as Exhibit 99.1, a copy of the Trust Agreement for Life Partners Position Holder Trust is filed as Exhibit 3.1, and a copy of the Life Partners IRA Holder Partnership Limited Liability Company Agreement is filed as Exhibit 3.2 to this Registration Statement. Capitalized terms used in this Registration Statement but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

The Debtors

Life Partners, Inc. was engaged in the business of: (i) acting as a life settlement provider by purchasing individual life insurance Policies insuring the lives of terminally ill individuals or seniors from third parties; and (ii) raising money to purchase such Policies by selling investment contracts to investors, including investors who purchased through their individual retirement accounts. The investment contracts were denominated as ''Fractional Interests'' in the Policies, or in the case of purchases made through an investor's IRA, promissory notes relating to Fractional Interests, called ''IRA Notes.'' The IRA Notes and Fractional Interests together are called the ''Fractional Positions.''

Before the bankruptcy proceedings, Life Partners Holdings, Inc. and Life Partners, Inc. were defendants in numerous lawsuits commenced by the SEC, the State of Texas and certain investors who purchased Fractional Positions, which alleged numerous violations of various federal and state securities laws with respect to the unregistered sale of Fractional Positions and the filing of misleading periodic reports with the SEC. In December 2014, the SEC obtained a $38.7 million judgment against Life Partners Holdings, Inc., as well as judgments aggregating $8 million against two former officers. On January 20, 2015, Life Partners Holdings, Inc. filed for protection under the Bankruptcy Code followed by Life Partners, Inc. and LPI Financial Services, Inc. filing for protection with the same court on May 19, 2015. The common stock of Life Partners Holdings, Inc. traded on the Nasdaq Global Select stock exchange until Nasdaq delisted it on June 1, 2015.

At the time of the bankruptcy filing, the Debtors had over 90,000 creditors and parties in interest and controlled almost 3,400 Policies with an aggregate face amount of $2.4 billion. Among the creditors, there were approximately 22,000 Investors who held over 100,000 outstanding Fractional Positions. The Debtors' Chapter 11 bankruptcy cases were designated by the Bankruptcy Court as complex Chapter 11 cases and jointly administered.

The Reorganization Plan

During the course of the bankruptcy proceedings, the Chapter 11 Trustee and the Official Committee of Unsecured Creditors developed, revised and amended a plan of reorganization under the Bankruptcy Code, which was ultimately confirmed by the Bankruptcy Court. In developing the Plan, the Chapter 11 Trustee and the Debtors negotiated a settlement agreement of pending class action litigation, which was approved by the Bankruptcy Court. Under the settlement agreement, investors who held Fractional Positions were provided with options under the Plan to elect the treatment of their claims against the Debtors relating to their individual Fractional Positions. Investors also were notified whether they owed any amounts to the Debtors with regard to any of their Fractional Positions and, if so, the Plan established a ''catch-up'' process pursuant to which the Investors were given an opportunity to pay those amounts and preserve their Fractional Positions. As provided in the Plan, an Investor's failure to pay any defaulted pre-petition premium amounts related to a Fractional Position by the stated deadline resulted in the abandonment (*i.e.*, forfeiture and loss) of the Fractional Position. Investors that owed such amounts and paid them by the deadline became eligible to make an election with respect to the Fractional Position.

On June 24, 2016, the Bankruptcy Court approved the Disclosure Statement for the Plan and authorized the Chapter 11 Trustee and the Official Committee of Unsecured Creditors to solicit votes on the approval and acceptance of the Plan. The Bankruptcy Court also approved a disclosure statement for a competing plan that was proposed by another party in interest and authorized that party to solicit votes on its competing plan. After a contested confirmation hearing, the Bankruptcy Court confirmed the Plan on November 1, 2016. Although votes were solicited on the competing plan, it was withdrawn prior to commencement of the confirmation hearing.

The Plan became effective on December 9, 2016. Under the Plan, three new legal entities were created to implement the provisions of the Plan and to take required actions under the Plan:

Life Partners Position Holder Trust – The Position Holder Trust is a liquidating trust that, as a result of the bankruptcy proceeding, owns the legal title to, and together with the Continuing Fractional Interest Holders, essentially all beneficial and equitable title in the nearly 3,400 Policies purchased by the Debtors in life settlement transactions using the proceeds from the sale of unregistered Fractional Positions. The Trust will distribute the liquidating proceeds of those assets to the Trust beneficiaries and Continuing Fractional Interest Holders in accordance with the terms of the Plan. The Trust issued: (i) Continuing Fractional Interests to the holders of Fractional Interests; (ii) beneficial interests called ''Position Holder Trust Interests'' to the holders of Fractional Interests who pooled their positions; and (iii) new secured promissory notes to the IRA Holders, called ''New IRA Notes,'' each in satisfaction of their respective claims against the Debtors.

Life Partners IRA Holder Partnership, LLC – The IRA Partnership is a Texas limited liability company that issued limited liability company interests to certain IRA Holders in satisfaction of claims against the Debtors. The sole purpose of the IRA Partnership is to hold Position Holder Trust Interests in order to permit holders of IRA Partnership Interests to participate in distributions of the proceeds of the liquidation of the Position Holder

Trust. The IRA Partnership was created to allow IRA Holders to hold an interest in an entity classified as a partnership for federal tax purposes, rather than the assets of a grantor trust, such as the Position Holder Trust. The Position Holder Interests are the IRA Partnership's sole assets and the IRA Partnership engages in no other business activity.

The Creditors' Trust – Life Partners Creditors' Trust is a liquidating trust that will (a) pursue litigation and other causes of action assigned to it under the Plan and (b) distribute the net proceeds collected by it to the holders of interests in the Creditors' Trust. The Creditors' Trust is administered by a different trustee.

In addition, the Plan contained a feature that allowed holders of Fractional Positions to elect from among several options which treatment they would like for their claims related to their individual Fractional Positions, including an option to rescind their purchase of a Fractional Position and thereby become the holder of a Creditors' Trust Interest. The Bankruptcy Court approved the Disclosure Statement for the Plan, as well as the form of ballots and solicitation procedures in connection with the Plan's approval. On November 1, 2016, the Bankruptcy Court found that all classes entitled to vote under the Plan, including the SEC, had voted to accept the Plan by at least a majority in number and two-thirds of dollar amount of claims voting in each class.

Further, on the basis of a ''no-action'' position taken by the SEC staff on December 2, 2016, at the Debtors' request, the Trust has not registered as an investment company under the Investment Company Act of 1940. No-action relief was granted by the SEC staff based upon certain representations made by the Trust, including that it will be operated in conformity with the no-action letter.

Financing for the Position Holder Trust

A $55 million financing facility necessary to provide for consummation of the reorganization transactions contemplated by the Plan (''Exit Loan Facility''), including the formation and initial capitalization of the Position Holder Trust, was provided by the Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc. (''Vida''). The term of the Exit Loan Facility is two years from the Effective Date, but it may be prepaid without penalty, and bears an interest rate of 11% per annum, calculated daily on the aggregate amount of the outstanding advances, assuming a 360-day year for the calculation of interest. Another Vida affiliate, the Vida Longevity Fund, LP, also provided a $25 million revolving line of credit. The term of the revolving loan is for three years from the Effective Date, but it may be prepaid without penalty, and bears an interest rate of 11% per annum, calculated daily on the aggregate amount of the outstanding advances assuming a 360-day year for the calculation of interest, with an annual unused commitment fee payable to each lender equal to the lesser of (i) $100,000, or (ii) 0.75% of the excess of the average daily balance of such lender's funding commitments over the average daily balance of such lender's advances during the preceding calendar year. The obligations are secured by liens on virtually all of the Position Holder Trust's assets. The revolving credit line agreement is filed as Exhibit 10.4 to this Registration Statement and the Exit Loan Facility is filed as Exhibit 10.6, each of which is incorporated herein by reference.

The Registrants primary needs for working capital are to pay premiums on Policies and expenses relating to administration of the Position Holder Trust and its assets. The Plan authorizes the use of collected death benefits (''Maturity Funds Facility'') from which the Trustee is authorized to borrow, from time to time, on a short-term revolving basis to fund its premium reserves. The Trust is also entitled to access the cash surrender value included in the beneficial ownership registered in its name to use for any purpose permitted by the Position Holder Trust Agreement, including to satisfy its share of the premium obligations relating to the Policies. If any such use results in a decrease in the death benefit payable under the related Policy, the decrease will be taken out of the Position Holder Trust's share of the maturity proceeds of the Policy or, if the Trust's share is insufficient, the Trust must make up the difference.

In addition, the Position Holder Trust is required by the Plan to contribute $12 million to the Creditors' Trust over the three-year period following the Effective Date. An initial $2 million was contributed to the Creditors' Trust on the Effective Date, and an additional $5 million was contributed on January 23, 2017. The Position Holders Trust will contribute an additional $5 million to the Creditors' Trust in January, 2018.

Trust Administration and Operation

The Registrants currently have no employees and it is not anticipated that either will have employees in the future. Pursuant to the Plan, Vida became the servicing company in connection with the maintenance and collection of benefits of the Policies and to provide investor account services to the Position Holder Trust and the

Continuing Position Holders relating to the Continuing Fractional Interests and New IRA Notes, including maintaining the ownership registers for the Continuing Fractional Interests, Position Holder Trust Interests and IRA Partnership Interests, which we collectively refer to as the ''New Interests.'' As permitted, Vida has subcontracted the Servicing Agreement to its subsidiary, Magna Servicing, LLC (''Subservicer).'' Pursuant to the Servicing Agreement, fees for servicing the Policies will be paid out of the death benefits paid on Policies that mature in an amount equal to 2.65% of the death benefits paid. A copy of the Servicing Agreement is filed as Exhibit 10.1 to this Registration Statement and incorporated herein by reference.

Pursuant to a Securities and Deposit Accounts Agreement and Securities and Deposit Accounts Control Agreement, the Registrants designated Advanced Trust and Life Escrow Services LTA (''ATLES''), to serve as securities intermediary and depository for the Policies. ATLES already served as the named beneficiary on many of the Policies. Further, as of the Effective Date, ATLES acquired all of the stock of Purchase Escrow Services, which had served as named beneficiary on substantially all of the remaining Policies. ATLES will maintain custody of the Policies and initially will credit specified percentage interests in the Policies to three securities accounts in accordance with instructions provided by the Trustee: the CFH Securities Account; the Debtor NIRAN Collateral Securities Account; and the Debtor Vida Collateral Securities Account. ATLES also maintains six deposit accounts linked to one of the foregoing securities accounts. Upon receipt of maturity proceeds of any of the Policies, ATLES will credit them to the respective deposit accounts in accordance with the Specified Interests in the Policy, to be held pending disbursement in accordance with instructions provided to it by the Trustee. The Securities and Deposit Accounts Agreement and Securities and Deposit Accounts Control Agreement is filed as Exhibit 10.2 to this Registration Statement and incorporated herein by reference.

The Continuing Fractional Interest of a Fractional Interest Holder who made a Continuing Holder Election represents 95% of his or her Fractional Interest, with the other 5% deemed under the Plan to be contributed to the Position Holder Trust on the Effective Date in exchange for a Position Holder Trust Interest. As such, the Continuing Fractional Holder will be obligated to pay 95% of the premium payments and Policy expenses allocable to his or her Fractional Interest. Holders of Position Holder Trust Interests (including the IRA Partnership) will not be required to pay premiums allocable to their Contributed Positions after the Effective Date. The Servicing Company will make premium calls to holders of Continuing Fractional Interests by sending premium notice and payment reminders to each Continuing Fractional Holder as necessary. Premium calls will be made once per year, per policy, and sent at least 60 days prior to the due date for payment of the premiums by the Continuing Fractional Holders; reminders will be sent if payment in full is not received within 30 days after the notice is sent.

Upon maturity of a Policy, the holders of Continuing Fractional Interests relating to the Policy will be entitled to receive the Policy proceeds allocable to each (*i.e.*, 95% of the proceeds payable with respect to each original Fractional Interest relating to the Policy). The Policy proceeds paid to a Continuing Fractional Holder will be reduced by: (1) the Servicing Fee payable with respect to each such Continuing Fractional Interest; and (2) any premium amount paid by the Position Holder Trust prior to the date of death with respect to the Continuing Fractional Interest that is not refunded as a result of the Policy's maturity.

After the Effective Date, an IRA Holder who made a Continuing Holder Election became the holder of a New IRA Note. The New IRA Notes were structured to qualify as debt with no significant incidents of ownership in life insurance contracts. Consequently, the holders of New IRA Notes should not be viewed as investing directly or indirectly in life insurance contracts, which would disqualify the IRA. The terms and conditions of the New IRA Notes include a stated principal amount equal to 32% of the dollar amount of face value associated with the Fractional Interest related to the IRA Note, a fixed interest rate of 3.00%, payable annually in December of each year commencing with 2017, a fixed maturity date of December 9, 2032 (the 15th anniversary of the Effective Date), full recourse against the Position Holder Trust, and security in the form of the right to receive payment from a segregated sinking fund account established by the Registrants out of the collateral for the New IRA Notes, which is comprised of 95% of the death benefits represented by all Fractional Interests related to the IRA Notes, with respect to which Continuing Holder Elections were made. The schedule for funding the sinking fund account is set forth in an exhibit to the indenture for the New IRA Notes, a copy of which is filed as Exhibit 4.1 to this Registration Statement and incorporated herein by reference.

Upon the occurrence of a Payment Default with respect to a Continuing Fractional Interest, the Continuing Fractional Holder will be deemed to have made a Position Holder Trust Election as to such Continuing Fractional Interest at a discount of 20%, effective as of the Payment Default Date. Accordingly, upon such

Payment Default, the Continuing Fractional Interest automatically will be deemed contributed to the Position Holder Trust in exchange for a Position Holder Trust Interest as discounted, without any further notice from or other action by the Servicing Company, the Position Holder Trust or any other Person, and the Position Holder Trust Interest will be transferred to the holder. In April 2017, the Bankruptcy Court modified the discount penalty by waiving its application to premiums billed in December 2016, as well as the next premium bill for each Continuing Fractional Interest. The failure to pay any other future premium calls, however, will result in the deemed contribution of the Continuing Fractional Interest at the established discount. All holders of Position Holder Trust Interests and IRA Partnership Interests will share Pro Rata in all distributions made by the Position Holder Trust pursuant to the Position Holder Trust Agreement.

Portfolio Information

As of June 30, 2017, the aggregate portfolio administered by the Trust (including Continuing Fractional Interests) consists of 3,214 Policies of which 637 are life settlement policies and 2,577 are viaticals (''Portfolio''). For purposes herein, life settlements refer to life insurance policies on senior citizens without any particular diagnosis of a terminal illness; viaticals refer to life insurance policies which were fractionalized by the Debtors with the representation that the insured had been diagnosed with a terminal illness. The Portfolio's aggregate face value is $2.2 billion, of which $1.9 billion is attributable to life settlements and $259.0 million is attributable to viaticals. The Portfolio's aggregate fair value is $487.8 million; of which $484.3 million is attributable to life settlements and $3.5 million is attributable to viaticals. See: Policy Valuation Methodology below.

The 20 insurance companies representing the largest aggregate positions in the Portfolio as of June 30, 2017 are listed below:

			Aggregate Face Value		Aggregate Fair Value	
Rank	**Insurance Company**	**Carrier Rating**	**$**	**%**	**$**	**%**
1	The Lincoln National Life Insurance Company	A+ (Superior)	$ 261,023,588	12.042%	$ 70,659,418	14.486%
2	John Hancock Life Insurance Company (U.S.A.)	A+ (Superior)	171,357,696	7.906%	57,577,933	11.804%
3	Transamerica Financial Life Insurance Company	A+ (Superior)	196,162,262	9.050%	50,833,131	10.421%
4	American General Life Insurance Company	A (Excellent)	130,594,566	6.025%	28,958,783	5.937%
5	AXA Equitable Life Insurance Company	A+ (Superior)	140,317,883	6.474%	26,677,037	5.469%
6	John Hancock Life Insurance Company of New York	A+ (Superior)	74,450,000	3.435%	22,266,926	4.565%
7	Lincoln Life & Annuity Company of New York	NR (Not Rated)	90,438,481	4.172%	20,877,225	4.280%
8	Massachusetts Mutual Life Insurance Company	A++ (Superior)	71,559,562	3.301%	20,524,003	4.208%
9	ReliaStar Life Insurance Company	A (Excellent)	39,713,529	1.832%	14,118,859	2.894%
10	Lincoln Benefit Life Company	A- (Excellent)	58,833,923	2.714%	13,678,073	2.804%
11	John Hancock Variable Life Insurance Company	NR (Not Rated)	43,301,891	1.998%	13,640,728	2.796%
12	Ameritas Life Insurance Corp. of New York	A (Excellent)	38,876,252	1.794%	13,986,231	2.867%
13	West Coast Life Insurance Company	A+ (Superior)	30,047,050	1.386%	8,231,305	1.687%
14	Transamerica Life Insurance Company	A+ (Superior)	64,141,336	2.959%	11,410,209	2.339%
15	Pacific Life Insurance Company	A+ (Superior)	47,042,140	2.170%	11,533,337	2.364%
16	Delaware Life Insurance Company	A- (Excellent)	55,239,801	2.549%	10,064,190	2.063%
17	PHL Variable Insurance Company	B (Fair)	48,876,225	2.255%	8,457,689	1.734%
18	United States Life Insurance Company in the City of New York	A (Excellent)	31,038,896	1.432%	8,991,587	1.843%
19	New York Life Insurance and Annuity Corporation	A++ (Superior)	39,772,621	1.835%	9,446,341	1.937%
20	Phoenix Life Insurance Company	B (Fair)	26,138,369	1.206%	6,164,849	1.264%
			$1,658,926,071	**76.535%**	**$428,097,854**	**87.762%**

As of December 31, 2016, the aggregate portfolio administered by the Trust (including Continuing Fractional Interests) consists of 3,252 Policies of which 654 are life settlement policies and 2,598 are viaticals (''Portfolio''). For purposes herein, life settlements refer to life insurance policies on senior citizens without any particular diagnosis of a terminal illness; viaticals refer to life insurance policies which were fractionalized by the Debtors with the representation that the insured had been diagnosed with a terminal illness. The Portfolio's aggregate face value is $2.2 billion, of which $1.9 billion is attributable to life settlements and $260.7 million is attributable to viaticals. The Portfolio's aggregate fair value is $470.7 million; of which $467.5 million is attributable to life settlements and $3.2 million is attributable to viaticals. See: Policy Valuation Methodology below.

The 20 insurance companies representing the largest aggregate positions in the Portfolio as of December 31, 2016 are listed below:

Rank	Insurance Company	Carrier Rating	Aggregate Face Value		Aggregate Fair Value	
			$	%	$	%
1	The Lincoln National Life Insurance Company	A+ (Superior)	$ 266,153,588	11.975%	$ 69,141,620	15.198%
2	Transamerica Financial Life Insurance Company	A+ (Superior)	209,122,262	9.409%	48,292,877	10.615%
3	John Hancock Life Insurance Company (U.S.A.)	A+ (Superior)	174,557,696	7.854%	53,018,562	11.654%
4	AXA Equitable Life Insurance Company	A+ (Superior)	150,317,883	6.763%	27,063,709	5.949%
5	American General Life Insurance Company	A (Excellent)	132,594,566	5.966%	28,342,821	6.230%
6	Lincoln Life & Annuity Company of New York	NR (Not Rated)	90,438,481	4.069%	11,835,601	2.602%
7	John Hancock Life Insurance Company of New York	A+ (Superior)	74,450,000	3.350%	20,174,718	4.435%
8	Massachusetts Mutual Life Insurance Company	A++ (Superior)	71,559,562	3.220%	19,506,557	4.288%
9	Transamerica Life Insurance Company	A+ (Superior)	64,141,336	2.886%	10,197,141	2.241%
10	Delaware Life Insurance Company	A- (Excellent)	60,741,674	2.733%	10,570,206	2.323%
11	Lincoln Benefit Life Company	A- (Excellent)	58,833,923	2.647%	13,177,692	2.897%
12	Metropolitan Life Insurance Company	A+ (Superior)	50,079,994	2.253%	3,022,548	0.664%
13	PHL Variable Insurance Company	B (Fair)	48,876,225	2.199%	8,303,155	1.825%
14	Pacific Life Insurance Company	A+ (Superior)	47,042,140	2.117%	10,970,618	2.411%
15	ReliaStar Life Insurance Company	A (Excellent)	44,713,529	2.012%	13,849,249	3.044%
16	New York Life Insurance and Annuity Corporation	A++ (Superior)	43,772,621	1.969%	10,410,528	2.288%
17	John Hancock Variable Life Insurance Company	NR (Not Rated)	43,301,891	1.948%	7,287,593	1.602%
18	Ameritas Life Insurance Corp. of New York	A (Excellent)	38,876,252	1.749%	13,406,761	2.947%
19	Security Life of Denver Insurance Company	A (Excellent)	34,811,287	1.566%	5,556,663	1.221%
20	United States Life Insurance Company in the City of New York	A (Excellent)	31,238,896	1.406%	8,774,971	1.929%
			$1,735,623,806	**78.091%**	**$392,903,590**	**86.363%**

As of June 30, 2017, the Position Holder Trust's portion of the Portfolio (''PHT Portfolio''), consists of 3,214 Policies of which 637 are life settlement policies and 2,577 are viaticals. The PHT Portfolio is a subset of the Portfolio. The PHT Portfolio's aggregate face value is $1.3 billion, of which $1.1 billion is attributable to life settlements and $190.2 million is attributable to viaticals. The PHT Portfolio's aggregate fair value is $273.1 million of which $271.7 million is attributable to life settlements and $1.4 million is attributable to viaticals.

The 20 insurance companies representing the largest aggregate positions in the PHT Portfolio as of June 30, 2017 are listed below:

Rank	Insurance Company	Carrier Rating	Aggregate Face Value		Aggregate Fair Value	
			$	%	$	%
1	The Lincoln National Life Insurance Company	A+ (Superior)	$147,236,832	11.475%	$ 39,426,204	14.387%
2	John Hancock Life Insurance Company (U.S.A.)	A+ (Superior)	94,826,388	7.391%	30,609,499	11.170%
3	Transamerica Financial Life Insurance Company	A+ (Superior)	116,656,561	9.092%	29,751,208	10.856%
4	American General Life Insurance Company	A (Excellent)	76,018,780	5.925%	15,785,494	5.760%
5	AXA Equitable Life Insurance Company	A+ (Superior)	81,277,693	6.335%	14,982,547	5.467%
6	John Hancock Life Insurance Company of New York	A+ (Superior)	43,944,954	3.425%	12,433,478	4.537%
7	Lincoln Life & Annuity Company of New York	NR (Not Rated)	53,577,194	4.176%	12,067,997	4.404%
8	Massachusetts Mutual Life Insurance Company	A++ (Superior)	39,878,124	3.108%	10,718,705	3.911%
9	ReliaStar Life Insurance Company	A (Excellent)	23,762,634	1.852%	8,158,251	2.977%
10	Lincoln Benefit Life Company	A- (Excellent)	34,536,842	2.692%	7,913,067	2.888%
11	John Hancock Variable Life Insurance Company	NR (Not Rated)	23,884,542	1.862%	7,484,624	2.731%
12	Ameritas Life Insurance Corp. of New York	A (Excellent)	21,396,993	1.668%	7,436,039	2.713%
13	West Coast Life Insurance Company	A+ (Superior)	15,836,647	1.234%	7,406,579	2.703%
14	Transamerica Life Insurance Company	A+ (Superior)	39,544,300	3.082%	6,749,086	2.463%
15	Pacific Life Insurance Company	A+ (Superior)	26,504,762	2.066%	6,035,760	2.202%
16	Delaware Life Insurance Company	A- (Excellent)	32,814,819	2.558%	5,842,304	2.132%
17	PHL Variable Insurance Company	B (Fair)	28,596,454	2.229%	4,962,396	1.811%
18	United States Life Insurance Company in the City of New York	A (Excellent)	16,999,212	1.325%	4,562,751	1.665%
19	New York Life Insurance and Annuity Corporation	A++ (Superior)	21,591,384	1.683%	4,213,179	1.537%
20	Phoenix Life Insurance Company	B (Fair)	16,511,413	1.287%	3,857,189	1.408%
			$955,396,528	**74.465%**	**$240,396,357**	**87.722%**

As of December 31, 2016, the Position Holder Trust's portion of the Portfolio (''PHT Portfolio''), consists of 3,252 Policies of which 654 are life settlement policies and 2,598 are viaticals. The PHT Portfolio is a subset of the Portfolio. The PHT Portfolio's aggregate face value is $1.3 billion, of which $1.1 billion is attributable to life settlements and $191.2 million is attributable to viaticals. The PHT Portfolio's aggregate fair value is $263.6 million of which $261.6 million is attributable to life settlements and $2.0 million is attributable to viaticals.

The 20 insurance companies representing the largest aggregate positions in the PHT Portfolio as of December 31, 2016 are listed below:

			Aggregate Face Value		Aggregate Fair Value	
Rank	**Insurance Company**	**Carrier Rating**	**$**	**%**	**$**	**%**
1	The Lincoln National Life Insurance Company	A+ (Superior)	$ 150,445,654	11.442%	$ 69,141,620	14.607%
2	Transamerica Financial Life Insurance Company	A+ (Superior)	124,247,499	9.449%	48,292,877	10.683%
3	John Hancock Life Insurance Company (U.S.A.)	A+ (Superior)	96,472,881	7.337%	53,018,562	10.636%
4	AXA Equitable Life Insurance Company	A+ (Superior)	87,676,502	6.668%	27,063,709	5.796%
5	American General Life Insurance Company	A (Excellent)	77,257,859	5.876%	28,342,821	5.853%
6	Lincoln Life & Annuity Company of New York	NR (Not Rated)	53,577,194	4.075%	11,835,601	4.475%
7	John Hancock Life Insurance Company of New York	A+ (Superior)	43,944,954	3.342%	20,174,718	4.248%
8	Massachusetts Mutual Life Insurance Company	A++ (Superior)	39,878,124	3.033%	19,506,557	3.852%
9	Transamerica Life Insurance Company	A+ (Superior)	39,544,300	3.007%	10,197,141	2.280%
10	Delaware Life Insurance Company	A- (Excellent)	35,964,126	2.735%	10,570,206	2.305%
11	Lincoln Benefit Life Company	A- (Excellent)	34,536,842	2.627%	13,177,692	2.872%
12	Metropolitan Life Insurance Company	A+ (Superior)	32,956,705	2.506%	3,022,548	0.616%
13	PHL Variable Insurance Company	B (Fair)	28,596,454	2.175%	8,303,155	1.840%
14	Pacific Life Insurance Company	A+ (Superior)	26,504,762	2.016%	10,970,618	2.171%
15	ReliaStar Life Insurance Company	A (Excellent)	26,196,570	1.992%	13,849,249	2.999%
16	John Hancock Variable Life Insurance Company	NR (Not Rated)	23,884,542	1.816%	10,410,528	2.755%
17	New York Life Insurance and Annuity Corporation	A++ (Superior)	23,813,150	1.811%	7,287,593	1.818%
18	Ameritas Life Insurance Corp. of New York	A (Excellent)	21,396,993	1.627%	13,406,761	2.690%
19	Security Life of Denver Insurance Company	A (Excellent)	20,471,612	1.557%	5,556,663	1.103%
20	United States Life Insurance Company in the City of New York	A (Excellent)	16,999,212	1.293%	8,774,971	1.685%
			$1,004,465,935	**76.384%**	**$392,903,590**	**85.284%**

Approximately 89.1% and 89.6% of the Portfolio's life insurance assets were issued by insurance companies with an independently graded investment-grade credit rating of A- (Excellent) or better as of June 30, 2017 and December 31, 2016, respectively.

The overall composition of life insurance company credit exposure and the composite credit ratings as of June 30, 2017 are set forth below:

Number	**Carrier Rating**	**% of Portfolio Policy Face Value**	**% of Portfolio Policy Holdings Fair Value**	**% of PHT Portfolio Policy Face Value**	**% of PHT Portfolio Policy Holdings Fair Value**
13	A++ (Superior)	6.2%	6.4%	6.0%	5.6%
69	A+ (Superior)	55.0%	58.1%	54.4%	58.6%
115	A- (Excellent)	27.9%	24.7%	28.7%	24.6%
10	B++ (Very Good)	0.5%	0.3%	0.5%	0.3%
8	B+ (Very Good)	0.1%	0.0%	0.1%	0.1%
4	B (Fair)	3.5%	3.0%	3.5%	3.2%
1	C++ (Marginal)	0.0%	0.0%	0.0%	0.0%
32	NR (Not Rated)	6.8%	7.5%	6.8%	7.6%
252		**100.0%**	**100.0%**	**100.0%**	**100.0%**

The overall composition of life insurance company credit exposure and the composite credit ratings as of December 31, 2016 are set forth below:

Number	Carrier Rating	% of Portfolio Policy Face Value	% of Portfolio Policy Holdings Fair Value	% of PHT Portfolio Policy Face Value	% of PHT Portfolio Policy Holdings Fair Value
13	A++ (Superior)	6.2%	6.6%	6.1%	5.8%
69	A+ (Superior)	54.8%	57.2%	54.3%	57.8%
115	A- (Excellent)	28.6%	25.1%	28.9%	25.1%
10	B++ (Very Good)	0.5%	0.3%	0.5%	0.3%
8	B+ (Very Good)	0.1%	0.0%	0.1%	0.1%
4	B (Fair)	3.4%	3.1%	3.5%	3.3%
1	C++ (Marginal)	0.0%	0.0%	0.0%	0.0%
32	NR (Not Rated)	6.4%	7.7%	6.6%	7.6%
252		**100.0%**	**100.0%**	**100.0%**	**100.0%**

The Portfolio consists of two types of interests: Position Holder Trust interests and Continuing Fractional Holder interests. The Portfolio's average age of the insured is 62.86 years. Most Policies will have both interests because of the Debtors' sale of fractional interests in the Policies.

As of June 30, 2017, the portfolio of Policy holdings according to these two types of position holders, as well as the Aggregate Face Value and Aggregate Fair Value, broken-out into the various age ranges is summarized below:

Insured's Age (between ages)	Number of Insured	Aggregate Face Values	Aggregate Fair Value	PHT	CFH
90-98	210	$ 534,181,095	148,466,564	55%	45%
80-89	421	1,355,245,620	326,958,522	56%	44%
70-79	67	24,977,337	7,426,003	97%	3%
60-69	658	66,108,744	3,981,555	55%	45%
50-59	1,486	151,070,960	999,697	41%	59%
40-49	3,651	34,993,703	(37,802)	24%	76%
30-39	6	950,238	(10,093)	82%	18%
0-29	1	10,000	(401)	100%	0%
Totals	**3,214**	**$2,167,537,697**	**$487,784,045**		

As of December 31, 2016, the portfolio of Policy holdings according to these two types of position holders, as well as the Aggregate Face Value and Aggregate Fair Value, broken-out into the various age ranges is summarized below:

Insured's Age (between ages)	Number of Insured	Aggregate Face Values	Aggregate Fair Value	PHT	CFH
90-98	186	$ 545,159,719	$178,322,805	46%	54%
80-89	461	1,380,357,068	280,621,794	62%	38%
70-79	65	24,979,966	7,748,149	90%	10%
60-69	597	64,742,209	3,465,661	55%	45%
50-59	1,490	151,727,827	682,659	38%	62%
40-49	444	34,345,280	(83,144)	40%	60%
30-39	8	945,000	(8,797)	93%	7%
0-29	1	30,000	(345)	100%	0%
Totals	**3,252**	**$2,202,287,069**	**$470,748,782**		

Policy Valuation Methodology

In assessing and determining the Portfolio's valuation, the Position Holder Trust retained Lewis & Ellis, Inc. (''L&E'') as its principal actuaries. L&E has been an actuarial consulting firm since 1968 with offices in Dallas, Kansas City, Baltimore, Denver, Indianapolis, and London. In preparing the valuation, the actuaries necessarily made certain assumptions and defined certain parameters to their analysis and valuation that, while consistent with industry standards, are nevertheless assumptions and, accordingly, L&E does not guarantee, on any basis, the performance or success of the Policies, the repayment of invested capital, or any particular rate of capital or income return. In this regard, while L&E has analyzed the details of the operations of the Policies, they have prepared the valuation of the Policies as of December 31, 2016.

The Portfolio was valued using a probabilistic approach, which is actuarially based. This approach fits the Portfolio's cash flows (premium payments and death benefits) to a monthly mortality scale as generated by each insured's specific life expectancy. This mortality scale is actuarially rolled forward from the life expectancy underwriting date to the valuation date. This mathematical approach is substantially the same as actuaries customarily use in the pricing of life insurance and annuities. L&E discounted the monthly cash flows with interest and survivorship back to the valuation date of December 31, 2016, to arrive at the Portfolio's estimated value.

The Servicing Company is paid 2.65% of each maturity as compensation. The valuations presented are net of such anticipated compensation. L&E utilized each Policy's ''optimized'' premiums as provided by the Servicing Company with the use of the ClariNet software. L&E relied on life expectancy values provided by the Servicing Company that were in turn provided to it from qualified industry experts. If a particular Policy did not have a life expectancy, L&E used the Society of Actuaries' 2015 Valuation Basic Smoker Distinct mortality tables developed by the U.S. Society of Actuaries (''2015 VBT''), to obtain the average probability of death for similarly categorized persons and applied mortality multipliers by type/gender, to arrive at an estimated life expectancy for the insured. The mortality multipliers used are: 100% for the life settlement males, 100% for the life settlement females and 350% for the viaticals regardless of gender. The 2015 VBT are created based on the expected rates of death among different groups categorized by factors such as age and gender. Future changes in the life expectancies could have a material effect on the Portfolio's fair value, and the Trust's financial condition and results of operations. See Note 6 to the accompanying financial statements for additional detail.

Terms of the Trust

The Position Holder Trust will terminate when its Policy assets have all matured, have been abandoned or have been liquidated, and the Trust assets have been distributed in accordance with the Plan. Except in the circumstances set forth below, the Trust will terminate no later than ten years after the Effective Date. If warranted by the facts and circumstances provided for in the Plan, and subject to the approval of the Bankruptcy Court upon a finding that an extension is necessary for the purpose of the Trust, it's term may be extended one or more times (not to exceed a total of four extensions, unless the Position Holder Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Position Holder Trust as a grantor trust for federal income tax purposes), for a finite period, each extension not to exceed five years. Each such extension must be approved by the Bankruptcy Court not more than six months prior to the beginning of the extended term with notice thereof to all Trust beneficiaries. Upon the occurrence of the termination of the Trust and consent of the Bankruptcy Court, the Trustee will be discharged from his duties.

The Trustee, Manager and Governing Trust Board

Eduardo S. Espinosa was appointed by the Bankruptcy Court to serve as Trustee of the Position Holder Trust and as the Manager of the Life Partners IRA Holder Partnership, LLC, as of the Effective Date. The Plan also establishes a Position Holder Trust Governing Trust Board comprised of five members (''Governing Trust Board''). As approved in the Confirmation Order, the initial Governing Trust Board included Messrs. Bert Scalzo, Robert L. Trimble, Mark Redus, Philip R. Loy and Nate Evans. The members of the Governing Trust Board also serve as members of the Advisory Committee of the IRA Partnership, and as members of the trust board for the Creditors' Trust. The business experience and other information concerning the Trustee and each member of the Governing Trust Board is included in Item 5 below.

The Position Holder Trust Agreement and the IRA Partnership Agreement contain limitation of liability and indemnification provisions with respect to the Trustee, the Governing Trust Board and the Advisory Committee,

their members, designees, or any duly designated agent or representative of the Governing Trust Board and the Advisory Committee. Specifically, none of the Governing Trust Board and the Advisory Committee, nor any of their members or designees, nor any duly designated agent or representative of the Governing Trust Board or the Advisory Committee, or their respective employees, will be liable for the act or omission of any other member, designee, agent or representative of the Governing Trust Board or the Advisory Committee, nor shall the Trustee or any member of the Governing Trust Board or the Advisory Committee be liable for any act or omission taken or omitted to be taken in its capacity as Trustee or such a member, other than acts or omissions resulting from such member's willful misconduct, gross negligence, or fraud.

The Trustee, the Advisory Committee or the Trust Boards, as the case may be, may, in connection with the performance of its respective function, and, subject to the terms of their respective organizational documents, retain and consult with attorneys, accountants, and agents, and the Trustee or a member of the Advisory Committee or Trust Board will not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such professionals. Notwithstanding such authority, neither the Trustee, Governing Trust Board nor the Advisory Committee shall be under any obligation to consult with attorneys, accountants or agents, and a determination to not do so will not result in the imposition of liability on the Trustee, or Governing Trust Board or Advisory Committee, or its members and/or designees, unless such determination is based on willful misconduct, gross negligence, or fraud.

Reporting Requirements

The Registrants were formed on December 9, 2016, and have not previously filed any reports with the SEC. This Registration Statement became effective by operation of law on or about July 1, 2017. You can read our SEC filings, including this Registration Statement, over the Internet at the SEC's website at *www.sec.gov*. Our Internet address is www.lpi-pht.com.

Subject to the discretion of the Trustee and the Governing Trust Board, the Servicing Company may provide Policy data and data relating to premiums and maturity funds on a secure Servicing Company website. The data is updated monthly or as frequently as practical. Policies that mature would be listed with the Policy ID, death benefit and maturity date, as well an indication if the proceeds have been received.

Item 1A. Risk Factors.

Not applicable.

Item 2. Financial Information.

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the consolidated financial statements and accompanying notes and the information contained in other sections of this Registration Statement. The statements in this discussion and analysis concerning expectations regarding the Position Holder Trust's future performance, liquidity and capital resources, as well as other non-historical statements in this discussion and analysis, are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including those described above under ''Cautionary Statement Regarding Forward-Looking Statements.'' The actual results of the Trust could differ materially from those suggested or implied by any forward-looking statements.

Business Overview

The Position Holder Trust and the IRA Partnership came into existence on December 9, 2016, as a result of the Plan of Reorganization confirmed pursuant to the Chapter 11 bankruptcy proceeding initiated in 2015 by Life Partners Holdings, Inc. The Trust's primary asset is a life insurance portfolio of 3,252 Policies, with an aggregate fair value of $470.7 million and an aggregate face value of approximately $2.2 billion at December 31, 2016. The Trust's portion of the Portfolio has a fair value of $263.6 million and a face value of $1.3 billion at December 31, 2016. The Trust recognizes income on its respective portion of the Policies primarily from changes in their aggregate fair value. The Bankruptcy Court organized the Registrants in order to liquidate the assets of the Debtors in a manner calculated to conserve, protect and maximize the value of the assets, and to distribute

the proceeds thereof to the Trust's securities holders in accordance with the Plan. The Registrants have no other business interests nor operations and will not acquire any additional life insurance policies. The Trust's beginning assets and liabilities were contributed pursuant to the Plan as of December 9, 2016.

Results of Continuing Operations

Six-Month Period Ended June 30, 2017

The Position Holder Trust's net income from operations for the six-month period ended June 30, 2017 was $14.3 million. The Trust did not exist before December 9, 2016, so there is no comparable 2016 financial information. There was no tax expense nor benefit for the six-month period ended June 30, 2017. The following is the analysis of net income for the six-month period ended June 30, 2017:

Income	$22,677,434
Expense	(8,364,469)
Net increase in net assets resulting from operations	**$14,312,965**

The following table provides a roll-forward in the changes in fair value for the six-month period ended June 30, 2017, for the PHT Portfolio life insurance policies:

Balance at December 31, 2016	$263,579,040
Change in fair value	22,677,434
Matured policies, net of fees	(31,526,114)
Premiums paid	18,417,324
Balance at June 30, 2017	$273,147,684
Changes in fair value included in earnings for the period relating to assets held at June 30, 2017	$ (3,609,173)

The change in underlying fair values of the assets from the Debtors to the asset values determined for the Policies reflects updated life expectancies procured by the Trust in respect of the insured lives and maturities during the period.

As of June 30, 2017, the Position Holder Trust held 3,214 Policies with an estimated fair value of $487.8 million compared to 3,252 Policies with a fair value of $470.7 million at December 31, 2016, an increase of $17.1 million or 3.6%. Of the 3,214 Policies' estimated fair value of $487.8 million, $273.2 million is attributable to the PHT Portfolio and $214.6 million to the Continuing Fractional Holders. As of June 30, 2017, the Policies' aggregate death benefit was approximately $2.2 billion, which was comprised of $1.9 billion in life settlement contracts and $259.0 million in viatical contracts.

The 3,214 Policies owned as of June 30, 2017, were valued using a base or foundational discount rate of 15%, with further valuation adjustments based upon the size of the insured pool, life expectancy data, distinctions between life settlement and viatical policies and whether the Policies are whole life, convertible term or non-convertible term policies and with a post-adjustment weighted average discount rate of 25.19% See Note 6, ″Fair Value Measurements,″ to the accompanying consolidated financial statements. There were no Policy sales during six-month period ended June 30, 2017.

Interest expense for the six-month period ended June 30, 2017 primarily consisted of $3.0 million on the Vida loan and $526.2 thousand on the NIRAN note payable:

Investing Activities

During the six month period ended June 30, 2017, the Position Holder Trust paid premiums on life insurance policies totaling $21.9 million on the PHT Portfolio. In addition, the Trust received $22.1 million from CFH holders for the payment of premiums, and paid $11.6 million in CFH premiums. Cash received from CFH holders are held in escrow until paid to the insurance companies, such amounts are held as restricted cash on the balance sheet of the Trust.

Financing Activities

The Position Holder Trust did not engage in any financing activities during the six month period ended June 30, 2017.

Continuing Operations

While the Position Holder Trust is a liquidating trust with no intent to continue or engage in a trade or business, the nature of the life insurance policies assets being liquidated are such that it is not practical or advantageous to simply liquidate the Policies by disposing of them; there is no viable secondary market for the Policies, nor is there another practical means of disposing of them or monetizing them in the near term.

The Trust expects that fulfilling its purpose requires a significant amount of time, and that the Trust will have significant ongoing operations during that period due to the nature of its assets and its plan to maximize the proceeds to its beneficiaries by maintaining the majority of its life insurance policies until maturity. As a result, the Trust has concluded that its liquidation is not imminent, in accordance with the definitions under accounting principles generally accepted in the United States of America, and has not applied the liquidation basis of accounting in presenting its financial statements. The Trust will continue to evaluate its operations to determine when its liquidation becomes imminent and the liquidation basis of accounting is required.

Off-Balance Sheet Arrangements

As of June 30, 2017, the Registrants had no off-balance sheet arrangements.

Liquidity and Capital Resources

Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc. provided the $55 million Exit Loan Facility necessary to provide for consummation of the reorganization transactions contemplated by the Plan. Vida Longevity Fund, LP, also an affiliate of Vida Capital, Inc., provided a $25 million revolving line of credit. The obligations are secured by liens on virtually all of the Position Holder Trust's assets.

The Plan authorizes the Trustee to use the Maturity Funds Facility to borrow, from time to time, on a short-term revolving basis to fund its premium reserves. The Position Holder Trust is also entitled to access the cash surrender value included in the beneficial ownership registered in its name from time to time to use for any purpose permitted by the Position Holder Trust Agreement, including to satisfy its share of the premium obligations relating to the Policies. If any such use results in a decrease in the death benefit payable under the related Policy, the decrease will reduce the Trust's share of the maturity proceeds of the Policy, or if the Trust's share is insufficient, it must make up the difference.

At June 30, 2017, the Trust had $59.9 million of cash available. Of this amount, $9.6 million was held to pay Policy premiums, $35.7 million was held to pay for premiums collected and due on behalf of the Current Fractional Holders, $11.7 million was held to pay the outstanding pre-effective date maturities collected and owed to Current Fractional Holders, and $0.6 million was available to pay for operating expenses of the Trust. The Trust believes that these financial resources are sufficient for it to continue its operations and to issue funds, as necessary, throughout the twelve months after the date of this report.

The Trust's total outstanding liabilities decreased by $18.3 million from $178.4 million at December 31, 2016, to $160.1 million at June 30, 2017. The decrease was mainly attributable to the expenditure of cash to pay outstanding liabilities associated with the payout of funds related to Pre-Effective Date Maturities of $20.7 million, Creditor trust funding of $5.0 million, and certain other obligations associated with the bankruptcy and the establishment of the Registrants, including interest, offset by increase in liabilities for premiums payable of $10.0 million.

The Position Holder Trust's primary needs for working capital are to pay premiums on Policies and expenses relating to administration of the Trust and its assets. Pursuant to the Servicing Agreement, fees for servicing the Policies will be paid out of the death benefits paid on Policies in an amount equal to 2.65% of the death benefits paid. In addition, the Trust is required by the Plan to contribute $12 million to the Creditors' Trust over the three-year period following the Effective Date. An initial $2 million was contributed to the Creditors' Trust on December 9, 2016, and an additional $5 million was contributed on January 23, 2017.

Outstanding debt for the year ended December 31, 2016, included $55.0 million of outstanding principal on the Exit Loan Facility, $36.5 million of New IRA Notes, and $2.6 million to Thomas Moran.

New IRA Notes

The Debtors' estate included 1,177 security holders who held their positions through their individual retirement accounts. Pursuant to the U.S. Internal Revenue Code of 1986, life insurance contracts are prohibited investments for an IRA. As a result, the Plan includes mechanisms to resolve the IRA investors' claims by establishing the IRA Partnership and authorizing the issuance of the New IRA Notes.

The Plan authorized the Position Holder Trust to issue New IRA Notes in a principal amount of up to $63.7 million bearing interest at the rate of 3.00% per annum, due 2031. The Trust agreed to pay the principal of and interest on the New IRA Notes on the dates and in the manner provided by the Indenture under which they were issued. As of June 30, 2017, the outstanding amount of the New IRA Notes was $36.5 million, with accrued interest of $547.3 thousand calculated through June 30, 2017. Interest is payable annually commencing on December 15, 2017. The Indenture is filed as Exhibit 4.1 to this Registration Statement and incorporated herein by reference.

If the Trust elects to redeem any New IRA Notes, it must notify the New IRA Note trustee of the redemption date and the principal amount to be redeemed at least 60 days before the redemption date (unless a shorter period is satisfactory to the trustee). If fewer than all the New IRA Notes are being redeemed, the notice must also specify a record date not less than 15 days after the date of the notice of redemption is given to the New IRA Note trustee. The New IRA Note trustee will select the notes to be redeemed on a pro rata basis in denominations of $100 principal amount and higher integral multiples of $100.

Notes Payable per Order of the Bankruptcy Court

On March 28, 2017, the Bankruptcy Court's allowed $5.5 million as reasonable compensation for the services rendered by H. Thomas Moran as Chapter 11 Trustee. The Court ordered the Position Holder Trust to pay 50%, or $2.8 million, promptly, which occurred March 30, 2017. The remaining $2.8 million is to be paid in cash pursuant to the terms of an unsecured promissory note issued by the Trust. The note does not bear interest and the principal amount will be paid in three equal annual installments on January 1 of 2019, 2020 and 2021, with the full principal amount paid no later than December 30, 2021, or in full on or after January 1, 2019.

2016 Compared to 2015

The Position Holder Trust's net income from operations for the period from December 9, 2016 to December 31, 2016, was $899 thousand. The Trust did not exist before December 9, 2016, so there is no comparable 2015 financial information. There was no tax expense nor benefit for the year ended December 31, 2016. The following is the analysis of the net increase in net assets resulting from operations for the period ending December 31, 2016:

Income	$ 2,559,020
Expense	(1,660,445)
Net increase in net assets resulting from operations	**$ 898,575**

The following table provides a roll-forward in the changes in fair value for the period ended December 31, 2016, for the Trust's life insurance policies:

Contributed balance at December 9, 2016	$267,769,937
Change in fair value	2,559,020
Matured policies, net of fees	(6,749,917)
Balance at December 31, 2016	$263,579,040
Changes in fair value included in earnings for the period relating to assets held at December 31, 2016	$ 3,274,623

The change in underlying fair values of the assets from the Debtors to the asset values determined for the Policies reflects updated life expectancies procured by the Trust in respect of the insured lives and maturities during the period.

As of December 31, 2016, the Position Holder Trust held 3,252 Policies with an estimated fair value of $470.7 million compared to 3,258 Policies with a fair value of $478.0 million at December 9, 2016, a decrease of $7.3 million or 1.5%. Of the 3,252 Policies' estimated fair value of $470.7 million, $263.6 million is attributable to the Position Holder Trust and $207.1 million to the Continuing Fractional Holders. As of December 31, 2016, the Policies' aggregate death benefit was approximately $2.2 billion, which was comprised of $1.9 billion in life settlement contracts and $260.7 million in viatical contracts.

The 3,252 Policies owned as of December 31, 2016, were valued using a base or foundational discount rate of 15%, with further valuation adjustments based upon the size of the insured pool, life expectancy data, distinctions between life settlement and viatical policies and whether the Policies are whole life, convertible term or non-convertible term policies and with a post-adjustment weighted average discount rate of 24.79%. See Note 6, ''Fair Value Measurements,'' to the accompanying consolidated financial statements. There were no Policy sales during the period ended December 31, 2016.

Interest expense for the period ending December 31, 2016 consisted of $387 thousand on the Vida loan, $274 thousand for the Maturity Funds Facility, and $81 thousand on the NIRAN note payable:

Investing Activities

The Position Holder Trust did not engage in any investing activities during the period ended December 31, 2016.

Financing Activities

The Position Holder Trust received $207.1 million of contributed cash at creation on December 9, 2016. In addition, Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc. provided the $55 million Exit Loan Facility necessary to provide for consummation of the reorganization transactions contemplated by the Plan. We repaid the maturity funds facility of $27.2 million.

Continuing Operations

While the Position Holder Trust is a liquidating trust with no intent to continue or engage in a trade or business, the nature of the life insurance policies assets being liquidated are such that it is not practical or advantageous to simply liquidate the Policies by disposing of them; there is no viable secondary market for the Policies, nor is there another practical means of disposing of them or monetizing them in the near term.

The Trust expects that fulfilling its purpose requires a significant amount of time, and that the Trust will have significant ongoing operations during that period due to the nature of its assets and its plan to maximize the proceeds to its beneficiaries by maintaining the majority of its life insurance policies until maturity. As a result, the Trust has concluded that its liquidation is not imminent, in accordance with the definitions under accounting principles generally accepted in the United States of America, and has not applied the liquidation basis of accounting in presenting its financial statements. The Trust will continue to evaluate its operations to determine when its liquidation becomes imminent and the liquidation basis of accounting is required.

Off-Balance Sheet Arrangements

As of December 31, 2016, the Registrants had no off-balance sheet arrangements.

Liquidity and Capital Resources

Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc. provided the $55 million Exit Loan Facility necessary to provide for consummation of the reorganization transactions contemplated by the Plan. Vida Longevity Fund, LP, also an affiliate of Vida Capital, Inc., provided a $25 million revolving line of credit. The obligations are secured by liens on virtually all of the Position Holder Trust's assets.

The Plan authorizes the Trustee to use the Maturity Funds Facility to borrow, from time to time, on a short-term revolving basis to fund its premium reserves. The Position Holder Trust is also entitled to access the cash surrender value included in the beneficial ownership registered in its name from time to time to use for any purpose permitted by the Position Holder Trust Agreement, including to satisfy its share of the premium obligations relating to the Policies. If any such use results in a decrease in the death benefit payable under the related Policy, the decrease will reduce the Trust's share of the maturity proceeds of the Policy, or if the Trust's share is insufficient, it must make up the difference.

On the Effective Date, the Position Holder Trust received from the Debtors' two former escrow agents $201.6 million related to premium and maturities, as of the Effective Date: $156.1 million from Advanced Trust & Life Escrow Services, and $45.5 million from Purchase Escrow Services, LLC. At December 31, 2016, the Trust had $103.5 million of cash available. Of this amount, $27.5 million was held to pay Policy premiums, $25.8 million was held to pay for premiums collected and due on behalf of the Current Fractional Holders, $26.2 million was held to pay the outstanding pre-effective date maturities collected and owed to Current Fractional Holders, and $24.0 million was available to pay for operating expenses of the Trust. The Trust believes that these financial resources are sufficient for it to continue its operations and to issue funds, as necessary, throughout the twelve months after the date of this report. The Trust's total outstanding liabilities decreased by $97.3 million from $275.7 million at the Effective Date, to $178.4 million at December 31, 2016. The decrease was mainly attributable to the expenditure of cash to pay outstanding liabilities associated with the payout of funds related to Pre-Effective Date Maturities of $104.7 million, Maturity Funds Facility of $27.5 million, including interest, and certain other obligations associated with the bankruptcy and the establishment of the Registrants.

The Position Holder Trust's primary needs for working capital are to pay premiums on Policies and expenses relating to administration of the Trust and its assets. Pursuant to the Servicing Agreement, fees for servicing the Policies will be paid out of the death benefits paid on Policies in an amount equal to 2.65% of the death benefits paid. In addition, the Trust is required by the Plan to contribute $12 million to the Creditors' Trust over the three-year period following the Effective Date. An initial $2 million was contributed to the Creditors' Trust on December 9, 2016, and an additional $5 million was contributed on January 23, 2017.

Outstanding debt as of December 31, 2016, included $55.0 million of outstanding principal on the Exit Loan Facility and $36.5 million of New IRA Notes.

New IRA Notes

The Debtors' estate included 1,177 security holders who held their positions through their individual retirement accounts. Pursuant to the U.S. Internal Revenue Code of 1986, life insurance contracts are prohibited investments for an IRA. As a result, the Plan includes mechanisms to resolve the IRA investors' claims by establishing the IRA Partnership and authorizing the issuance of the New IRA Notes.

The Plan authorized the Position Holder Trust to issue New IRA Notes in a principal amount of up to $63.7 million bearing interest at the rate of 3.00% per annum, due 2031. The Trust agreed to pay the principal of and interest on the New IRA Notes on the dates and in the manner provided by the Indenture under which they were issued. As of December 31, 2016, the outstanding amount of the New IRA Notes was $36.5 million, with accrued interest of $81 thousand calculated through December 31, 2016. Interest is payable annually commencing on December 15, 2017. The Indenture is filed as Exhibit 4.1 to this Registration Statement and incorporated herein by reference.

If the Trust elects to redeem any New IRA Notes, it must notify the New IRA Note trustee of the redemption date and the principal amount to be redeemed at least 60 days before the redemption date (unless a shorter period is satisfactory to the trustee). If fewer than all the New IRA Notes are being redeemed, the notice must also specify a record date not less than 15 days after the date of the notice of redemption is given to the New IRA Note trustee. The New IRA Note trustee will select the notes to be redeemed on a pro rata basis in denominations of $100 principal amount and higher integral multiples of $100.

Notes Payable per Order of the Bankruptcy Court

On March 28, 2017, the Bankruptcy Court's allowed $5.5 million as reasonable compensation for the services rendered by H. Thomas Moran as Chapter 11 Trustee. The Court ordered the Position Holder Trust to pay 50%, or $2.8 million, promptly, which occurred March 30, 2017. The remaining $2.8 million is to be paid in cash pursuant to the terms of an unsecured promissory note issued by the Trust. The note does not bear interest and the principal amount will be paid in three equal annual installments on January 1 of 2019, 2020 and 2021, with the full principal amount paid no later than December 30, 2021. The Trust may prepay the loan any time after January 1, 2019 without penalty.

Internal Control Over Financial Reporting

In preparing our financial statements for the year ended December 31, 2016, we identified a material weakness in our internal control over financial reporting, as defined by the SEC guidelines for public companies.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for the oversight of the company's financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to the Trust having not yet established processes and controls sufficient to ensure the accuracy of data and information regarding its policies, insured parties and position holder interests on an ongoing basis. In addition, such controls are not fully implemented at the servicer and Subservicer, and relevant controls to monitor the performance of those organizations are not yet in place. In response to this assessment, we implemented and are implementing entity level controls to provide oversight on financial reporting and cash management provided by the Servicing Company. In addition, the Servicing Company has begun to implement new accounting and operating systems that incorporate appropriate accounting controls over their assigned functions. We believe that the continued implementation of these measures will address and remedy this material weakness in our internal control over financial reporting.

Critical Accounting Policies

Basis of Presentation

The Position Holder Trust's primary purpose is the liquidation of the Trust's assets and the distribution of proceeds to its securities holders. The Trust expects that fulfilling its purpose requires a significant amount of time, and that the Trust will have significant ongoing operations during that period due to the nature of its assets and its plan to maximize the proceeds to its beneficiaries by maintaining the majority of its life insurance policies until maturity. As a result, the Trust has concluded that its liquidation is not imminent, in accordance with the definitions under accounting principles generally accepted in the United States of America, and has not applied the liquidation basis of accounting in presenting its financial statements. The Trust will continue to evaluate its operations to determine when its liquidation becomes imminent and the liquidation basis of accounting is required.

Investments in Life Insurance Policies

The Trust accounts for its interests in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Insurance Contracts*. The Trust initially recognized the life insurance policies transferred at its inception at their fair market value on December 9, 2016 and the Trust will estimate the fair value at each subsequent reporting period.

Fair Value of Life Insurance Policies

The Trust follows ASC 820, *Fair Value Measurements and Disclosures*, in estimating the fair value of its life insurance policies, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

As a basis for considering such assumptions, the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Trust's investments in life insurance policies are considered to be Level 3 as there is currently no active market where the Trust is able to observe quoted prices for identical assets and the Trust's valuation model incorporates significant inputs that are not observable.

The Trust's valuation of life insurance policies is a critical estimate within the financial statements. The Trust currently uses a probabilistic method of valuing life insurance policies, which the Trust believes to be the preferred valuation method in the industry. The Trust calculates the assets' fair value using a present value

technique to estimate the fair value of the projected future cash flows. The most significant assumptions in estimating the fair value are the Trust's estimate of the insureds' life expectancy and the discount rate. See Note 6, ''Fair Value Measurements''.

Income Recognition

The Trust's investments in life insurance policies are its primary source of income. Gain or loss is recognized from ongoing changes in the portfolio's estimated fair value, including any gains or losses at maturity. Gains or losses from maturities are recognized at receipt of a death notice or verified obituary for an insured party, and determined based on the difference between the death benefit and the estimated fair value of the policy at maturity.

Premiums receivable

The Trust assumed the Debtors' receivables related to life insurance policy premiums and service fees that were paid by the Debtors on behalf of fractional interest holders prior to the Trust's effective date. After December 9, 2016, the policy premiums allocable to continuing fractional interest holders are those persons' obligations and not the Trust. If a continuing fractional interest holder defaults on future premium obligations, such position is deemed contributed to the Trust in exchange for the number of Units provided by the Plan.

The Trust maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect premiums and service fees receivable. Such estimates are based on the position holder's payment history and other indications of potential uncollectability. After all attempts to collect a receivable have failed, receivables are written off against the allowance. At December 31, 2016, the allowance for doubtful accounts totals $5.0 million, all of which was for receivables assumed from the Debtors on the effective date. Outstanding receivable balances may be recoverable pursuant to the Trustee's set-off rights under the Plan.

Maturities receivable

Maturities receivable consist of the Trust's portion of life insurance policy maturities that occurred but payment was not received as of December 31, 2016.

Income Taxes

No provision for state or Federal income taxes has been made as the liability for such taxes is attributable to the Unit holders rather than the Trust. The Trust is a grantor trust with taxable income or loss passing through to the Unit holders. In certain instances, however, the Trust may be required under applicable state laws to remit directly to state tax authorities amounts otherwise due to Unit holders. Such payments on behalf of the Unit holders are deemed distributions to them.

The Financial Accounting Standards Board (the ''FASB'') has provided guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Trust's tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable taxing authority. The Trust has no material uncertain income tax positions as of December 31, 2016.

The Trust also assumed income tax liabilities of the Debtors at its inception which total approximately $2.9 million as of December 31, 2016 related to taxes, penalties, and interest from the Debtors' 2008, 2009 and 2010 income tax returns. These obligations bear interest at 4% annually and are due in full by January 2020.

Use of Estimates

The preparation of these financial statements, in conformity with GAAP, requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material. The estimates related to the valuation of the life insurance policies represent significant estimates made by the Trust.

Risks and Uncertainties

The Trust encounters economic, legal, and longevity risk. The two main components of economic risk potentially impacting the Trust are market risk and concentration of credit risk. The Trust's market risks include interest rate risk and the risk of declines in valuation of the Trust's life insurance policies, including declines caused by the selection of increased discount rates associated with the Trust's fair value model. It is reasonably possible that future changes to estimates involved in valuing life insurance policies could change and result in material effects to the future financial statements. Concentration of credit risk is the risk that an insurance carrier who has issued life insurance policies held by the Trust, does not remit the amount due under those policies due to the deteriorating financial condition of the carrier or otherwise. Another credit risk potentially impacting the Trust is the risk continuing fractional holders may default on their future premium obligations, increasing the Trust's premium liability.

There exists a legal risk that courts would allow insurance carriers to deny paying benefits and retain premiums paid by the Trust in respect of insurance policies that are successfully rescinded or contested. In addition, our title or right to benefit from an insurance policy may be challenged by the insurer or the insured's family.

Longevity risk refers to the reasonable possibility that actual mortalities of insureds in the Trust's portfolio extend over longer periods than are anticipated, resulting in the Trust paying more for premiums.

The Trust maintains the majority of its cash in several accounts with a commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation (''FDIC''); although the Trust's balances may exceed the FDIC insurable amount at its banks.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses primarily include professional services, legal fees and expected litigation settlements, some of which are obligations assumed by the Trust that were incurred prior to the effective date of the Trust. The Trust also accrues liabilities for state taxes payable and other miscellaneous accruals. The Trust accrues liabilities when costs are incurred and such costs can be reasonably estimated. Accrued expenses related to the Debtors' bankruptcy are included in assumed liabilities on the accompanying balance sheet.

Creditors' Trust Funding Obligation

Pursuant to the Plan, in December 2016 the Trust contributed $2 million to the Creditor's Trust that was also established contemporaneously under the Plan. As of December 31, 2016, the Trust was obligated to fund an additional $10 million. The Trust paid $5 million of the liability to the Creditor's Trust in January 2017. The remaining balance is due in full in January 2018.

Premium Liability

As of December 31, 2016, the Trust holds $25.8 million in escrow for future payment of the continuing fractional holders' premium obligations. To the extent that these funds are not used for premium payments, they are refundable to the respective continuing fractional holder.

Pre-Effective Maturity Liabilities

On December 9, 2016, the Trust received funds related to maturities that occurred prior to the formation of the Trust. These funds are recognized as a liability on the accompanying balance sheet as pre-effective maturity liabilities owed to the fractional interest holders. Additionally, the Trust has recorded a receivable for maturities that occurred prior to December 9, 2016 where proceeds were not received as of that date. This receivable is approximately $7.4 million as of December 31, 2016 and is included in pre-effective maturity liabilities on the accompanying balance sheet.

Recently Issued Accounting Pronouncements

In November 2016, the FASB issued guidance under the Account Standards Update (''ASU'') 2016-18, Statement of Cash Flows: Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Trust elected to adopt this provision early, and this adoption did not have a material impact on the Trust's financial statements.

In May 2014, the Financial Accounting Standards Board (''FASB'') issued Accounting Standards Update (''ASU'') No. 2014-09, ''Revenue from Contracts with Customers,'' which converges the FASB and the International Accounting Standards Board (''IASB'') standard on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. In April 2015, the FASB voted to defer the effective date of the new revenue recognition standard by one year. As a result, the provisions of this ASU are now effective for interim and annual periods beginning after December 15, 2017. The Trust does not expect that this guidance will have a material impact on its financial position, results of operations or cash flows.

Item 3. Properties.

During 2016 and early 2017, the Position Holder Trust leased certain buildings that were previously occupied by the Debtors at market rates from unaffiliated parties. The leases expired on May 31, 2017, and were not renewed. The Trust maintains a small leasehold interest in the Subservicer's office space for $1,000 per month.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The Position Holder Trust does not have any securities outstanding that, by its terms, provide the holder with a presently exercisable right to vote for the election of the Trustee or the Governing Trust Board or to exercise any control or influence over the management, affairs and policies of the Trust through the exercise of a voting right. Pursuant to the Position Holder Trust Agreement and the IRA Partnership Agreement, the sole Manager of the IRA Partnership will be the same person as the Trustee, but the Manager may be removed or replaced at any time, with or without cause, and a new Manager selected by, in each case, members of the IRA Partnership holding 75% of the outstanding units thereof. Except for the IRA Partnership which owns more than 5% of the Trust, no individual person, the Trustee or member of the Governing Trust Board, nor all of its members as a group, owns more than one percent of the outstanding Position Holder Trust Interests or IRA Partnership Interests, or of all outstanding Continuing Fractional Interests based on the aggregate face amount of death benefit in all Policies.

Item 5. Directors and Executive Officers.

The following table sets forth the name, age and positions of the Trustee and Manager, as well as the members of the Governing Trust Board. The Registrants do not have any other officers or employees.

NAME	AGE	POSITION
Eduardo S. Espinosa	51	Position Holder Trustee and Manager of the IRA Partnership
Bert Scalzo	54	Governing Trust Board Member and Chairperson of the Governing Trust Board
Robert L. "Skip" Trimble	77	Governing Trust Board Member
Marc Redus	63	Governing Trust Board Member
Philip R. Loy	71	Governing Trust Board Member
Nate Evans	55	Governing Trust Board Member

The members of the Governing Trust Board also serve as the members of the Creditors' Trust Governing Trust Board and as members of the Advisory Committee to the IRA Partnership. There are no family relationships between or among the Trustee or any of the members of the Governing Trust Board. Further, neither the Trustee nor any member of the Governing Trust Board over the previous ten years has: (1) had any bankruptcy petition filed by or against such person or any business entity of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) had any conviction in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic

violations and other minor offenses); (3) been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or (4) been subject to any determination or ruling found by a court of competent jurisdiction (in a civil action), the SEC or the Commodities Futures Trading Commission not subsequently reversed, suspended or vacated, finding such person to have violated a federal or state securities or commodities law.

There are no committees of the Governing Trust Board or of the Advisory Committee to the IRA Partnership. The business backgrounds and certain other information about the Trustee and the members of the Governing Trust Board are set forth below:

EDUARDO S. ESPINOSA – Position Holder Trustee and Manager of the IRA Partnership

Mr. Espinosa has served as the Trustee of the Position Holder Trust and as sole Manager of the IRA Partnership since his appointment by the Bankruptcy Court effective as of December 9, 2016. Mr. Espinosa has been an attorney and member of the law firm of Dykema Cox Smith since July 2012, where he specializes in corporate, securities and mergers and acquisitions law. Previously, he was a partner with the law firm of K&L Gates from September 2006 to July 2012. Mr. Espinosa also served as an attorney-advisor in the SEC's Division of Enforcement from 1995 to 1998. Mr. Espinosa has been appointed by state and federal courts to act as a receiver for troubled businesses or other entities in the past. We believe that the Bankruptcy Court approved Mr. Espinosa based upon his substantial experience as a receiver in other cases, including a prior receivership involving fractionalized life settlements and their derivatives.

BERT SCALZO – Member of the Governing Trust Board

Mr. Scalzo has served as a member of the Governing Trust Board since his appointment by the Bankruptcy Court effective as of December 9, 2016. Mr. Scalzo also served as Chairman of the Unsecured Creditors' Committee in the Life Partners reorganization proceeding. Mr. Scalzo has served since 2015 as a Senior Product Manager Database Tools for IDERA, Inc. where he has developed product roadmaps, designed and implemented features and performed marketing and sales support for multiple leading database tools. From 2014 to 2015, Mr. Scalzo was the Chief Architect Database Solutions for HGST, Inc., a subsidiary of Western Digital Corporation where he was responsible for the design and marketing of flash-based Oracle and MySQL database appliances. Mr. Scalzo was the Chief Architect Database Solutions for Quest Software from 2000 to 2014, where he developed product roadmaps, designed and implemented features and performed marketing and sales support for multiple leading database tools with annual sales of over $800 million per year. We believe that the Bankruptcy Court approved Mr. Scalzo based upon his position as a creditor representative where he spent countless hours talking and corresponding with numerous investors plus his substantial experience and expertise with respect to complex database management tools and systems.

ROBERT L. "SKIP" TRIMBLE - Member of the Governing Trust Board

Mr. Trimble has served as a member of the Governing Trust Board since his appointment by the Bankruptcy Court effective as of December 9, 2016. Mr. Trimble has served as a principal of Catlyn Capital Corp., a Dallas-based real estate investment firm, since 1996. His responsibilities included the negotiation and documentation of the acquisition, financing and disposition of over $3.0 billion of commercial real estate. Mr. Trimble was a partner with the law firm of Winstead, McGuire, Sechrest & Trimble prior to entering the real estate development business in 1981. Mr. Trimble obtained both his economics undergraduate and graduate law degree from Southern Methodist University, where he graduated cum laude from law school. Upon graduation from law school, Mr. Trimble worked as a trial attorney in the Tax Division of the U.S. Department of Justice. We believe that the Bankruptcy Court approved Mr. Trimble based upon his substantial experience and expertise with respect to corporate and transactional legal matters and the life insurance industry.

MARC REDUS - Member of the Governing Trust Board

Mr. Redus has served as a member of the Governing Trust Board since his appointment by the Bankruptcy Court effective as of December 9, 2016. Mr. Redus was a founding partner in DF&R Restaurants Inc. of Lubbock Texas in 1977, which expanded to more than 80 restaurants in 15 states, including the Harrigan's and Don Pablo restaurant chains. Mr. Redus' duties included all operational facets of the restaurant business,

including accounting, finance, real estate and construction. Mr. Redus has served as a fourth-grade teacher for the Covenant School in Dallas Texas, and has been a member of the advisory board for Wynn Crosby Energy, a private oil and gas company located in Dallas Texas, for more than 15 years. We believe that the Bankruptcy Court approved Mr. Redus based upon his position on the creditors' committee, as well as his experience and expertise with respect to business and financial matters.

PHILIP R. LOY – Member of the Governing Trust Board

Mr. Loy has served as a member of the Governing Trust Board since his appointment by the Bankruptcy Court effective as of December 9, 2016. Mr. Loy founded American Viatical Services, LLC, a leading life insurance underwriter and provider of life expectancy reports, and served as its President until his retirement in 2016. Prior thereto, Mr. Loy served as a property, casualty, life and health insurance agent for W.S. Pharr & Debtor from 1991 until 1994, and was the owner of Davis & Loy Insurance in Atlanta, Georgia from 1987 until 1991. Mr. Loy has served on the board of directors of the Life Insurance Settlement Association since 1998, and has served on the board of directors of the National Viatical Association from 1997 until 2000. We believe that the Bankruptcy Court approved Mr. Loy based upon his substantial experience and expertise with respect to the life insurance and life settlement industries.

NATE EVANS – Member of the Governing Trust Board

Mr. Evans has served as a member of the Governing Trust Board since his appointment by the Bankruptcy Court effective December 9, 2016. Mr. Evans has served as the Chief Executive Officer and President of MLF Financial Group, which provides an array of professional and managerial services to organizations that hold investments in life insurance linked mortality investments since 2003. From 2000 to 2003, Mr. Evans served as Vice President of ZeBU/Integrated Insurance Technologies, where he was in charge of customer relation activities and provided operations consulting services. Mr. Evans has 20 years of management experience in life insurance operations and technology integration, including 14 years at Allstate Financial. Mr. Evans also has served as chairman of the board of Life Insurance Settlement Association. We believe that the Bankruptcy Court approved Mr. Evans based upon his substantial experience and expertise with respect to the life insurance and life settlement industries.

Terms of Office

The Trustee has been appointed and approved by the Bankruptcy Court to serve until his death, resignation, incapacity or removal. The Trustee must provide not less than 90 days' notice of resignation to the Governing Trust Board, and may be removed by a vote of four or more members of the Governing Trust Board, with or without Good Cause as defined below, or by an order of the Bankruptcy Court for Good Cause after application by one or more members of the Governing Trust Board and upon notice and a hearing. ''Good Cause'' is defined in the Plan as a breach of trust committed in bad faith, intentionally or with reckless indifference to the interest of any Position Holder Trust Beneficiary, conviction of a crime (other than traffic violations), or incapacity. In the event of the resignation, removal or death of the Trustee, the Governing Trust Board will appoint a successor Trustee upon the vote of three or more members.

The members of the Governing Trust Board have been appointed and approved by the Bankruptcy Court to serve until their death, incapacity, resignation or removal. The chair of the Governing Trust Board is elected by a majority vote of the members of the Governing Trust Board. A member of the Governing Trust Board may be removed at any time for Good Cause by a majority vote of the remaining Governing Trust Board members or by an order of the Bankruptcy Court after application by one or more Governing Trust Board members, the Trustee, the Trustee of the Creditors' Trust, registered owners of more than 30% of the Position Holder Trust Interests, including IRA Partnership Interests and New IRA Notes, or registered owners of more than 30% of the Creditors' Trust Interests, and upon notice and a hearing. The Bankruptcy Court has retained jurisdiction for this purpose.

Any vacancy on the Governing Trust Board shall be promptly filled by a majority vote of the remaining members, with input from the Trustee and the Trustee of the Creditors' Trust. In the event of a tie, the chair of the Governing Trust Board will have the deciding vote. If all members of the Governing Trust Board resign or otherwise cease to serve at once, the Trustee shall promptly file a motion with the Bankruptcy Court to appoint successor members of the Governing Trust Board to fill all five vacancies, upon notice and a hearing on the matter. The Governing Trust Board has not adopted a code of ethics for the Governing Trust Board or the Trustee.

Pursuant to the Position Holder Trust Agreement and the IRA Partnership Agreement, the sole Manager of the IRA Partnership will be the same person as the Trustee, but the Manager may be removed or replaced at any time, with or without cause, and a new Manager selected by, in each case, members of the IRA Partnership holding 75% of the outstanding units thereof.

Item 6. Executive Compensation.

The compensation payable to the Trustee and members of the Governing Trust Board were approved by the Bankruptcy Court in the Confirmation Order. The Trustee receives compensation of $400 per hour and expense reimbursement for services rendered in his capacity as Trustee and Manager of the IRA Partnership. The Governing Trust Board members receive an annual compensation set by a supermajority of the Governing Trust Board, but in no event greater than $40,000 per annum, payable quarterly in arrears, with the chair receiving additional annual compensation not to exceed $10,000 with the approval of at least three other Governing Trust Board members. In addition, Governing Trust Board members receive reimbursement of reasonable and actual out-of-pocket expenses incurred in performing their duties, and are entitled to engage their own legal counsel and advisors. The cost of such engagement is to be paid by the Creditors' Trust and/or Position Holder Trust, as determined and allocated by the Governing Trust Board.

The foregoing compensation for Governing Trust Board members is for services as a member of the Governing Trust Board, the Creditors' Trust Governing Trust Board and the Advisory Committee for the IRA Partnership, or for service as chair for both the Creditors' Trust and the Position Holder Trust. Under the Plan, such compensation is to be allocated equally between the two entities. The Governing Trust Board may by a majority vote elect to change the allocation of compensation between the two entities such that one of the two may pay a greater or lesser percentage of the compensation than the other.

The Registrants do not have any equity-based compensation plans. Also, there are no potential payments that would be due to the Trustee, Manager or members of the Governing Trust Board upon termination from their respective positions, except for compensation described above that has accrued and remains unpaid as of the date of termination.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

Other than as described below, there have been no transactions or presently proposed transactions to which the Registrants have been or will be participants in which the amount involved exceeded or will exceed $120,000 and any of the members of the Governing Trust Board or the Trustee or Manager, or any members of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing, has any material interest, direct or indirect. As approved by the Bankruptcy Court, the Trustee engaged his law firm, Dykema Cox Smith, as counsel to the Registrants. The Registrants are not considered to be a ''listed issuer'' within the meaning of Item 407 of Regulation S-K and there are no applicable listing standards for determining the independence of the members of our Governing Trust Board. Applying the definition of independence set forth in Rule 4200(a)(15) of The Nasdaq Stock Market, Inc., however, all members of the Governing Trust Board are independent.

Item 8. Legal Proceedings.

Pursuant to the Plan, all causes of action held by the Debtors as of the Effective Date were assigned to the Creditors' Trust and will be pursued by the Creditors' Trust in accordance with the Plan and the Creditors' Trust Agreement. Accordingly, other than resolution of disputes relating to certain claims held by investors in accordance with the Plan and the Position Holder Trust Agreement, the Registrant is not involved in any legal proceedings, other than as party to an appeal of the Garner v. Atay, Case No. 16-11436, currently pending in the United States Court of Appeals for the Fifth Circuit.

This case is an appeal of an order approving a class settlement that underlays the Plan. Appellants did not appeal the order confirming the Plan. A significant issue in the bankruptcy was the ownership of a large portfolio of life insurance policies that LPI had purchased while selling what it termed to be ''fractional interests'' in each of the policies. This action was transferred to the district court for decision due to concerns over the bankruptcy court's jurisdiction. LPI entered into a settlement agreement with the class resolving the ownership dispute and reforming the investment contracts. The district court approved the settlement and the bankruptcy court subsequently confirmed the Plan which incorporated the key features of the settlement. Appellants appealed the

district court's order approving the class settlement arguing that the district court lacked jurisdiction to determine who owned the life insurance policies and that the court abused its discretion by approving the settlement. The appeal is fully briefed and was set for oral argument on August 30, 2017, which has been delayed due to hurricane Harvey.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

There is no trading market for the Position Holder Trust Interests, Continuing Fractional Positions or the IRA Partnership Interests and none is expected to develop. Moreover, the Trust is prohibited under the Plan from taking any action to develop a trading market or engaging the services of a broker-dealer or market maker with respect to the New Interests. In this regard, the New Interests cannot be transferred unless the seller delivers an opinion of counsel (acceptable to the Trustee) that the proposed transfer (i) complies with all state and federal securities laws; (ii) will not cause the Trust or the IRA Partnership (as the case may be), to be required to register as an investment company and (iii) will not cause the Trust or the IRA Partnership to be taxed as a corporation. In addition, the Plan forbids the Trust from (a) listing the New Interests on any exchange or quotation system; (b) taking any action, directly or indirectly to develop a trading market; (c) acting as a broker/dealer or (d) disseminating information or otherwise facilitating trading activities. The Trust Agreement and the IRA Partnership Company Agreement provide other restrictions on the potential trading activity of beneficiaries of the Trust and members of the IRA Partnership. There were approximately 22,000 holders of record of the New Interests as of December 9, 2016.

Item 10. Recent Sales of Unregistered Securities.

None.

Item 11. Description of Registrant's Securities to be Registered.

Position Holder Trust Interests

Position Holder Trust Interests represent beneficial interests in the Trust, and all holders of Position Holder Trust Interests are entitled to receive cash distributions from the Trust in accordance with their respective Pro Rata Shares. A Position Holder Trust Beneficiary's respective ''Pro Rata Share'' means the ratio, expressed as a percentage, of (i) the number of Position Holder Trust Interests of which such Position Holder Trust Beneficiary is the registered owner, to (ii) the total number of Position Holder Trust Interests outstanding as of the measurement date, subject to modification for purposes of distributing any recovered assets. Each Position Holder Trust Interest is expressed in terms of a number of ''units.''

Initial units of Position Holder Trust Interest were issued on the basis of one unit for each $1 of death benefit payable (rounded to the nearest dollar) associated with the ownership of Fractional Positions. Subsequent issuances of Position Holder Trust units will be issued to Continuing Fractional Holders if they default on their premium payment obligations. Such Position Holder Trust Interests will be issued in exchange for the defaulting Continuing Fractional Holder Interests, in accordance with the basis and discounts delineated in the Plan, as recently modified by the Bankruptcy Court. Upon request, the Trust will issue certificates representing some or all units registered in the name of a beneficiary. Unit certificates will bear restrictive legends with respect to compliance with state and federal securities laws, as well as restrictions under the Plan. Each holder of a Position Holder Trust Interest has the same rights with respect to each unit of Position Holder Trust Interest as every other holder with respect to such holder's units.

Holders of Position Holder Trust Interests do not have any voting rights under the Position Holder Trust Agreement with respect to the appointment of any successor to the Trustee, filling any vacancy on the Governing Trust Board or any action to be taken by the Position Holder Trust, including without limitation whether the duration of the Trust should be extended after the end of the initial 10-year term. Holders of Position Holder Trust Interests have no control nor influence over the management and policies of the Trust through the exercise of a voting right. In addition, such holders have no liability for the debts or other obligations of the Trust and shall bear no expenses in connection with the organization and administration of the Trust, provided however, that the Trust is a pass-through tax entity and its unit holders may be allocated taxable income without a matching cash distribution, leading to an unfunded tax obligation. The Trust will have the right, but not the obligation, to offset against any distributions allocated to any Position Holder Trust Interest in an amount equal to all unpaid amounts owed by the holder, including all unpaid amounts owed for Catch-Up Payments, Pre-Petition Default Amounts and Post-Effective Date Payment Defaults.

Under the Plan, the Trustee will distribute at least annually to the holders of Position Holder Trust Interests all of the Distributable Cash (as defined in the Position Holder Trust Agreement) generated during each calendar year, subject to any reserve established by the Trustee reasonably necessary to maintain the value of the Registrants' assets or to meet claims and contingent liabilities and repayment of the Exit Loan Facility. All distributions by the Trust will be made in accordance with each such holder's pro rata share of the outstanding Position Holder Trust Interests, calculated as follows: the ratio, expressed as a percentage, of (i) the number of units of Position Holder Trust Interests of which such holder is the registered owner, to (ii) the total number of units of Position Holder Trust Interests outstanding as of the measurement date.

IRA Partnership Interests

IRA Partnership Interests represent indirect membership interests in the Trust, and are treated as partnership interests in the IRA Partnership for federal tax purposes. All holders of IRA Partnership Interests will be entitled to receive cash distributions from the IRA Partnership in accordance with their respective pro rata shares. Each IRA Partnership Interest will be expressed in terms of a number of ''units.''

Initial units of IRA Partnership Interest were issued on the basis of one unit for each $1 of death benefit payable (rounded to the nearest dollar) associated with the ownership of Fractional Positions. Upon request, the Trust will issue certificates representing some or all units registered in the name of a holder of IRA Partnership Interests. Unit certificates will bear restrictive legends with respect to compliance with state and federal securities laws, as well as restrictions under the Plan. Each holder of an IRA Partnership Interest will have the same rights with respect to each unit of IRA Partnership Interest as every other holder will have with respect to such holder's units.

IRA Partnership Interest holders do not have any voting rights in connection with filling any vacancy on the Governing Trust Board or the Advisory Board or on any action to be taken by the Position Holder Trust, including without limitation whether the duration of the Trust should be extended after the end of the initial 10-year term. Holders of IRA Partnership Interests have limited voting rights under the IRA Partnership Agreement; holders of 75% or more of the outstanding IRA Partnership Interests may remove or replace the Manager at any time, with or without cause, and any vacancy occurring in the office of Manager may be filled by the affirmative vote of holders of 75% of the outstanding IRA Partnership Interests. In addition, the IRA Partnership is prohibited from taking certain actions under the IRA Partnership Agreement without the written approval of holders of 75% of the outstanding IRA Partnership Interests.

Holders of IRA Partnership Interests do not have any interest in any property owned by the IRA Partnership (including without limitation Position Holder Trust Interests), and they have no liability for the debts, expenses and other obligations of the IRA Partnership.

Under the Plan, the Trustee will distribute at least annually to the holders of Position Holder Trust Interests (including the IRA Partnership) all of the Distributable Cash generated during each calendar year, subject to repayment of the Exit Loan Facility and any reserve established by the Trustee reasonably necessary to maintain the value of the Registrants' assets or to meet claims and contingent liabilities. The IRA Partnership will, in turn, distribute pro rata to the holders of IRA Partnership Interests all cash it receives as distributions from the Position Holder Trust, after payment of any administrative expenses of the IRA Partnership.

Continuing Fractional Interests

The Continuing Fractional Interest of a Fractional Interest Holder who made a Continuing Holder Election represents 95% of the Beneficial Ownership associated with the Fractional Interest with respect to which the Election was made, with the other 5% comprising the Continuing Position Holder Contribution made to the Position Holder Trust on the Effective Date. The Continuing Fractional Holder will be obligated to pay 95% of the premium payments and Policy expenses allocable to the Fractional Interest with respect to which the Election was made. Upon maturity of a Policy, holders of Continuing Fractional Interests relating to the Policy will be entitled to receive the Policy proceeds allocable to each such Continuing Fractional Interest held (*i.e.,* 95% of the proceeds payable with respect to each original Fractional Interest relating to the Policy with respect to which a Continuing Holder Election was made), subject to the terms of the Maturity Funds Facility. The Policy proceeds paid to a Continuing Fractional Holder will be reduced by (1) the Servicing Fee payable with respect to each such Continuing Fractional Interest, and (2) any premium amount paid by the Position Holder Trust prior to the date of death with respect to the Continuing Fractional Interest that is not refunded as a result of the maturity.

Upon the occurrence of a Payment Default with respect to a Continuing Fractional Interest, the Continuing Fractional Holder will be deemed to have made a Position Holder Trust Election as to such Continuing Fractional Interest at a discount of 20%, effective as of the Payment Default Date. Accordingly, upon such Payment Default, the Continuing Fractional Interest automatically will be deemed contributed to the Position Holder Trust in exchange for a Position Holder Trust Interest as so discounted, without any further notice from or other action by the Servicing Company, the Position Holder Trust or any other Person, and the Position Holder Trust Interest will be transferred to the holder. In April 2017, the Bankruptcy Court modified the consequence of Payment Defaults on premiums billed in December 2016, as well as the next premium bill for each Continuing Fractional Interest, by waiving the discount otherwise required for the deemed contribution. The failure to pay any other future premium calls, however, will result in the deemed contribution of the Continuing Fractional Interest at the established discount.

The Plan provides that distributions of the maturity proceeds allocable to outstanding Continuing Fractional Interests in a Policy that matures after the Effective Date be made within a reasonable time of the date that they are deposited in the Maturity Escrow Account, subject to the Maturity Funds Facility, which permits the Trust to borrow the cash proceeds paid under the terms of any Policy that matures. Any such distributions by the Registrants are subject to certain restrictions under the Vida Financing Agreements.

Item 12. Indemnification of Directors and Officers

The Plan provides that the Registrants shall indemnify and hold harmless the Trustee, the IRA Partnership Manager and their agents, representatives, professionals, and employees from and against and in respect of any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Position Holder Trust or the implementation or administration of this Plan; provided, however, that no such indemnification will be made to such persons or entities for such actions or omissions as a result of willful misconduct, gross negligence, or fraud.

In addition, the Plan provides that the Position Holder Trust or the IRA Partnership, as the case may be, shall indemnify and hold harmless its Governing Trust Board or Advisory Board, and its members, designees, and professionals, and any duly designated agent or representative thereof (in their capacity as such), from and against and in respect to any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions with respect to the Position Holder Trust or the IRA Partnership or the implementation or administration of the Plan, including without limitation their actions or omissions as members of the Advisory Committee; provided, however, that no such indemnification will be made to such persons for such actions or omissions as a result of willful misconduct, gross negligence or fraud.

The Position Holder Trust Agreement further provides that the Governing Trust Board and its members shall be covered by fiduciary insurance maintained by the Registrant and sufficient to satisfy the Registrant's obligations to indemnify the Governing Trust Board and its members, including the Position Holder Trust's obligations to indemnify the Governing Trust Board and its members in their capacity as members of the Advisory Committee. The Registrant shall indemnify, hold harmless and advance expenses to the Governing Trust Board and its members, agents, representatives, professionals, and employees from and against and in respect to any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited, to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Position Holder Trust or the IRA Partnership; provided, however, that no such indemnification will be made to such persons for such actions or omissions as a result of willful misconduct, gross negligence or fraud.

The Position Holder Trust Agreement also grants power to the Trustee to purchase, at the expense of the Registrant, errors and omissions insurance with regard to any liabilities, losses, damages, claims, costs and expenses it may incur, including but not limited to attorneys' fees, arising out of or due to its actions or omissions or consequences of such actions or omissions, other than as a result of its fraud, gross negligence or willful misconduct, with respect to the implementation of the Position Holder Trust Agreement.

Item 13. Financial Statements and Supplementary Data.

Index to Financial Statements

Unaudited Financial Statements for the Six Months Ended June 30, 2017

LIFE PARTNERS POSITION HOLDER TRUST
BALANCE SHEETS
JUNE 30, 2017 and DECEMBER 31, 2016

	June 30, 2017 (unaudited)	December 31, 2016
Assets		
Cash	$ 625,523	$ 23,927,247
Maturity escrow held by third party	7,474,287	6,881,784
Maturities receivable	37,580,250	7,386,420
Premiums receivable, net	—	661,878
Prepaids and other assets	68,710	164,867
Restricted cash and cash equivalents	59,252,693	79,522,890
Life insurance policies	273,147,684	263,579,040
Total assets	**$378,149,147**	**$382,124,126**
Liabilities		
Notes payable	$ 94,048,152	$ 94,010,671
Assumed tax liability	3,327,100	4,102,099
Creditor trust funding	5,000,000	10,000,000
Premium liability	35,726,765	25,776,263
Pre-effective maturity liabilities	17,238,181	38,026,076
Accounts payable	3,633,676	200,072
Assumed liabilities	18,263	5,741,922
Accrued expenses	1,094,491	517,469
Commitments and contingencies (Note 2)		
Total liabilities	**160,086,628**	**178,374,572**
Net assets	**$218,062,519**	**$203,749,554**

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2017
(unaudited)

Income	
Change in fair value of life insurance policies	$22,677,434
Total income	**22,677,434**
Expenses	
Interest expense	3,617,643
Insurance	10,480
Legal fees	2,834,517
Professional fees	1,359,315
Other general and administrative	542,514
Total expenses	8,364,469
Net increase in net assets resulting from operations	**$14,312,965**

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF CHANGES IN NET ASSETS
SIX MONTHS ENDED JUNE 30, 2017
(unaudited)

Net assets, beginning of period	$203,749,554
Net increase in net assets resulting from operations	14,312,965
Net assets, end of period	**$218,062,519**

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2017
(unaudited)

Cash flows from operating activities:	
Net increase in net assets resulting from operations	$ 14,312,965
Adjustments to reconcile net increase in net assets to net cash used in operations:	
Change in fair value of life insurance policies	(22,677,434)
Change in assets and liabilities:	
Maturity escrow held by third party	(592,503)
Prepaids and other assets	96,157
Premiums receivable, net	661,878
Maturities receivable	(454,093)
Assumed tax liability	(774,999)
Pre-effective maturity liabilities	(20,787,895)
Creditor trust funding	(5,000,000)
Premiums payable	9,950,502
Accounts payable	3,433,604
Accrued expenses	614,503
Assumed liabilities	(5,723,659)
Net cash flows used in operating activities	**(26,940,974)**
Cash flows used in investing activities:	
Premiums paid on life insurance policies	(18,417,324)
Proceeds from maturities of life insurance policies	1,786,377
Net cash flows used in investing activities	**(16,630,947)**
Net (decrease) in cash	**(43,571,921)**
Cash, beginning of period	103,450,137
Cash, end of period	**$ 59,878,216**
Supplemental cash flow information:	
Cash	$ 625,523
Restricted cash and cash equivalents	59,252,693
Total cash	**$ 59,878,216**
Supplemental cash flow information:	
Cash paid for interest	$ 3,419,220

LIFE PARTNERS POSITION HOLDER TRUST
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2017 and DECEMBER 31, 2016
(unaudited)

Note 1 - Operations and Significant Accounting Policies

Operations

Life Partners Position Holder Trust (the ''Trust'') was created on December 9, 2016, pursuant to the Revised Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., *et al.* (the ''Debtors''), dated as of October 27, 2016, which we call the ''Plan,'' that was confirmed by order of the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division on November 1, 2016. Life Partners Holdings, Inc. was the parent company of Life Partners, Inc., a Texas corporation, and its wholly-owned subsidiary LPI Financial Services, Inc., a Texas corporation. From 1991 until 2014, Life Partners, Inc. was a specialty financial services company engaged in the business of purchasing individual life insurance policies from third parties by raising money from the offer and sale to investors of ''fractional interests'' in such policies. LPI Financial Services, Inc. was organized to bill and collect certain fees charged to investors in connection with the business. Life Partners and LPI Financial Services also filed for protection under Chapter 11 of the Bankruptcy Code.

In connection with its formation and the inception of its activities on December 9, 2016, the Trust issued a total of 1,012,355,948 units of beneficial interest (the ''Units'') to the fractional interest holders having claims in the Debtors bankruptcy, pursuant to the Plan. Each fractional interest holder received a Unit for each dollar of expected death benefit such holder contributed to the Trust. As of June 30, 2017 and December 31, 2016, there were 10,519 and 12,243 holders of the 1,056,832,881 and 1,012,364,792 Units outstanding, respectively. The Trust owns a portfolio of life insurance policies; a portion of the policies is encumbered by the economic interest of continuing fractional interest holders. The Trust's portion of the portfolio consists of 3,214 and 3,252 life insurance policies, with fair values of $273.1 million and $263.6 million and an aggregate face value of approximately $1.3 billion and $1.3 billion at June 30, 2017 and December 31, 2016, respectively. The fair value of the interests in the life insurance policies owned by continuing fractional interest holders are not reflected in the financial statements of the Trust.

Summary of Significant Accounting Policies

Basis of Presentation

The Trust's primary purpose is the liquidation of the Trust's assets and the distribution of proceeds to its beneficial interest holders. The Trust expects that fulfilling its purpose requires a significant amount of time, and that the Trust will have significant ongoing operations during that period due to the nature of its assets and its plan to maximize the proceeds to its beneficiaries by maintaining the majority of its life insurance policies until maturity. As a result, the Trust has concluded that its liquidation is not imminent, in accordance with the definitions under accounting principles generally accepted in the United States of America, and has not applied the liquidation basis of accounting in presenting its financial statements. The Trust will continue to evaluate its operations to determine when its liquidation becomes imminent and the liquidation basis of accounting is required.

Investments in Life Insurance Policies

The Trust accounts for its interests in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Insurance Contracts*. The Trust initially recognized the life insurance policies transferred at its inception at their fair market value on December 9, 2016 and the Trust will estimate the fair value of its life insurance policies and recognize changes therein at each subsequent reporting period.

Fair Value of Life Insurance Policies

The Trust follows ASC 820, *Fair Value Measurements and Disclosures*, in estimating the fair value of its life insurance policies, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

Note 1 - Operations and Significant Accounting Policies - (Continued)

As a basis for considering such assumptions, the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Trust's investments in life insurance policies are considered to be Level 3 as there is currently no active market where the Trust is able to observe quoted prices for identical assets and the Trust's valuation model incorporates significant inputs that are not observable.

The Trust's valuation of life insurance policies is a critical estimate within the financial statements. The Trust currently uses a probabilistic method of valuing life insurance policies, which the Trust believes to be the preferred valuation method in its industry. The Trust calculates the assets' fair value using a present value technique to estimate the fair value of the projected future cash flows. The most significant assumptions in estimating the fair value are the Trust's estimate of the insureds' life expectancy and the discount rate. See Note 6, ''Fair Value Measurements''.

Income Recognition

The Trust's investments in life insurance policies are its primary source of income. Gain or loss is recognized from ongoing changes in the portfolio's estimated fair value, including any gains or losses at maturity. Gains or losses from maturities are recognized at receipt of a death notice or verified obituary for an insured party, and determined based on the difference between the death benefit and the estimated fair value of the policy at maturity.

Premiums Receivable

The Trust assumed the Debtors' receivables related to life insurance policy premiums and service fees that were paid by the Debtors on behalf of fractional interest holders prior to the Trust's effective date. After December 9, 2016, the policy premiums allocable to continuing fractional interest holders are those persons' obligations and not the Trust. If a continuing fractional interest holder defaults on future premium obligations, such position is deemed contributed to the Trust in exchange for the number of Units provided by the Plan, as recently modified by the Bankruptcy Court

The Trust maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect premiums and service fees receivable. Such estimates are based on the position holder's payment history and other indications of potential uncollectability. After all attempts to collect a receivable have failed, receivables are written off against the allowance. At June 30, 2017 and December 31, 2016, the allowance for doubtful accounts was $5.0 million, all of which was for receivables assumed from the Debtors on the effective date. Outstanding receivable balances may be recoverable pursuant to the Trustee's set-off rights under the Plan.

Maturities Receivable

Maturities receivable consist of the Trust's portion of life insurance policy maturities that occurred but payment was not yet received.

Income Taxes

No provision for state or Federal income taxes has been made as the liability for such taxes is attributable to the Unit holders rather than the Trust. The Trust is a grantor trust with taxable income or loss passing through to the Unit holders. In certain instances, however, the Trust may be required under applicable state laws to remit directly to state tax authorities amounts otherwise due to Unit holders. Such payments on behalf of the Unit holders are deemed distributions to them.

The Financial Accounting Standards Board (the ''FASB'') has provided guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the

Note 1 - Operations and Significant Accounting Policies - (Continued)

evaluation of tax positions taken or expected to be taken in the course of preparing the Trust's tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable taxing authority. The Trust has no material uncertain income tax positions as of June 30, 2017 or December 31, 2016.

The Trust also assumed income tax liabilities of the Debtors at its inception which total approximately $2.9 million as of June 30, 2017 and December 31, 2016 related to taxes, penalties, and interest from the Debtors' 2008, 2009 and 2010 income tax returns. These obligations bear interest at 4% annually and are due in full by January 2020.

Use of Estimates

The preparation of these financial statements, in conformity with generally accepted accounting principles in the United States of America (''GAAP''), requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material. The estimates related to the valuation of the life insurance policies represent significant estimates made by the Trust.

Risks and Uncertainties

The Trust encounters economic, legal, and longevity risk. The two main components of economic risk potentially impacting the Trust are market risk and concentration of credit risk. The Trust's market risks include interest rate risk and the risk of declines in valuation of the Trust's life insurance policies, including declines caused by the selection of increased discount rates associated with the Trust's fair value model. It is reasonably possible that future changes to estimates involved in valuing life insurance policies could change and result in material effects to the future financial statements. Concentration of credit risk is the risk that an insurance carrier who has issued life insurance policies held by the Trust, does not remit the amount due under those policies due to the deteriorating financial condition of the carrier or otherwise. Another credit risk potentially impacting the Trust is the risk continuing fractional holders may default on their future premium obligations, increasing the Trust's premium liability.

There exists a legal risk courts would allow insurance carriers to retain premiums paid by the Trust in respect of insurance policies that are successfully rescinded or contested. In addition, our title or right to benefit from an insurance policy may be challenged by the insurer or the insured's family.

Longevity risk refers to the reasonable possibility that actual mortalities of insureds in the Trust's portfolio extend over longer periods than are anticipated, resulting in the Trust paying more for premiums.

The Trust maintains the majority of its cash in several accounts with a commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation (''FDIC''). However, from time to time the Trust's balances may exceed the FDIC insurable amount at its banks.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses primarily include professional services, legal fees and expected litigation settlements, some of which are obligations assumed by the Trust that were incurred prior to the effective date of the Trust. The Trust also accrues liabilities for state taxes payable and other miscellaneous accruals. The Trust accrues liabilities when costs are incurred and such costs can be reasonably estimated. Accrued expenses related to the Debtors' bankruptcy are included in assumed liabilities on the accompanying balance sheet.

Note 1 - Operations and Significant Accounting Policies - (Continued)

Creditors' Trust Funding Liability

Pursuant to the Plan, in December 2016 and January 2017, the Trust contributed $2 million and $5 million respectively, to the Creditor's Trust that was also established contemporaneously under the Plan. As of June 30, 2017, the Trust was obligated to fund an additional $5 million and the remaining balance is due in full in January 2018.

Premium Liability

As of June 30, 2017 and December 31, 2016, the Trust holds $35.7 million and $25.8 million, respectively, in escrow for future payment of the continuing fractional holders' premium obligations. To the extent that these funds are not used for premium payments, they are refundable to the respective continuing fractional holder.

Pre-Effective Maturity Liabilities

On December 9, 2016, the Trust received funds related to maturities that occurred prior to the formation of the Trust. These funds are recognized as a liability on the accompanying balance sheet as pre-effective maturity liabilities owed to the fractional interest holders. Additionally, the Trust has recorded a receivable for maturities that occurred prior to December 9, 2016 where proceeds were not received as of that date. This receivable was $0 and $9.0 million as of June 30, 2017 December 31, 2016 and is included in pre-effective maturity liabilities on the accompanying balance sheet.

Description of Securities

Units represent beneficial interests in the Trust, and all holders of Units are entitled to receive cash distributions from the Trust in accordance with their respective pro rata shares. A Trust beneficiary's respective ''Pro Rata Share'' means the ratio, expressed as a percentage, of (i) the number of Units which such Trust Beneficiary is the registered owner, to (ii) the total number of Units outstanding as of the measurement date, subject to modification for purposes of distributing any recovered assets.

Initial units of Position Holder Trust Interest were issued on the basis of one (1) Unit for each $1 of death benefit payable (rounded to the nearest dollar) associated with the ownership of Fractional Positions. Subsequent issuances of Units will be issued to continuing fractional interest holders (''CFH'') if they default on their premium payment obligations. Such Units will be issued in exchange for the defaulting CFH position, in accordance with the basis and discounts delineated in the Plan, as recently modified by the Bankruptcy Court. Each Unit holder has the same rights with respect to each Unit as every other Unit holder.

Unit holders do not have any voting rights under the Position Holder Trust Agreement with respect to the appointment of any successor to the Trustee, filling any vacancy on the Governing Trust Board or any action to be taken by the Position Holder Trust, including without limitation whether the duration of the Trust should be extended after the end of the initial 10-year term. Unit holders have no liability for the debts and other obligations of the Position Holder Trust and bear no expenses in connection with the organization and administration of the Trust. The Trust is a pass-through tax entity and its Unit holders may be allocated taxable income without a matching cash distribution, leading to an unfunded tax obligation. The Trust has the right, but not the obligation, to offset against any distributions allocated to any Unit holder in an amount equal to all unpaid amounts owed by the holder, including all unpaid amounts owed for catch-up payments, pre-petition default amounts and post-effective date payment defaults.

Under the Plan, the Trustee will distribute at least annually to the Unit holders all of the distributable cash (as defined in the Position Holder Trust Agreement) generated during each calendar year, subject to any reserve established by the Trustee reasonably necessary to maintain the value of the Registrant's assets or to meet claims and contingent liabilities. All distributions by the Trust will be made in accordance with such holder's Pro Rata share of the outstanding Units.

Note 1 - Operations and Significant Accounting Policies - (Continued)

Continuing Fractional Interests

The continuing fractional interest of a fractional interest holder who made a continuing holder election will represent 95% of the beneficial ownership associated with the Fractional Interest with respect to which the Election was made, with the other 5% comprising the Continuing Position Holder Contribution made to the Position Holder Trust on the Effective Date. The CFH is obligated to pay 95% of the premium payments and policy expenses allocable to the fractional interest. Upon maturity of a Policy, the CFH with positions in the Policy will be entitled to receive the Policy proceeds allocable to each such continuing fractional interest held. The Policy proceeds paid to a CFH will be reduced by (1) the servicing fee payable with respect to each such continuing fractional interest, and (2) any premium amount paid by the Trust prior to the date of death with respect to the continuing fractional interest that is not refunded as a result of the maturity.

Upon the occurrence of a payment default with respect to a continuing fractional interest, the CFH will be deemed to have contributed the position to the Trust at a discount of 20%, effective as of the payment default date.

Recently Issued Accounting Pronouncements

In November 2016, the FASB issued guidance under the Account Standards Update (''ASU'') 2016-18, Statement of Cash Flows: Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Trust elected to adopt this provision early, and this adoption did not have a material impact on the Trust's financial statements.

In May 2014, the Financial Accounting Standards Board (''FASB'') issued Accounting Standards Update (''ASU'') No. 2014-09, ''Revenue from Contracts with Customers,'' which converges the FASB and the International Accounting Standards Board (''IASB'') standard on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. In April 2015, the FASB voted to defer the effective date of the new revenue recognition standard by one year. As a result, the provisions of this ASU are now effective for interim and annual periods beginning after December 15, 2017. The Trust does not expect that this guidance will have a material impact on its financial position, results of operations or cash flows.

Note 2 - Commitments and Contingencies

Litigation

In accordance with applicable accounting guidance, the Trust establishes an accrued liability for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. When a loss contingency is not both probable and estimable, the Trust does not establish an accrued liability. As a litigation or regulatory matter develops, the Trust, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. If, at the time of evaluation, the loss contingency related to a litigation or regulatory matter is not both probable and estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and estimable. When a loss contingency related to a litigation or regulatory matter is deemed to be both probable and estimable, the Trust will establish an accrued liability with respect to such loss contingency and record a corresponding amount of litigation-related expense. The Trust will then continue to monitor the matter for further developments that could affect the amount of any such accrued liability.

Indemnification of Certain Persons

Under certain circumstances, the Trust may be required to indemnify certain persons performing services on behalf of the Trust for liability they may incur arising out of the indemnified persons' activities conducted on

Note 2 - Commitments and Contingencies (Continued)

behalf of the Trust. There is no limitation on the maximum potential payments under these indemnification obligations, and, due to the number and variety of events and circumstances under which these indemnification obligations could arise, the Trust is not able to estimate such maximum potential payments. The Trust has not made any payments under such indemnification obligations, and no amount has been accrued in the accompanying financial statements for these indemnification obligations of the Trust.

Note 3 - Restricted Cash and Cash Equivalents

The Plan imposes restrictions on the Trust to maintain certain funds in segregated accounts. As of June 30, 2017, and December 31, 2016, the Trust has approximately $11.7 million and $26.2 million, respectively, in the pre-effective maturity escrow account which are distributable to the fractional interest holders in those policies that matured prior to the Plan becoming effective. The Plan further requires the Trust to maintain certain premium reserves in a segregated account, as of June 30, 2017 and December 31, 2016 those reserves were approximately $9.6 million and $27.5 million, respectively. The Trust also maintains escrow accounts on behalf of the continuing fractional interest holders from which to fulfill their premium obligations, as of June 30, 2017 and December 31, 2016, the Trust held approximately $35.6 million and $25.8 million, respectively, on their behalf. In addition, the Trust held $2.4 million and $0 million, as of June 30, 2017 and December 31, 2016, respectively, of restricted cash as collateral for certain loan obligations. See Note 1 premium liability.

Note 4 - Life Insurance Policies

As of June 30, 2017, the Trust owns an interest in 3,214 policies of which 637 are life settlement policies and 2,577 are viaticals (the ‘‘PHT Portfolio’’). The PHT Portfolio’s aggregate face value is $1.3 billion as of June 30, 2017 of which $1.10 billion is attributable to life settlements and $190.2 million is attributable to viaticals. The PHT Portfolio’s aggregate fair value is $273.1 million as of June 30, 2017 of which $271.7 million is attributable to life settlements and $1.4 million is attributable to viaticals. The weighted average life expectancy calculated based on death benefit of insureds in the policies owned by the Trust at June 30, 2017 was 7.4 years.

As of December 31, 2016, the Trust owned an interest in 3,252 policies of which 654 are life settlement policies and 2,598 are viaticals (the ‘‘PHT Portfolio’’). The PHT Portfolio’s aggregate face value is $1.3 billion as of December 31, 2016 of which $1.12 billion is attributable to life settlements and $191.2 million is attributable to viaticals. The PHT Portfolio’s aggregate fair value is $263.6 million as of December 31, 2016 of which $261.6 million is attributable to life settlements and $2.0 million is attributable to viaticals. The weighted average life expectancy calculated based on death benefit of insureds in the policies owned by the Trust at December 31, 2016 was 7.0 years.

Note 4 - Life Insurance Policies - (Continued)

Life expectancy reflects the probable number of years remaining in the life of a class of persons determined statistically, affected by such factors as heredity, physical condition, nutrition, and occupation. It is not an estimate or an indication of the actual expected maturity date or indication of the timing of expected cash flows from death benefits. See ''Life Insurance policies,'' in Note 6, ''Fair Value Measurements''. The following tables summarizes the Trust's life insurance policies grouped by remaining life expectancy as of June 30 ,2017 and December 31, 2016:

As of June 30, 2017:

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Fair Value
0-1	25	$ 43,662,832	$ 35,877,253
1-2	34	65,812,248	42,593,268
2-3	64	57,652,355	26,723,627
3-4	60	89,967,962	31,979,266
4-5	106	161,584,054	40,743,364
Thereafter	2,925	839,381,791	95,230,906
Total	3,214	$1,258,061,242	$273,147,684

As of December 31, 2016:

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Fair Value
0-1	19	$ 26,906,072	$ 22,344,600
1-2	29	59,109,822	38,672,708
2-3	60	53,027,573	26,251,734
3-4	59	95,930,412	35,577,890
4-5	86	112,725,236	29,193,315
Thereafter	2,999	942,298,899	111,538,793
Total	3,252	$1,289,998,014	$263,579,040

Estimated premiums to be paid by the Trust for its portfolio during each of the five succeeding fiscal years and thereafter as of June 30, 2017, are as follows:

2017	$ 18,673,476
2018	42,754,306
2019	49,113,393
2020	50,098,676
2021	46,174,012
Thereafter	204,244,172
Total	**$411,058,035**

Note 4 - Life Insurance Policies - (Continued)

The amount of $411.1 million represents the estimated total future premium payable by the Trust. The Trust is required to pay its portion to keep the life insurance policies in force during the life expectancies of all the underlying insured lives. The estimated total future premium payments could increase or decrease significantly to the extent that insurance carriers increase the cost of insurance on their issued policies or that actual mortalities of insureds differs from the estimated life expectancies. If the continuing fractional holders default on their future premium obligations, the Trust's premium liability may increase.

The Trust anticipates funding the estimated premium payments from maturities of life insurance policies. It also maintains premium reserves and access to lines of credit.

Note 5 - Notes Payable

On December 9, 2016, the Trust obtained a term loan from Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc., for $55.0 million. Interest accrues at 11% of outstanding balance per annum and is paid quarterly. Principal is due in full on December 9, 2018 but is not subject to a prepayment penalty. Substantially all of the Trust's assets collateralize the loan. As of June 30, 2017 and December 31, 2016, the outstanding balance was $55.0 million.

On December 9, 2016, the Trust entered into a revolving line of credit with Vida Longevity Fund, LP, an affiliate of Vida Capital, Inc., for $25.0 million. Interest accrues at 11% of outstanding balance and is paid quarterly. The line of credit matures on December 9, 2018, at which point any amount outstanding is due in full. As of June 30, 2017 and December 31, 2016, no amounts have been drawn on the line of credit.

In accordance with the Plan, the Trust issued notes totaling approximately $36.5 million in exchange for claims against the Debtor's estate and the incidental interests in life insurance policies. Those policies collateralize the Trust's obligations under the notes. Interest accrues at 3% of outstanding balance and is paid annually in December. Principal is due in full on December 9, 2031. In accordance with the note, beginning in December 2017, the Trust is required to make annual payments to a sinking fund to pay future interest and principal. As of June 30, 2017 and December 31, 2016, the outstanding balance was $36.5 million.

On March 28, 2017, the Trust, was ordered to pay the Chapter 11 trustee's fees totaling $5.5 million. The first payment of $2.8 million was due promptly after the Court order on March 28, 2017 and is included in accounts payable on the accompanying statement of assets and liabilities. The remaining balance is in the form of a note payable in the amount of $2.8 million and is due in three equal annual payments on January 1 beginning in 2019. The note does not bear interest as ordered by the Court, thus the note has been discounted by $0.2 million, based on an implied interest rate of 3% as of December 31, 2016. As of June 30, 2017 and December 31, 2016, the outstanding balance was $2.6 million.

Future scheduled principal payments on the above notes payable and required sinking fund contributions are as follows as of June 30, 2017:

Year ending December 31:	Sinking Fund	Notes Payable
2017	$ 2,432,886	$ —
2018	2,432,886	55,000,000
2019	2,432,886	916,667
2020	2,432,886	916,667
2021	2,432,886	916,666
Thereafter	24,328,868	36,493,298
	$36,493,298	**$94,243,298**

Note 6 - Fair Value Measurements

The Trust carries its life insurance policies at fair value. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are classified based on the following fair value hierarchy:

Level 1 - Valuation is based on unadjusted quoted prices in active markets for identical assets and liabilities that are accessible at the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is determined from pricing inputs that are other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. Observable inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Valuation is based on inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value generally require significant management judgment or estimation.

The balances of the Trust's assets measured at fair value on a recurring basis as of June 30, 2017 and December 31, 2016, are as follows:

As of June 30, 2017:

	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Investment in life insurance policies	$—	$—	$273,147,684	$273,147,684
	$—	**$—**	**$273,147,684**	**$273,147,684**

As of December 31, 2016:

	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Investment in life insurance policies	$—	$—	$263,579,040	$263,579,040
	$—	**$—**	**$263,579,040**	**$263,579,040**

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at 6/30/2017	Face value at 6/30/2017	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Life insurance policies	$273,147,684	$1,258,061,241	Discounted cash flow	Discount rate	25.14%-31.72%
				Life expectancy evaluation	89.3 months

	Fair Value at 12/31/16	Face value at 12/31/16	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Life insurance policies	$263,579,040	$1,289,998,014	Discounted cash flow	Discount rate	24.74%-31.74%

Note 6 - Fair Value Measurements - (Continued)

Fair Value at 12/31/16	Face value at 12/31/16	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
			Life expectancy evaluation	83.8 months

Following is a description of the methodologies used to estimate the assets' fair value measured on a recurring basis and within the above fair value hierarchy.

The Portfolio was valued using a probabilistic approach, which is actuarially based. This approach fits the Portfolio's cash flows (premium payments and death benefits) to a monthly mortality scale as generated by each insured's specific life expectancy. This mortality scale is actuarially rolled forward from the life expectancy underwriting date to the valuation date. This mathematical approach is substantially the same as actuaries customarily use in the pricing of life insurance and annuities. The Trust discounted the monthly cash flows with interest and survivorship back to the valuation date of December 31, 2016, to arrive at the Portfolio's estimated value.

The valuations presented here are net of a 2.65% servicing fee payable under the Plan. The Trust utilized each Policy's ''optimized'' premium. The Trust relied on life expectancy values provided by its servicing company that were in turn provided to it from qualified industry experts. If a particular Policy did not have a life expectancy, the Trust used the Society of Actuaries' 2015 Valuation Basic Tables, smoker distinct mortality tables developed by the U.S. Society of Actuaries (the ''2015 VBT'') to obtain the average probability of death for similarly categorized persons and applied mortality multipliers by type/gender, to arrive at an estimated life expectancy for the insured. The mortality multipliers used are: 100% for the life settlement males, 100% for the life settlement females and 350% for the viaticals regardless of gender. The 2015 VBT are created based on the expected rates of death among different groups categorized by factors such as age and gender.

If the insured dies earlier than expected, the return will be higher than if the insured dies when expected or later than expected. The Trust's estimates allow for the possibility that if the insured dies earlier than expected, the premiums needed to keep the policy in force will not have to be paid. Conversely, the calculation also considers the possibility that if the insured lives longer than expected, more premium payments will be necessary.

Life expectancy estimates are a significant input in the fair value determination. Future changes in the life expectancy estimates could have a material effect on the Portfolio's fair value, which could have a material effect on its financial condition and results of operations. Life expectancy estimates for insureds over the age of 90 years are less reliable than estimates for younger persons, due to the relative lack of statistical information as to the health and mortality expectations for those over the age of 90 years. Accordingly, there is a correspondingly lower statistical basis for relying on life expectancy estimates based on medical underwriting for insureds in that age group. In addition, the average probability of death calculated in the 2015 VBT for those 90 years or older has less statistical reliability than the average probability of death calculations for younger persons. Nevertheless, the majority of industry participants continue to rely on medical underwriting and the 2015 VBT for all age ranges, including 90 and over. As the average age of the insureds for the life settlements in the Portfolio is 89 years, the Trust will continue to evaluate its ongoing reliance on the 2015 VBT and life expectancies based on medical underwriting and make adjustments to its underlying assumptions as actuarial knowledge regarding this population advances.

Note 6 - Fair Value Measurements - (Continued)

Life expectancy sensitivity analysis

The table below reflects the effect on the PHT Portfolio's fair value if the actual life expectancy experienced is 5% less or 5% more than is currently estimated. If the life expectancy estimate increases by 5% or decreases by 5%, the change in estimated fair value of the life insurance policies as of June 30, 2017 and December 31, 2016 would be as follows:

As of June 30, 2017

Life Expectancy Months Adjustment	Average life expectancy	Value	Change in Value
- 5%		$287,382,603	$ 14,234,919
No change	7.4 years	$273,147,684	$ —
+ 5%		$258,293,629	$(14,854,055)

As of December 31, 2016

Life Expectancy Months Adjustment	Average life expectancy	Value	Change in Value
- 5%		$277,276,497	$ 13,697,457
No change	7.0 years	$263,579,040	$ —
+ 5%		$249,069,410	$(14,509,630)

Discount rate

The discount rate is another significant input in the fair value determination. The Trust's estimate incorporates market factors, the size of the portfolio, and various policy specific quantitative and qualitative factors including known information about the underlying insurance policy, its economics, the insured and the insurer.

The effect of changes in the weighted average discount rate on the death benefit and premiums used to estimate the PHT Portfolio's fair value has been analyzed. If the weighted average discount rate increased or decreased by 2 percent and the other assumptions used to estimate fair value remained the same, the change in estimated fair value as of June 30, 2017 and December 31, 2016 would be as follows:

As of June 30, 2017

Rate Adjustment	Value	Change in Value
+2%	$260,335,539	$(12,812,145)
No change	$273,147,684	$ —
-2%	$287,347,174	$ 14,199,490

As of December 31, 2016

Rate Adjustment	Value	Change in Value
+2%	$250,218,915	$(13,360,125)
No change	$263,579,040	$ —
-2%	$278,442,322	$ 14,863,282

Future changes in the discount rates used by the Trust to value life insurance policies could have a material effect on the Trust's yield on life settlement transactions, which could have a material adverse effect on the Trust's financial condition and results of operations.

The Trust re-evaluates its discount rates at the end of every reporting period in order to estimate the discount rates that could reasonably be used by market participants in a transaction involving the Trust's life insurance policies. In doing so, the Trust engages third party consultants to corroborate its assessment, engages in discussions with other market participants and extrapolates the discount rate underlying actual sales of insurance policies.

Note 6 - Fair Value Measurements - (Continued)

Credit Exposure to Insurance Companies

The following table provides information about the life insurance issuer concentrations that exceed 10% of total death benefit or 10% of total fair value of the Trust's life insurance policies as of June 30, 2017:

Carrier	Percentage of Face Value	Percentage of Fair Value	Carrier Rating
The Lincoln National Life Insurance	11.4%	14.4%	A+
John Hancock Life Insurance (USA)	7.4%	11.1%	A+
Transamerica Financial Life Insurance	9.1%	10.9%	A+

Changes in Fair Value

The following table provides a roll-forward in the changes in fair value for the period ended June 30, 2017, for the Trust's life insurance policies:

Balance at December 31, 2016	$263,579,040
Change in fair value	22,677,434
Matured policies, net of fees	(31,526,114)
Premiums paid	18,417,324
Balance at June 30, 2017	$273,147,684
Changes in fair value included in earnings for the period relating to assets held at June 30, 2017	$ (3,609,173)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustee and Governing Trust Board
Life Partners Position Holder Trust

We have audited the accompanying balance sheet of Life Partners Position Holder Trust (the ''Trust'') as of December 31, 2016 and the related statement of operations, changes in net assets, and cash flows for the period December 9, 2016 (inception) through December 31, 2016. Life Partners Position Holder Trust's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Partners Position Holder Trust as of December 31, 2016 and the results of its operations and its cash flows for the period December 9, 2016 (inception) through December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

Auburn Hills, Michigan
August 31, 2017

LIFE PARTNERS POSITION HOLDER TRUST
BALANCE SHEET
DECEMBER 31, 2016

Assets	
Cash	$ 23,927,247
Maturity escrow held by third party	6,881,784
Maturities receivable	7,386,420
Premiums receivable, net	661,878
Prepaids and other assets	164,867
Restricted cash and cash equivalents	79,522,890
Life insurance policies	263,579,040
Total assets	**$382,124,126**
Liabilities	
Notes payable	$ 94,010,671
Assumed tax liability	4,102,099
Creditor trust funding	10,000,000
Premium liability	25,776,263
Pre-effective maturity liabilities	38,026,076
Accounts payable	200,072
Assumed liabilities	5,741,922
Accrued expenses	517,469
Commitments and contingencies (Note 2)	
Total liabilities	**178,374,572**
Net assets	**$203,749,554**

See accompanying notes to financial statements

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF OPERATIONS
PERIOD FROM INCEPTION (DECEMBER 9, 2016) TO DECEMBER 31, 2016

Income	
Change in fair value of life insurance policies	$2,559,020
Total income	**2,559,020**
Expenses	
Interest expense	741,855
Legal fees	728,198
Insurance	88,952
Professional fees	70,515
Other general and administrative	30,925
Total expenses	1,660,445
Net increase in net assets resulting from operations	**$ 898,575**

See accompanying notes to financial statements

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF CHANGES IN NET ASSETS
PERIOD FROM INCEPTION (DECEMBER 9, 2016) TO DECEMBER 31, 2016

Net assets, beginning of period	$ —
Contributed assets	478,504,933
Liabilities assumed	(275,653,954)
Net increase in net assets resulting from operations	898,575
Net assets, end of period	**$ 203,749,554**

See accompanying notes to financial statements

LIFE PARTNERS POSITION HOLDER TRUST
STATEMENT OF CASH FLOWS
PERIOD FROM INCEPTION (DECEMBER 9, 2016) TO DECEMBER 31, 2016

Cash flows from operating activities:	
Net increase in net assets resulting from operations	$ 898,575
Adjustments to reconcile net increase in net assets to net cash used in operations:	
Change in fair value of life insurance policies	(2,559,020)
Change in assets and liabilities:	
Maturity escrow held by third party	(6,881,784)
Prepaids and other assets	(10,587)
Premiums receivable, net	2,382,480
Maturities receivable	(183,744)
Pre-effective maturity liabilities	(98,098,679)
Accounts payable	198,750
Accrued expenses	517,469
Assumed liabilities	(27,720,460)
Net cash flows used in operating activities	**(131,457,000)**
Cash flows from financing activities:	
Contributed cash	207,083,599
Proceeds from issuance of notes payable	55,000,000
Payment of maturity funds facility	(27,176,462)
Net cash flows provided by financing activities	**234,907,137**
Net increase in cash	**103,450,137**
Cash, beginning of period	—
Cash, end of period	**$ 103,450,137**
Supplemental cash flow information:	
Cash	$ 23,927,247
Restricted cash	79,522,890
Total cash	**$ 103,450,137**
Cash paid for interest	$ 273,974

See accompanying notes to financial statements

LIFE PARTNERS POSITION HOLDER TRUST
NOTES TO FINANCIAL STATEMENTS
PERIOD FROM INCEPTION (DECEMBER 9, 2016) TO DECEMBER 31, 2016

Note 1 - Operations and Significant Accounting Policies

Operations

Life Partners Position Holder Trust (the ''Trust'') was created on December 9, 2016, pursuant to the Revised Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., *et al.* (the ''Debtors''), dated as of October 27, 2016, which we call the ''Plan,'' that was confirmed by order of the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division on November 1, 2016. Life Partners Holdings, Inc. was the parent company of Life Partners, Inc., a Texas corporation, and its wholly-owned subsidiary LPI Financial Services, Inc., a Texas corporation. From 1991 until 2014, Life Partners, Inc. was a specialty financial services company engaged in the business of purchasing individual life insurance policies from third parties by raising money from the offer and sale to investors of ''fractional interests'' in such policies. LPI Financial Services, Inc. was organized to bill and collect certain fees charged to investors in connection with the business. Life Partners and LPI Financial Services also filed for protection under Chapter 11 of the Bankruptcy Code.

In connection with its formation and the inception of its activities on December 9, 2016, the Trust issued a total of 1,012,355,948 units of beneficial interest (the ''Units'') to the fractional interest holders having claims in the Debtors bankruptcy, pursuant to the Plan. Each fractional interest holder received a Unit for each dollar of expected death benefit such holder contributed to the Trust. As of December 31, 2016, there were 12,243 holders of the 1,012,364,792 Units outstanding. The Trust owns a portfolio of life insurance policies; a portion of the policies is encumbered by the economic interest of continuing fractional interest holders. The Trust's portion of the portfolio consists of 3,252 life insurance policies, with a fair value of $263.6 million and an aggregate face value of approximately $1.3 billion at December 31, 2016. The fair value of the interests in the life insurance policies owned by continuing fractional interest holders are not reflected in the financial statements of the Trust.

A summary of contributed assets and liabilities assumed by the Trust on December 9, 2016 were as follows:

Contributed assets	
Cash	$207,083,599
Life insurance policies	267,769,937
Premiums receivable	3,044,358
Prepaids and other assets	607,039
	$478,504,933

Assumed liabilities	
Maturity funds facility	$ 27,176,462
Maturity liability	136,124,755
Premium escrow liability	25,776,263
Assumed tax liability	4,102,099
Notes payable	39,010,671
Creditor's trust funding	10,000,000
Assumed liabilities	33,462,382
Other	1,322
	$275,653,954

Summary of Significant Accounting Policies

Basis of Presentation

The Trust's primary purpose is the liquidation of the Trust's assets and the distribution of proceeds to its beneficial interest holders. The Trust expects that fulfilling its purpose requires a significant amount of time, and that the Trust will have significant ongoing operations during that period due to the nature of its assets and its plan to maximize the proceeds to its beneficiaries by maintaining the majority of its life insurance policies until

Note 1 - Operations and Significant Accounting Policies - (Continued)

maturity. As a result, the Trust has concluded that its liquidation is not imminent, in accordance with the definitions under accounting principles generally accepted in the United States of America, and has not applied the liquidation basis of accounting in presenting its financial statements. The Trust will continue to evaluate its operations to determine when its liquidation becomes imminent and the liquidation basis of accounting is required.

Investments in Life Insurance Policies

The Trust accounts for its interests in life insurance policies at fair value in accordance with ASC 325-30, *Investments in Insurance Contracts*. The Trust initially recognized the life insurance policies transferred at its inception at their fair market value on December 9, 2016 and the Trust will estimate the fair value of its life insurance policies and recognize changes therein at each subsequent reporting period.

Fair Value of Life Insurance Policies

The Trust follows ASC 820, *Fair Value Measurements and Disclosures*, in estimating the fair value of its life insurance policies, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

As a basis for considering such assumptions, the guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Trust's investments in life insurance policies are considered to be Level 3 as there is currently no active market where the Trust is able to observe quoted prices for identical assets and the Trust's valuation model incorporates significant inputs that are not observable.

The Trust's valuation of life insurance policies is a critical estimate within the financial statements. The Trust currently uses a probabilistic method of valuing life insurance policies, which the Trust believes to be the preferred valuation method in its industry. The Trust calculates the assets' fair value using a present value technique to estimate the fair value of the projected future cash flows. The most significant assumptions in estimating the fair value are the Trust's estimate of the insureds' life expectancy and the discount rate. See Note 6, ''Fair Value Measurements''.

Income Recognition

The Trust's investments in life insurance policies are its primary source of income. Gain or loss is recognized from ongoing changes in the portfolio's estimated fair value, including any gains or losses at maturity. Gains or losses from maturities are recognized at receipt of a death notice or verified obituary for an insured party, and determined based on the difference between the death benefit and the estimated fair value of the policy at maturity.

Premiums Receivable

The Trust assumed the Debtors' receivables related to life insurance policy premiums and service fees that were paid by the Debtors on behalf of fractional interest holders prior to the Trust's effective date. After December 9, 2016, the policy premiums allocable to continuing fractional interest holders are those persons' obligations and not the Trust. If a continuing fractional interest holder defaults on future premium obligations, such position is deemed contributed to the Trust in exchange for the number of Units provided by the Plan, as recently modified by the Bankruptcy Court.

The Trust maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect premiums and service fees receivable. Such estimates are based on the position holder's payment history

Note 1 - Operations and Significant Accounting Policies - (Continued)

and other indications of potential uncollectability. After all attempts to collect a receivable have failed, receivables are written off against the allowance. At December 31, 2016, the allowance for doubtful accounts was $5.0 million, all of which was for receivables assumed from the Debtors on the effective date. Outstanding receivable balances may be recoverable pursuant to the Trustee's set-off rights under the Plan.

Maturities Receivable

Maturities receivable consist of the Trust's portion of life insurance policy maturities that occurred but payment was not received as of December 31, 2016.

Income Taxes

No provision for state or Federal income taxes has been made as the liability for such taxes is attributable to the Unit holders rather than the Trust. The Trust is a grantor trust with taxable income or loss passing through to the Unit holders. In certain instances, however, the Trust may be required under applicable state laws to remit directly to state tax authorities amounts otherwise due to Unit holders. Such payments on behalf of the Unit holders are deemed distributions to them.

The Financial Accounting Standards Board (the ''FASB'') has provided guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Trust's tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable taxing authority. The Trust has no material uncertain income tax positions as of December 31, 2016.

The Trust also assumed income tax liabilities of the Debtors at its inception which total approximately $2.9 million as of December 31, 2016 related to taxes, penalties, and interest from the Debtors' 2008, 2009 and 2010 income tax returns. These obligations bear interest at 4% annually and are due in full by January 2020.

Use of Estimates

The preparation of these financial statements, in conformity with generally accepted accounting principles in the United States of America (''GAAP''), requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material. The estimates related to the valuation of the life insurance policies represent significant estimates made by the Trust.

Risks and Uncertainties

The Trust encounters economic, legal, and longevity risk. The two main components of economic risk potentially impacting the Trust are market risk and concentration of credit risk. The Trust's market risks include interest rate risk and the risk of declines in valuation of the Trust's life insurance policies, including declines caused by the selection of increased discount rates associated with the Trust's fair value model. It is reasonably possible that future changes to estimates involved in valuing life insurance policies could change and result in material effects to the future financial statements. Concentration of credit risk is the risk that an insurance carrier who has issued life insurance policies held by the Trust, does not remit the amount due under those policies due to the deteriorating financial condition of the carrier or otherwise. Another credit risk potentially impacting the Trust is the risk continuing fractional holders may default on their future premium obligations, increasing the Trust's premium liability.

There exists a legal risk courts would allow insurance carriers to retain premiums paid by the Trust in respect of insurance policies that are successfully rescinded or contested. In addition, our title or right to benefit from an insurance policy may be challenged by the insurer or the insured's family.

Note 1 - Operations and Significant Accounting Policies - (Continued)

Longevity risk refers to the reasonable possibility that actual mortalities of insureds in the Trust's portfolio extend over longer periods than are anticipated, resulting in the Trust paying more for premiums.

The Trust maintains the majority of its cash in several accounts with a commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation (''FDIC''). However, from time to time the Trust's balances may exceed the FDIC insurable amount at its banks.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses primarily include professional services, legal fees and expected litigation settlements, some of which are obligations assumed by the Trust that were incurred prior to the effective date of the Trust. The Trust also accrues liabilities for state taxes payable and other miscellaneous accruals. The Trust accrues liabilities when costs are incurred and such costs can be reasonably estimated. Accrued expenses related to the Debtors' bankruptcy are included in assumed liabilities on the accompanying balance sheet.

Creditors' Trust Funding Liability

Pursuant to the Plan, in December 2016 the Trust contributed $2 million to the Creditor's Trust that was also established contemporaneously under the Plan. As of December 31, 2016, the Trust was obligated to fund an additional $10 million. The Trust paid $5 million to the Creditor's Trust in January 2017. The remaining balance is due in full in January 2018.

Premium Liability

As of December 31, 2016, the Trust holds $25.8 million in escrow for future payment of the continuing fractional holders' premium obligations. To the extent that these funds are not used for premium payments, they are refundable to the respective continuing fractional holder.

Pre-Effective Maturity Liabilities

On December 9, 2016, the Trust received funds related to maturities that occurred prior to the formation of the Trust. These funds are recognized as a liability on the accompanying balance sheet as pre-effective maturity liabilities owed to the fractional interest holders. Additionally, the Trust has recorded a receivable for maturities that occurred prior to December 9, 2016 where proceeds were not received as of that date. This receivable is $9.0 million as of December 31, 2016 and is included in pre-effective maturity liabilities on the accompanying balance sheet.

Description of Securities

Units represent beneficial interests in the Trust, and all holders of Units are entitled to receive cash distributions from the Trust in accordance with their respective pro rata shares. A Trust beneficiary's respective ''Pro Rata Share'' means the ratio, expressed as a percentage, of (i) the number of Units which such Trust Beneficiary is the registered owner, to (ii) the total number of Units outstanding as of the measurement date, subject to modification for purposes of distributing any recovered assets.

Initial units of Position Holder Trust Interest were issued on the basis of one (1) Unit for each $1 of death benefit payable (rounded to the nearest dollar) associated with the ownership of Fractional Positions. Subsequent issuances of Units will be issued to continuing fractional interest holders (''CFH'') if they default on their premium payment obligations. Such Units will be issued in exchange for the defaulting CFH position, in accordance with the basis and discounts delineated in the Plan, as recently modified by the Bankruptcy Court. Each Unit holder has the same rights with respect to each Unit as every other Unit holder.

Unit holders do not have any voting rights under the Position Holder Trust Agreement with respect to the appointment of any successor to the Trustee, filling any vacancy on the Governing Trust Board or any action to

Note 1 - Operations and Significant Accounting Policies - (Continued)

be taken by the Position Holder Trust, including without limitation whether the duration of the Trust should be extended after the end of the initial 10-year term. Unit holders have no liability for the debts and other obligations of the Position Holder Trust and bear no expenses in connection with the organization and administration of the Trust. The Trust is a pass-through tax entity and its Unit holders may be allocated taxable income without a matching cash distribution, leading to an unfunded tax obligation. The Trust has the right, but not the obligation, to offset against any distributions allocated to any Unit holder in an amount equal to all unpaid amounts owed by the holder, including all unpaid amounts owed for catch-up payments, pre-petition default amounts and post-effective date payment defaults.

Under the Plan, the Trustee will distribute at least annually to the Unit holders all of the distributable cash (as defined in the Position Holder Trust Agreement) generated during each calendar year, subject to any reserve established by the Trustee reasonably necessary to maintain the value of the Registrant's assets or to meet claims and contingent liabilities. All distributions by the Trust will be made in accordance with such holder's Pro Rata share of the outstanding Units.

Continuing Fractional Interests

The continuing fractional interest of a fractional interest holder who made a continuing holder election will represent 95% of the beneficial ownership associated with the Fractional Interest with respect to which the Election was made, with the other 5% comprising the Continuing Position Holder Contribution made to the Position Holder Trust on the Effective Date. The CFH is obligated to pay 95% of the premium payments and policy expenses allocable to the fractional interest. Upon maturity of a Policy, the CFH with positions in the Policy will be entitled to receive the Policy proceeds allocable to each such continuing fractional interest held. The Policy proceeds paid to a CFH will be reduced by (1) the servicing fee payable with respect to each such continuing fractional interest, and (2) any premium amount paid by the Trust prior to the date of death with respect to the continuing fractional interest that is not refunded as a result of the maturity.

Upon the occurrence of a payment default with respect to a continuing fractional interest, the CFH will be deemed to have contributed the position to the Trust at a discount of 20%, effective as of the payment default date.

Recently Issued Accounting Pronouncements

In November 2016, the FASB issued guidance under the Account Standards Update (''ASU'') 2016-18, Statement of Cash Flows: Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Trust elected to adopt this provision early, and this adoption did not have a material impact on the Trust's financial statements.

In May 2014, the Financial Accounting Standards Board (''FASB'') issued Accounting Standards Update (''ASU'') No. 2014-09, ''Revenue from Contracts with Customers,'' which converges the FASB and the International Accounting Standards Board (''IASB'') standard on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. In April 2015, the FASB voted to defer the effective date of the new revenue recognition standard by one year. As a result, the provisions of this ASU are now effective for interim and annual periods beginning after December 15, 2017. The Trust does not expect that this guidance will have a material impact on its financial position, results of operations or cash flows.

Note 2 - Commitments and Contingencies

Litigation

In accordance with applicable accounting guidance, the Trust establishes an accrued liability for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. When a loss contingency is not both probable and estimable, the Trust does not establish an accrued liability. As a litigation or regulatory matter develops, the Trust, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and estimable. If, at the time of evaluation, the loss contingency related to a litigation or regulatory matter is not both probable and estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and estimable. When a loss contingency related to a litigation or regulatory matter is deemed to be both probable and estimable, the Trust will establish an accrued liability with respect to such loss contingency and record a corresponding amount of litigation-related expense. The Trust will then continue to monitor the matter for further developments that could affect the amount of any such accrued liability.

Indemnification of Certain Persons

Under certain circumstances, the Trust may be required to indemnify certain persons performing services on behalf of the Trust for liability they may incur arising out of the indemnified persons' activities conducted on behalf of the Trust. There is no limitation on the maximum potential payments under these indemnification obligations, and, due to the number and variety of events and circumstances under which these indemnification obligations could arise, the Trust is not able to estimate such maximum potential payments. The Trust has not made any payments under such indemnification obligations, and no amount has been accrued in the accompanying financial statements for these indemnification obligations of the Trust.

Note 3 - Restricted Cash

The Plan imposes restrictions on the Trust to maintain certain funds in segregated accounts. The Trust has approximately $26.2 million in the pre-effective maturity escrow account which are distributable to the fractional interest holders in those policies that matured prior to the Plan becoming effective. The Plan further requires the Trust to maintain certain premium reserves in a segregated account, as of December 31, 2016 those reserves are approximately $27.5 million. The Trust also maintains escrow accounts on behalf of the continuing fractional interest holders from which to fulfill their premium obligations, as of December 31, 2016, the Trust held approximately $25.8 million on their behalf. See Note 1 CFH premium liability.

Note 4 - Life Insurance Policies

As of December 31, 2016, the Trust owns an interest in 3,252 policies of which 654 are life settlement policies and 2,598 are viaticals (the ''PHT Portfolio''). The PHT Portfolio's aggregate face value is $1.3 billion as of December 31, 2016 of which $1.12 billion is attributable to life settlements and $191.2 million is attributable to viaticals. The PHT Portfolio's aggregate fair value is $263.6 million as of December 31, 2016 of which $261.6 million is attributable to life settlements and $2.0 million is attributable to viaticals. The weighted average life expectancy calculated based on death benefit of insureds in the policies owned by the Trust at December 31, 2016 was 7.0 years.

Life expectancy reflects the probable number of years remaining in the life of a class of persons determined statistically, affected by such factors as heredity, physical condition, nutrition, and occupation. It is not an

Note 4 - Life Insurance Policies - (Continued)

estimate or an indication of the actual expected maturity date or indication of the timing of expected cash flows from death benefits. See ''Life Insurance policies,'' in Note 6, ''Fair Value Measurements''. The following table summarizes the Trust's life insurance policies grouped by remaining life expectancy as of December 31, 2016:

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Fair Value
0-1	19	$ 26,902,072	$ 22,344,600
1-2	29	59,109,822	38,672,708
2-3	60	53,027,573	26,251,734
3-4	59	95,930,412	35,577,890
4-5	86	112,725,236	29,193,315
Thereafter	2,999	942,298,899	111,538,793
Total	**3,252**	**$1,289,998,014**	**$263,579,040**

Estimated premiums to be paid by the Trust for its portfolio during each of the five succeeding fiscal years and thereafter as of December 31, 2016, are as follows:

2017	$ 32,893,758
2018	43,076,645
2019	49,562,401
2020	50,356,671
2021	46,236,673
Thereafter	202,471,436
Total	**$424,597,584**

The amount of $424.6 million represents the estimated total future premium payable by the Trust. The Trust is required to pay its portion to keep the life insurance policies in force during the life expectancies of all the underlying insured lives. The estimated total future premium payments could increase or decrease significantly to the extent that insurance carriers increase the cost of insurance on their issued policies or that actual mortalities of insureds differs from the estimated life expectancies. If the continuing fractional holders default on their future premium obligations, the Trust's premium liability may increase.

The Trust anticipates funding the estimated premium payments from maturities of life insurance policies. It also maintains premium reserves and access to lines of credit.

Note 5 - Notes Payable

On December 9, 2016, the Trust obtained a term loan from Vida Opportunity Fund, LP, an affiliate of Vida Capital, Inc., for $55.0 million. Interest accrues at 11% of outstanding balance per annum and is paid quarterly. Principal is due in full on December 9, 2018 but is not subject to a prepayment penalty. Substantially all of the Trust's assets collateralize the loan.

On December 9, 2016, the Trust entered into a revolving line of credit with Vida Longevity Fund, LP, an affiliate of Vida Capital, Inc., for $25.0 million. Interest accrues at 11% of outstanding balance and is paid quarterly. The line of credit matures on December 9, 2018, at which point any amount outstanding is due in full. As of December 31, 2016, no amounts have been drawn on the line of credit.

In accordance with the Plan, the Trust issued notes totaling approximately $36.5 million in exchange for claims against the Debtor's estate and the incidental interests in life insurance policies. Those policies

Note 5 - Notes Payable - (Continued)

collateralize the Trust's obligations under the notes. Interest accrues at 3% of outstanding balance and is paid annually in December. Principal is due in full on December 9, 2031. In accordance with the note, beginning in December 2017, the Trust is required to make annual payments to a sinking fund to pay future interest and principal.

On March 28, 2017, the Trust, was ordered to pay the Chapter 11 trustee's fees totaling $5.5 million. The first payment of $2.8 million was due promptly after the Court order on March 28, 2017 and is included in accounts payable on the accompanying statement of assets and liabilities. The remaining balance is in the form of a note payable in the amount of $2.8 million and is due in three equal annual payments on January 1 beginning in 2019. The note does not bear interest as ordered by the Court, thus the note has been discounted by $0.2 million, based on an implied interest rate of 3% as of December 31, 2016.

Future scheduled principal payments on the above notes payable and required sinking fund contributions are as follows as of December 31, 2016:

Year ending December 31:	Sinking Fund	Notes Payable
2017	$ 2,432,886	$ —
2018	2,432,886	55,000,000
2019	2,432,886	916,667
2020	2,432,886	916,667
2021	2,432,886	916,666
Thereafter	24,328,868	36,493,298
	$36,493,298	**$94,243,298**

Note 6 - Fair Value Measurements

The Trust carries its life insurance policies at fair value. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are classified based on the following fair value hierarchy:

Level 1 — Valuation is based on unadjusted quoted prices in active markets for identical assets and liabilities that are accessible at the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 — Valuation is determined from pricing inputs that are other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. Observable inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Valuation is based on inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value generally require significant management judgment or estimation.

Note 6 - Fair Value Measurements - (Continued)

The balances of the Trust's assets measured at fair value on a recurring basis as of December 31, 2016, are as follows:

	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Investment in life insurance policies	$—	$—	$263,579,040	$263,579,040
	$—	**$—**	**$263,579,040**	**$263,579,040**

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at 12/31/16	Face value at 12/31/16	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Life insurance policies . .	$263,579,040	$1,289,998,014	Discounted cash flow	Discount rate	24.74%-31.74%
				Life expectancy evaluation	83.8 months

Following is a description of the methodologies used to estimate the assets' fair value measured on a recurring basis and within the above fair value hierarchy.

The Portfolio was valued using a probabilistic approach, which is actuarially based. This approach fits the Portfolio's cash flows (premium payments and death benefits) to a monthly mortality scale as generated by each insured's specific life expectancy. This mortality scale is actuarially rolled forward from the life expectancy underwriting date to the valuation date. This mathematical approach is substantially the same as actuaries customarily use in the pricing of life insurance and annuities. The Trust discounted the monthly cash flows with interest and survivorship back to the valuation date of December 31, 2016, to arrive at the Portfolio's estimated value.

The valuations presented here are net of a 2.65% servicing fee payable under the Plan. The Trust utilized each Policy's ''optimized'' premium. The Trust relied on life expectancy values provided by its servicing company that were in turn provided to it from qualified industry experts. If a particular Policy did not have a life expectancy, the Trust used the Society of Actuaries' 2015 Valuation Basic Tables, smoker distinct mortality tables developed by the U.S. Society of Actuaries (the ''2015 VBT'') to obtain the average probability of death for similarly categorized persons and applied mortality multipliers by type/gender, to arrive at an estimated life expectancy for the insured. The mortality multipliers used are: 100% for the life settlement males, 100% for the life settlement females and 350% for the viaticals regardless of gender. The 2015 VBT are created based on the expected rates of death among different groups categorized by factors such as age and gender.

If the insured dies earlier than expected, the return will be higher than if the insured dies when expected or later than expected. The Trust's estimates allow for the possibility that if the insured dies earlier than expected, the premiums needed to keep the policy in force will not have to be paid. Conversely, the calculation also considers the possibility that if the insured lives longer than expected, more premium payments will be necessary.

Life expectancy estimates are a significant input in the fair value determination. Future changes in the life expectancy estimates could have a material effect on the Portfolio's fair value, which could have a material effect on its financial condition and results of operations. Life expectancy estimates for insureds over the age of 90 years are less reliable than estimates for younger persons, due to the relative lack of statistical information as to the health and mortality expectations for those over the age of 90 years. Accordingly, there is a correspondingly lower statistical basis for relying on life expectancy estimates based on medical underwriting for insureds in that age group. In addition, the average probability of death calculated in the 2015 VBT for those 90 years or older has less statistical reliability than the average probability of death calculations for younger

Note 6 - Fair Value Measurements - (Continued)

persons. Nevertheless, the majority of industry participants continue to rely on medical underwriting and the 2015 VBT for all age ranges, including 90 and over. As the average age of the insureds for the life settlements in the Portfolio is 89 years, the Trust will continue to evaluate its ongoing reliance on the 2015 VBT and life expectancies based on medical underwriting and make adjustments to its underlying assumptions as actuarial knowledge regarding this population advances.

Life expectancy sensitivity analysis

The table below reflects the effect on the PHT Portfolio's fair value if the actual life expectancy experienced is 5% less or 5% more than is currently estimated. If the life expectancy estimate increases by 5% or decreases by 5%, the change in estimated fair value of the life insurance policies would be as follows:

Life Expectancy Months Adjustment	Average life expectancy	Value	Change in Value
- 5%		$277,276,497	$ 13,697,457
No change	7.0 years	$263,579,040	$ —
+ 5%		$249,069,410	$(14,509,630)

Discount rate

The discount rate is another significant input in the fair value determination. The Trust's estimate incorporates market factors, the size of the portfolio, and various policy specific quantitative and qualitative factors including known information about the underlying insurance policy, its economics, the insured and the insurer.

The effect of changes in the weighted average discount rate on the death benefit and premiums used to estimate the PHT Portfolio's fair value has been analyzed. If the weighted average discount rate increased or decreased by 2 percent and the other assumptions used to estimate fair value remained the same, the change in estimated fair value would be as follows:

Rate Adjustment	Value	Change in Value
+2%	$250,218,915	$(13,360,125)
No change	$263,579,040	$ —
-2%	$278,442,322	$ 14,863,282

Future changes in the discount rates used by the Trust to value life insurance policies could have a material effect on the Trust's yield on life settlement transactions, which could have a material adverse effect on the Trust's financial condition and results of operations.

The Trust re-evaluates its discount rates at the end of every reporting period in order to estimate the discount rates that could reasonably be used by market participants in a transaction involving the Trust's life insurance policies. In doing so, the Trust engages third party consultants to corroborate its assessment, engages in discussions with other market participants and extrapolates the discount rate underlying actual sales of insurance policies.

Credit Exposure to Insurance Companies

The following table provides information about the life insurance issuer concentrations that exceed 10% of total death benefit and 10% of total fair value of the Trust's life insurance policies as of December 31, 2016:

Carrier	Percentage of Face Value	Percentage of Fair Value	Carrier Rating
The Lincoln National Life Insurance	11.4%	14.6%	A+
Transamerica Financial Life Insurance	9.4%	10.7%	A+
John Hancock Life Insurance (USA)	7.3%	10.6%	A+

Note 6 - Fair Value Measurements - (Continued)

Changes in Fair Value

The following table provides a roll-forward in the changes in fair value for the period ended December 31, 2016, for the Trust's life insurance policies:

Contributed balance at December 9, 2016	$267,769,937
Change in fair value	2,559,020
Matured policies, net of fees	(6,749,917)
Transfers into level 3	—
Transfers out of level 3	—
Balance at December 31, 2016	$263,579,040
Changes in fair value included in earnings for the period relating to assets held at December 31, 2016	$ 3,274,623

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 15. Financial Statements and Exhibits

a) Financial Statements

Included in Item 13 above and incorporated herein by reference

b) Exhibits

Exhibit No.	Description
2.1*	Revised Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., et al., pursuant to Chapter 11 of the Bankruptcy Code
2.2*	Disclosure Statement for the Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., et al, pursuant to Chapter 11 of the Bankruptcy Code
3.1*	Trust Agreement for Life Partners Position Holder Trust, dated as of December 9, 2016, by and among Life Partners Holdings, Inc., Life Partners, Inc., LPI Financial Services, Inc., Life Partners IRA Holder Partnership, LLC and the individual listed on Exhibit D attached thereto, as Trustee
3.2*	Certificate of Formation of Life Partners IRA Holder Partnership, LLC, dated as of December 9, 2016, including Debtor Agreement of Life Partners IRA Holder Partnership, LLC a Texas limited liability company
4.1*	Indenture 3.00% Senior Secured Notes Due 2031, Life Partners Position Holder Trust, Issuer, Advance Trust & Life Escrow Services, LTA, as NIRAN Trustee and Vida, Capital, Inc., as Servicer acting as Registrar, dated as of December 9, 2016
10.1*	Servicing Agreement, dated as of December 9, 2016, by and among Life Partners Position Holder Trust, Life Partners IRA Holder Partnership and Vida Capital, Inc.
10.2*	Securities and Deposit Accounts and Securities and Deposit Accounts Control Agreement, dated as of December 9, 2016
10.3*	Settlement Agreement among the Plaintiffs, the Trustee, the Subsidiary Debtors, and the Committee, dated as of July 8, 2016
10.4*	Revolving Line of Credit Agreement Among Life Partners Position Holder Trust, as Borrower, the Lenders Party Hereto, as Lenders, and Vida Capital, Inc., as Administrative Agent
10.5*	NIRAN Trustee Security Agreement, dated as of December 9, 2016 of Life Partners Position Holder Trust In Favor Of Advance Trust & Life Escrow Services, LTA, as trustee
10.6**	Exit loan Facility among Life Partners Position Holder Trust, as Borrower, The Lenders From Time To Time Party Hereto, as Lenders, and Vida Capital Inc., as Exit Loan Agent
99.1*	Order Confirming Revised Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., et al Pursuant to Chapter 11 of the Bankruptcy Code, dated as of November 1, 2016
99.2**	Order Granting Joint Motion of the Reorganized Debtors to Approve Non-Material Plan Modifications, dated April 6, 2017

* Previously filed

** Filed herewith

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 31, 2017

LIFE PARTNERS POSITION HOLDER TRUST

By: /s/ Eduardo S. Espinosa
Eduardo S. Espinosa, Trustee

LIFE PARTNERS IRA HOLDER PARTNERSHIP, LLC

By: /s/ Eduardo S. Espinosa
Eduardo S. Espinosa, Manager

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* Previously filed

** Filed herewith

Exhibit 10.6

$55,000,000

EXIT LOAN FACILITY AGREEMENT

Dated as of August ___, 2016

Among

LIFE PARTNERS POSITION HOLDER TRUST,
as Borrower,

THE LENDERS FROM TIME TO TIME PARTY HERETO,
as Lenders,

and

VIDA CAPITAL, INC.,
as Exit Loan Agent

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SCHEDULES

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EXIT LOAN FACILITY AGREEMENT

EXIT LOAN FACILITY AGREEMENT, dated as of _____ ____, 2016, among (i) Life Partners Position Holders Trust, a Texas common law trust (the "***Borrower***"), (ii) the financial institutions from time to time parties hereto as lenders, whether by execution of this Agreement or an Assignment and Assumption (each individually a "***Lender,***" and collectively, "***Lenders***"), and (iii) Vida Capital, Inc., as administrative and collateral agent for the Lenders (the "***Exit Loan Agent***").

PRELIMINARY STATEMENTS:

WHEREAS, on January 20, 2015 (the "***LPHI Filing Date***"), LPHI filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***") in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (such court, together with any other court having competent jurisdiction over the case from time to time, the "***Bankruptcy Court***"), commencing its chapter 11 case (the "***LPHI Case***").

WHEREAS, on May 19, 2015 (the "***Subsidiary Filing Date***"), LPI and LPIFS (collectively, the "***Subsidiary Debtors***") each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the "***Subsidiary Cases***", and collectively with the LPHI Case, the "***Cases***").

WHEREAS, the Borrower has requested that the Lenders provide an exit financing facility consisting of a term loan agreement to fund the repayment of the Pre-Effective Date Maturity Funds Loans and the DIP Credit Facility and to fund Borrower's ongoing premium payments, expenses and related reserve requirements.

WHEREAS, to provide security for the Exit Loan Obligations (as hereinafter defined) of the Borrower hereunder and under the other Financing Agreements (as hereinafter defined), the Borrower will grant to the Exit Loan Agent, for the benefit of the Lenders and the other Lenders (as hereinafter defined), certain security interests, liens, and other rights and protections pursuant to the terms hereof, and other rights and protections, as more fully described herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Accounts Agreement***" means the Securities and Deposit Account Agreement and Securities and Deposit Account Control Agreement to be entered into among the Borrower, the Depository, the trustee under the indenture for the NEW IRA Notes, the Collateral Agent and LPI and certain other parties in substantially the form filed as Docket No. [_____] to the disclosure statement for the Joint Plan.

"***Activities***" has the meaning specified in Section 11.02(b).

"***Additional Guarantor***" has the meaning specified in Section 12.06.

"***Administrative Agent***" means Vida Capital, Inc., as administrative agent under the Revolving Line of Credit.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Exit Loan Agent.

"***Advance***" means an advance made by a Lender or the Exit Loan Agent to any Borrower under the terms of this Agreement.

"***Affiliate***" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "***control***" (including the terms "***controlling***," "***controlled by***" and "***under common control with***") of a Person means the possession (whether directly or indirectly) of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

"***Agent's Account***" means the account of the Exit Loan Agent specified by the Exit Loan Agent in writing to the Lenders from time to time.

"***Agreement***" means this Exit Loan Facility Agreement, as amended.

"***Alternate Plan***" means any chapter 11 plan that is not the Joint Plan.

"***Applicable Lending Office***" means, with respect to each Lender, the lending office specified opposite its name on Schedule I hereto or in the Assignment and Assumption pursuant to which it became a Lender, as the case may be, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Exit Loan Agent.

"***Approved Fund***" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Asset Sale***" means any sale, lease (as lessor), sale and leaseback, assignment, conveyance, exclusive license (as licensor), transfer or other disposition or any exchange of the Equity Interests in the Borrower or any of its Subsidiaries or any other Property of the Borrower; *provided* that neither the maturity of any Policy nor any contribution or other disposition made on the Effective Date as contemplated by the Joint Plan shall be deemed to be an Asset Sale.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 13.07 or pursuant to the definition of "***Eligible Assignee***"), and accepted by the Exit Loan Agent, in accordance with Section 13.07 and in substantially the form of Exhibit C hereto, or any other form approved by the Exit Loan Agent.

"***Bankruptcy Code***" has the meaning specified in the recitals to this Agreement.

"***Bankruptcy Costs***" means administrative and priority claims, professional fees and other amounts payable in accordance with the Joint Plan, including (1) all such amounts reflected in the line item for "Bankruptcy Costs (Administrative and Priority Claims, Professional Fees)" in Exhibit D to the Disclosure Statement for the Joint Plan, and (2) all other amounts the Borrower is obligated to pay under the Joint Plan or the Position Holder Trust Agreement on the Effective Date or as a result of the effectiveness of the Joint Plan.

"***Bankruptcy Court***" has the meaning specified in the recitals to this Agreement.

"***Bankruptcy Law*** " means the Bankruptcy Code, or any similar foreign, federal or state law for the relief of debtors.

"***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure and local rules of the Bankruptcy Court, each as amended, and applicable to the Cases.

"***Beneficial Ownership***" has the meaning specified in the Joint Plan.

"***Books and Records***" means all accounting, title, and legal data, reports and information and all books and records (including, without limitation, customer lists, credit files, computer programs, tapes, disks, punch cards, data processing software, transaction files, master files, printouts and other computer materials and records) pertaining to the Collateral.

"***Borrower***" has the meaning specified in the preamble to this Agreement.

"***Borrowing***" means a single borrowing consisting of an Advance made by the Exit Loan Lender in the aggregate amount of no more than $55,000,000.00.

"***Business Day***" means any day that is not a Saturday, Sunday or other day which is a legal holiday under the laws of the State of Texas or is a day on which banking institutions in such state are authorized or required by law to close.

"***Capitalized Leases***" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"***Cases***" has the meaning specified in the recitals to this Agreement.

"***Cash***" means money, currency or a credit balance in any demand or deposit account.

"***Cash Equivalents***" means any of the following, to the extent owned by the Borrower free and clear of all Liens other than Permitted Liens and having a maturity of not greater than 180 days from the date of acquisition thereof: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) insured certificates of deposit of or time deposits with any commercial bank that is a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1,000,000,000, (c) commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "**Prime-1**" (or the then equivalent grade) by Moody's or "**A-1**" (or the then equivalent grade) by S&P or (d) investments, classified in accordance with GAAP as current assets of any Borrower or any of its Subsidiaries, in money market funds that are registered under the Investment Company Act of 1940, as amended, that are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P and the portfolios of which are limited solely to investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

"***Casualty Event***" means any event that causes all or a material portion of the tangible Property of the Borrower to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, other than as a result of (a) ordinary use and wear and tear or (b) any Event of Eminent Domain.

"***CERCLA***" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time.

"***CERCLIS***" means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

"***Change in Law***" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority, including (i) provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, in each case adopted or taking effect after the date of this Agreement and (ii) all requests, rules, guidelines or directives promulgated after the date of this Agreement by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case, pursuant to Basel III.

"***Chapter 11 Order***" means any order entered in the Cases.

"***Chapter 11 Trustee***" means H. Thomas Moran II, the duly appointed chapter 11 trustee for LPHI.

"***Closing Date***" means the date on or after the Effective Date, but no later than three (3) Business Days after the Effective Date, on which the conditions precedent set forth in Section 3.02 shall have been satisfied or waived.

"***Collateral***" means all assets of the Borrower other than the property securing the New IRA Notes, as set forth in the Joint Plan.

"***Collateral Agent***" means Vida Capital, Inc., as collateral agent pursuant to the Security Agreement for the Exit Loan Agent, the Lenders, the Administrative Agent and the lenders under the Revolving Line of Credit Facility.

"***Commitment***" means a Funding Commitment.

"***Commitment Fee***" has the meaning specified in Section 3.01 of this Agreement.

"***Committee***" means the Official Committee of Unsecured Creditors appointed in the Cases.

"***Communications***" has the meaning specified in Section 13.02(b).

"***Confidential Information***" means information that the Borrower furnishes to the Exit Loan Agent or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public (other than as a result of a breach by the Exit Loan Agent or any Lender of its obligations hereunder) or that is or becomes available to the Exit Loan Agent or such Lender from a source other than the Borrower or any of its agents or representatives that is not, to the Exit Loan Agent's or such Lender's knowledge, acting in violation of a confidentiality agreement with the Borrower, or is independently developed by the Exit Loan Agent or such Lender (other than as a result of a breach by the Exit Loan Agent or any Lender of its obligations hereunder).

"***Contest***" means, with respect to any matter or claim involving any Person, that such Person is contesting such matter or claim in good faith and by appropriate proceedings timely instituted; *provided* that the following conditions are satisfied: (a) such Person has established adequate reserves with respect to the contested items in accordance with GAAP; (b) during the period of such contest, the enforcement of any contested item is effectively stayed; and (c) such contest and any resultant failure to pay or discharge the claimed or assessed amount does not, and could not reasonably be expected to, result in a Material Adverse Effect.

"***Contractual Obligation***" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"***Current Position Holder***" has the meaning assigned to it in the Joint Plan.

"***Debt*** " of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (including deferred compensation to employees) (other than trade payables in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by

notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property), (e) all obligations of such Person as lessee under Capitalized Leases, (f) all obligations of such Person under acceptance, letter of credit or similar facilities, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person or any warrants, rights or options to acquire such Equity Interests; *provided* that Debt shall not include any payment obligations contemplated under the Joint Plan, (h) all Guaranteed Debt of such Person, and (i) all indebtedness and other payment obligations referred to in clauses (a) through (h) above of another Person secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment obligations.

"***Debtor***" means each of LPHI, LPI and LPIFS individually and "***Debtors***" means LPHI, LPI and LPIFS collectively.

"***Default***" means any Event of Default or any event that, with the passing of time or the giving of notice or both, would become an Event of Default.

"***Depository***" means the institution acting as a securities intermediary and bank (as such terms are defined in the Uniform Commercial Code as in effect in the State of Texas).

"***DIP Credit Facility***" means that certain $10,000,000.00 financing facility dated as of August __, 2016 among LPHI, LPI, LPIFS, Vida Capital, Inc., as agent and the lenders from time to time party thereto.

"***Effective Date***" has the meaning specified in Section 3.02.

"***Eligible Assignee***" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; (d) a Qualified Participant; and (e) any other Person (other than an individual) approved by the Exit Loan Agent.

"***Environmental Action***" means any action, suit, demand, demand letter, claim, notice of noncompliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"***Environmental Law***" means any binding and applicable federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to

the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"***Environmental Permit***" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"***Equity Interests***" means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"***ERISA Affiliate***" means any Person that for purposes of Title IV of ERISA is a member of the controlled group of the Borrower, is treated as a single employer or is under common control with the Borrower, within the meaning of Section 414 of the Internal Revenue Code.

"***ERISA Event***" means (a)(i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30 day notice requirement with respect to such event has been waived by the PBGC or its regulations; (b) the failure to satisfy the minimum funding standard (as defined in Section 412 of the Internal Revenue Code and Section 302 of ERISA) whether or not waived with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate a Plan, pursuant to Section 4041 (a)(2) of ERISA; (d) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA that would reasonably be likely to result in liability to the Borrower; (e) a lien under Section 302(f) of ERISA has been imposed on any Plan and remains unsatisfied; (f) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (g) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

"***Event of Eminent Domain***" means any action, series of actions, omissions or series of omissions by any Governmental Authority (a) by which such Governmental Authority appropriates, confiscates, condemns, expropriates, nationalizes, seizes or otherwise takes all or a material portion of the Property of the Borrower or any of its Subsidiaries (including any Equity Interests in the Borrower or any of its Subsidiaries) or (b) by which such Governmental Authority assumes custody or control of the Property (other than immaterial portions of such

Property) or business operations of the Borrower or any Subsidiary thereof or any Equity Interests of any the Borrower or any Subsidiary thereof.

"***Events of Default***" has the meaning specified in Section 10.01.

"***Excluded Taxes***" has the meaning specified in Section 2.13(a).

"***Exit Loan***" means the Borrowing made to the Borrower pursuant to Section 2.01.

"***Exit Loan Agent***" has the meaning specified in the preamble to this Agreement.

"***Exit Loan Lender***" means the Lender party hereto on the date hereof.

"***Exit Loan Obligations***" means, with respect to the Borrower, any payment, performance or other obligation of the Borrower hereunder or under any other Financing Agreement, including, without limitation, any such liability of the Borrower, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured. Without limiting the generality of the foregoing, the Exit Loan Obligations of the Borrower under the Financing Agreements include (a) the obligation to pay principal, interest, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by the Borrower under any Financing Agreement and (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of the Borrower.

"***Federal Funds Rate***" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Exit Loan Agent from three Federal funds brokers of recognized standing selected by it.

"***Filing Date***" means the LPHI Filing Date or the Subsidiary Filing Date, each as defined in the preliminary statements to this Agreement and as the context may require.

"***Financing Agreements***" means, collectively, this Agreement, the Revolving Line of Credit, the Plan Collaboration Agreement, the Accounts Agreement, any Notes from time to time outstanding, the Security Agreement and all other notes, guarantees, security agreements, deposit account control agreements, investment property control agreements and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by the Borrower in connection with and as contemplated by this Agreement.

"***Fiscal Year***" means a fiscal year of the Borrower and its Subsidiaries ending on December 31 in any calendar year.

"***Fund***" means any Person (other than an individual) that is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"***Funding Commitment***" means, for the Exit Loan Lender, the principal amount of $55,000,000.

"***Funding Date***" has the meaning specified in Section 2.01.

"***GAAP***" has the meaning specified in Section 1.03.

"***Governmental Authority***" means the government of the United States of America or any other nation, or of any political, administrative or regulatory subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Governmental Authorization***" means any authorization, approval, consent, franchise, license, covenant, order, ruling, permit, certification, exemption, notice, declaration or similar right, undertaking or other action of, to or by, or any filing, qualification or registration with, any Governmental Authority.

"***Guaranteed Debt***" means, with respect to any Person, any obligation or arrangement of such Person to guarantee or intended to guarantee any Debt, leases, dividends or other payment obligations ("***primary obligations***") of any other Person (the "***primary obligor***") in any manner, whether directly or indirectly, including, without limitation, (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of a primary obligor, (b) the obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement or (c) any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided* that Guaranteed Debt shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranteed Debt shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guaranteed Debt is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Guaranteed Debt) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder), as determined by such Person in good faith or if less, the maximum stated amount of the applicable Guaranteed Debt.

"***Hazardous Materials***" means (a) petroleum or petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"***Hedge Agreements***" means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other hedging agreements.

"***Indemnified Costs***" has the meaning specified in Section 11.08(a).

"***Indemnified Party***" has the meaning specified in 0.

"***Indemnified Taxes***" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any of the Financing Agreements and (b) to the extent not otherwise described in clause (a), Other Taxes.

"***Internal Revenue Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"***Investment***" in any Person means any loan or advance to such Person, any purchase or other acquisition of any Equity Interests or Debt or the assets comprising a division or business unit or a substantial part or all of the business of such Person, any capital contribution to such Person or any other direct or indirect investment in such Person, including, without limitation, any acquisition by way of a merger or consolidation (or similar transaction) and any arrangement pursuant to which the investor incurs Debt of the types referred to in clause (i) or (j) of the definition of "***Debt***" in respect of such Person.

"***Joint Plan*** " means the Third Amended Joint Plan of Reorganization of Life Partners Holdings, Inc., *et al.*, Pursuant to Chapter 11 of the Bankruptcy Code dated June 21, 2016, proposed by the Chapter 11 Trustee, the Subsidiary Debtors and the Committee, as the same may be modified or amended from time to time.

"***Joint Plan Confirmation Order***" an order by the Bankruptcy Court confirming the Joint Plan, with such changes, if any, as approved by the Required Lenders.

"***Lender***" and "***Lenders***" have the meanings specified in the recital of parties to this Agreement.

"***Lien***" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real Property.

"***Litigation Award***" means any payments or amounts received by the Borrower pursuant to, or in connection with or relating to, any litigation, arbitration or similar proceeding or pursuant to any indemnity obligation of any Person.

"***LPHI***" means Life Partners Holdings, Inc.

"***LPI***" means Life Partners, Inc.

"***LPIFS***" means LPI Financial Services, Inc.

"***Margin Stock***" has the meaning specified in Regulation U.

"***Material Adverse Effect***" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance or properties of the Borrower, taken as a whole, (b) the rights and remedies of the Exit Loan Agent or the Lenders under any Financing Agreement, (c) the Collateral or (d) the ability of the Borrower to perform its Obligations under any Financing Agreement to which it is or is to be a party (in each case other than as a result of the commencement or continuation of the Cases).

"***Maturity Date***" means the date that is two (2) years following the Effective Date.

"***Maturity Funds*** " means cash proceeds held by any third party generated by or from the maturity of any Policy.

"***Multiemployer Plan***" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"***Multiple Employer Plan***" means a single employer plan, as defined in Section 4001(a)(15) of ERISA subject to Title IV of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could reasonably be expected to have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"***Net Cash Proceeds***" means:

(a) with respect to any Asset Sale, the excess, if any, of (i) the sum of Cash and Cash Equivalents paid, as the context may require, to the Borrower in connection with such Asset Sale (including any Cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so paid, as the context may require) minus (ii) the reasonable and customary out of pocket costs, fees, commissions, premiums and expenses incurred by the Borrower, including reasonable and customary fees and expenses for counsel and a financial advisor, in connection with such Asset Sale to the extent such amounts were not deducted in determining the amount referred to in clause (i);

(b) with respect to the incurrence or issuance of any Debt by the Borrower (other than with respect hereto or any other Financing Agreement), the excess, if any, of (i) the sum of the Cash and Cash Equivalents paid, as the context may require, to the Borrower in connection with such incurrence or issuance minus (ii) the underwriting discounts and commissions or other similar payments, and other reasonable and customary out of pocket costs, fees, commissions, premiums and expenses incurred by the Borrower in connection with such incurrence or issuance to the extent such amounts were not deducted in determining the amount referred to in clause (i);

(c) with respect to any Equity Issuance, the excess of (i) the sum of the Cash and Cash Equivalents paid, as the context may require, to the Borrower in connection with such sale or issuance minus (ii) the reasonable and customary underwriting discounts and commissions or similar payments, and other out of pocket costs, fees, commissions, premiums and expenses incurred by the Borrower in connection with such sale or issuance, including reasonable and customary fees and expenses for counsel and a financial advisor, to the extent such amounts were not deducted in determining the amount referred to in clause (i); and

(d) with respect to any Event of Eminent Domain or Casualty Event, the excess, if any, of (i) the sum of Cash and Cash Equivalents paid, as the context may require, the Borrower in connection with such Event of Eminent Domain or Casualty Event minus (ii) the sum of the reasonable and customary out of pocket costs and expenses, including reasonable and customary attorneys' fees, incurred by the Borrower in connection with the collection, enforcement, negotiation, consummation, settlement, proceedings, administration or other activity related to the receipt or collection of the relevant proceeds to the extent such amounts were not deducted in determining the amount referred to in clause (i).

"***New IRA Notes***" has the meaning specified in the Joint Plan.

"***Note***" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A hereto, evidencing the indebtedness of the Borrower to such Lender, as amended.

"***NPL***" means the National Priorities List under CERCLA.

"***Other Taxes***" has the meaning specified in Section 2.13(b).

"***Patriot Act***" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)).

"***PBGC***" means the Pension Benefit Guaranty Corporation (or any successor).

"***Person*** " means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Authority.

"***Plan***" means a Single Employer Plan or a Multiple Employer Plan. "***Plan Collaboration Agreement***" means the Plan Collaboration Agreement dated as of _____, __, 2016 among the Chapter 11 Trustee, the Subsidiary Debtors, the Committee and Vida Capital, Inc.

"***Policies***" has the meaning specified in the Joint Plan, and "***Policy***" means any one of the Policies.

"*Position Holder Trust Beneficiary*" has the meaning ascribed to it in the Joint Plan.

"***Pre-Effective Date Maturity Funds Loans***" means the financing facility approved by the Bankruptcy Court in the Cases by order signed October 22, 2015 [Docket No. 1127] which, among other things, authorized the Chapter 11 Trustee and the Subsidiary Debtors to use up to $25 million of Maturity Funds to fund the Cases and provide adequate protection.

"***Preferred Interests***" means, with respect to any Person, Equity Interests issued by such Person that are entitled to a preference or priority over any other Equity Interests issued by such Person upon any distribution of such Person's Property, whether by dividend or upon liquidation.

"***Prepayment Date***" has the meaning specified in Section 2.07(a).

"***Prepayment Event***" means the occurrence of a Casualty Event, Event of Eminent Domain, Asset Sale, Equity Issuance, Litigation Award or the incurrence or issuance of any Debt (other than those permitted pursuant to Article IX).

"***Pro Rata Share***" of any amount means, at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Commitment at such time and the denominator of which is the amount of all the Lenders' Commitments at such time.

"***Property***" means any right or interest in or to any asset or property of any kind whatsoever (including Equity Interests), whether real, personal or mixed and whether tangible or intangible, including, without limitation, the Servicing Rights.

"***Public Lenders***" has the meaning specified in Section 13.02(e).

"***Register***" has the meaning specified in Section 13.07(d).

"***Regulation U***" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and such Person's and such Person's Affiliates' respective partners, directors, officers, employees, agents and advisors.

"***Required Lenders***" means, at any time, Lenders owed or holding more than a majority of the aggregate principal amount of the Advances and Commitments outstanding at such time.

"***Restricting Information***" has the meaning specified in Section 13.02(f).

"***Revolving Line of Credit***" means that certain Revolving Line of Credit Agreement dated as of _____, __, 2016 the Borrower, the Administrative Agent and the lenders from time to time party thereto.

"***Security Agreement***" means the Security Agreement to be entered into between the Borrower and the Collateral Agent in form and substance satisfactory to the proponents of the Joint Plan, the Exit Loan Agent, the Exit Loan Lender, the Administrative Agent and the lenders under the Revolving Line of Credit providing for Liens on the Collateral securing the Borrower's obligations under the Financing Agreements.

"***Servicing Rights*** " means (a) any rights and obligations that the Debtors or the Borrower may have with regard to servicing the Policies, and (b) the rights and obligations to service the Policies, and administer the investments of the Current Position Holders related thereto, in accordance with the Joint Plan.

"***Single Employer Plan***" means a single employer plan, as defined in Section 4001(a)(15) of ERISA (subject to Title IV of ERISA) that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no other Person or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could reasonably be expected to have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"***SPC***" has the meaning specified in Section 13.07(k).

"***Subordinated Obligations***" has the meaning specified in Section 12.07.

"***Subsidiary***" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"***Subsidiary Debtors***" has the meaning specified in the recitals to this Agreement.

"***Swap Agreement***" means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or any option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or

pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries shall be a Swap Agreement.

"***Tax Distributions***" means, for any fiscal year, the Borrower's member's aggregate tax obligation with respect to the net income of the Borrower for such fiscal year calculated based on the highest marginal federal income tax rates applicable to individuals.

"***Taxes***" has the meaning specified in Section 2.13(a).

"***Voting Interests***" means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"***Withdrawal Liability***" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

Section 1.02 Computation of Time Periods; Other Definitional Provisions. In this Agreement and the other Financing Agreements in the computation of periods of time from a specified date to a later specified date, unless the provision expressly specifies otherwise, the word *"from"* means *"from and including"* and the words *"to"* and *"until"* each mean *"to but excluding."* References in the Financing Agreements to any agreement or contract *"as amended"* shall mean and be a reference to such agreement or contract as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms and to the extent permitted under this Agreement.

Section 1.03 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America ("***GAAP***").

ARTICLE II

THE EXIT LOAN

Section 2.01 The Exit Loan. Subject to the terms and conditions set forth herein, the Exit Loan Lender agrees to make one Advance to the Borrower on the Effective Date in an amount not to exceed the Funding Commitment. The Exit Loan Lender's Funding Commitment shall terminate immediately and without further action on the funding of the Advance comprising the Exit Loan. Any amount borrowed under this Agreement and repaid or prepaid may not be reborrowed.

Section 2.02 The Exit Loan Promissory Note. The Exit Loan shall be evidenced by a promissory note (whether one or more, together with any renewals, extensions and increases thereof, the "Note") duly executed by the Borrower, payable to the order of the Exit Loan Lender,

in substantially the form of Exhibit A hereto, in the principal amount of the Exit Loan Lender's Advance comprising the Exit Loan.

Section 2.03 Repayment of the Exit Loan. The Borrower will repay the outstanding Exit Loan, together with any interest owing under Section 2.08, to the Exit Loan Agent, for the account of the Lenders, no later than the Maturity Date.

Section 2.04 [Reserved].

Section 2.05 [Reserved].

Section 2.06 [Reserved].

Section 2.07 Prepayments.

(a) The Borrower may, upon at least one Business Day's notice delivered by 1:00 p.m. (Dallas, Texas time) to the Exit Loan Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given, the Borrower shall, prepay the outstanding aggregate principal amount of the Advances comprising the Exit Loan, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid; provided, however, that each partial prepayment shall be in an aggregate principal amount of $250,000 or an integral multiple of $50,000 in excess thereof; provided further, however, that the Exit Loan may not be prepaid in part under any circumstances before one hundred eighty (180) days after the Effective Date (the "***Prepayment Date***") without payment by the Borrower of the Prepayment Fee. If the Exit Loan is prepaid prior to the Prepayment Date, then the Borrower shall pay to the Exit Loan Agent for account of the Lenders a prepayment fee equal to the interest which would have been earned on the Exit Loan from the date of such prepayment of the Exit Loan to the Prepayment Date had the Exit Loan not been prepaid (the "***Prepayment Fee***"). The Prepayment Fee shall be incurred in the event of any prepayment of the Exit Loan prior to the Prepayment Date for any reason, including, without limitation, the acceleration of the maturity of the Exit Loan after a default. The Prepayment Fee, if incurred under the terms set forth herein, may be paid to the Exit Loan Agent for account of the Lenders at any time on or before the Maturity Date. After the Prepayment Date, Borrower may prepay the Exit Loan, in whole or in part, without penalty, and interest shall immediately cease upon any principal so prepaid. All partial prepayments shall be applied first to accrued interest and the balance to the remaining principal.

(b) Upon the occurrence of a Prepayment Event, the Borrower shall pay the Net Cash Proceeds of such event towards the outstanding balance of any advances made under the terms of the Revolving Line of Credit, with the remaining balance of such Net Cash Proceeds to be paid to the Exit Loan Agent as a prepayment of the outstanding principal of the Exit Loan. All prepayments under this clause (b) shall be made together with accrued and unpaid interest to the date of such prepayment on the principal amount prepaid.

Section 2.08 Interest.

(a) Scheduled Interest. The Borrower shall pay interest on the unpaid principal amount of the Exit Loan owing to each Lender from the date of such Advance until

such principal amount shall be paid in full, at a rate of thirteen percent (13%) per annum, calculated daily on the aggregate amount of the outstanding Advances made under this Agreement. Such interest shall be payable in arrears quarterly on the last Business Day of each calendar quarter, beginning with the fiscal quarter ending on **[December 31, 2016]** and on the Maturity Date.

(b) Default Interest. During the continuance of any Event of Default, the Borrower shall pay interest on (i) the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in Section 2.08(a), at a rate of eighteen percent (18%) per annum, and (ii) to the fullest extent permitted by applicable law, the amount of any interest, fee or other amount payable under this Agreement or any other Financing Agreement to the Exit Loan Agent or any Lender that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum of equal to the lesser of (i) eighteen percent (18%) or (ii) the maximum rate allowed by applicable state or federal law.

Section 2.09 [Reserved].

Section 2.10 [Reserved].

Section 2.11 Increased Costs, Etc.

(a) If, due to either (i) a Change in Law or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) occurring after the date of this Agreement, there shall be any increase in the cost to any Lender of agreeing to make or of making, funding or maintaining Advances (excluding, for purposes of this Section 2.11, any such increased costs resulting from (x) Taxes or Other Taxes (as to which Section 2.13 shall govern) and (y) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Exit Loan Agent), pay to the Exit Loan Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; *provided*, *however*, that a Lender claiming additional amounts under this Section 2.11(a) agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) that becomes effective or is made after the date of this Agreement affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is

increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of such type, then, upon demand by such Lender or such corporation (with a copy of such demand to the Exit Loan Agent), the Borrower shall pay to the Exit Loan Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower by such Lender shall be prima-facie evidence thereof, absent manifest error.

(c) [RESERVED].

(d) For the purposes of this Section 2.11, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all requests, rules, guidelines or directives promulgated thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by any Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to have been introduced or adopted after the date of this Agreement only if actually introduced or adopted after the date of this Agreement.

Section 2.12 Payments and Computations. (a) The Borrower shall make each payment hereunder and under the other Financing Agreements, irrespective of any right of counterclaim or set-off (except as otherwise provided in Section 2.16) not later than 12:00 Noon (Dallas, Texas time) on the day when due in U.S. dollars to the Exit Loan Agent at the Agent's Account in same day funds, with payments being received by the Exit Loan Agent after such time being deemed to have been received on the next succeeding Business Day. The Exit Loan Agent will promptly thereafter cause like funds to be distributed (i) if such payment by the Borrower is in respect of principal, interest, commitment fees or any other Obligation then payable hereunder and under the other Financing Agreements to more than one Lender, to such Lenders for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective obligations then payable to such Lenders and (ii) if such payment by the Borrower is in respect of any obligation then payable hereunder to one Lender, to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 13.07(d), from and after the effective date of such Assignment and Assumption, the Exit Loan Agent shall make all payments hereunder and under the other Financing Agreements in respect of the interest assigned thereby to the assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) [Reserved].

(c) All computations of interest shall be made by the Exit Loan Agent on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are

payable. Each determination by the Exit Loan Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the other Financing Agreements shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Exit Loan Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender hereunder that the Borrower will not make such payment in full, the Exit Loan Agent may assume that the Borrower has made such payment in full to the Exit Loan Agent on such date and the Exit Loan Agent may (but shall not be obligated to), in reliance upon such assumption, cause to be distributed to each such Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower has not made such payment in full to the Exit Loan Agent, each such Lender shall repay to the Exit Loan Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Exit Loan Agent, at the greater of the Federal Funds Rate and a rate determined by the Exit Loan Agent in accordance with banking industry practices on interbank compensation.

(f) If the Exit Loan Agent receives funds for application to the Exit Loan Obligations under circumstances for which the Financing Agreements to not specify the Advances to which, or the manner in which such funds are to be applied, the Exit Loan Agent shall distribute such funds to each of the Lenders in accordance with such Lender's pro rata share of the sum of (i) the aggregate principal amount of the Exit Loan outstanding at such time, and (ii) other Exit Loan Obligations then owing to such Lender for application to the principal thereof.

Section 2.13 Taxes. (a) Any and all payments to or for the account of any Lender or the Exit Agent hereunder or under any other Financing Agreement shall be made, in accordance with Section 2.12 or the applicable provisions of such other Financing Agreement, if any, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Exit Loan Agent, taxes that are imposed on its overall net income by the United States and taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction under the laws of which such Lender or the Exit Agent, as the case may be, is organized and, in the case of each Lender, taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof ("***Excluded Taxes***") (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under any other Financing Agreement other than the Excluded Taxes being hereinafter referred to as "***Taxes***"). If any amount with respect to Taxes shall be required by law to be deducted from or in respect of any

sum payable hereunder or under any other Financing Agreement to any Lender or the Exit Loan Agent, (i) the Borrower shall cause the sum payable to be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13) such Lender or the Exit Loan Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall ensure that all such deductions have been made and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp, documentary, excise, property, intangible, mortgage recording or similar taxes, charges or levies that arise from any payment made by the Borrower hereunder or under any other Financing Agreements or from the execution, delivery or registration of, performance under, or otherwise with respect to, this Agreement or the other Financing Agreements (hereinafter referred to as "***Other Taxes***").

(c) The Borrower shall indemnify each Lender and the Exit Loan Agent for and hold them harmless against the full amount of Indemnified Taxes, including the full amount of Indemnified Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 2.13, imposed on or paid by such Lender or the Exit Loan Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within thirty (30) days from the date such Lender or the Exit Loan Agent (as the case may be) makes written demand therefor.

(d) Within thirty (30) days after the date of any payment of Indemnified Taxes, the Borrower shall furnish to the Exit Loan Agent, at its address referred to in Section 13.02, the original or a certified copy of a receipt evidencing such payment, to the extent such a receipt is issued therefor, or other written proof of payment thereof that is reasonably satisfactory to the Exit Loan Agent. For purposes of subsections (e) and (f) of this Section 2.13, the term *"United States"* shall have the meaning specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long thereafter as such Lender remains lawfully able to do so), provide each of the Exit Loan Agent and the Borrower with two original Internal Revenue Service Forms W-8BEN, W-8BEN-E or W-8EC1 (or in the case of a Lender that has certified in writing to the Exit Loan Agent that it is not (i) a "***bank***" as defined in Section 881(c)(3)(A) of the Internal Revenue Code), (ii) a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code) the Borrower or (iii) a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Internal Revenue Code), Internal Revenue Service Form W -8BENor W-8BEN-E), as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or any other Financing Agreement or, in the case of a Lender that has certified that it is not a *"bank"* as described above, certifying that

such Lender is a foreign corporation, partnership, estate or trust. If the forms provided by a Lender at the time such Lender first becomes a party to this Agreement indicate a United States interest withholding tax rate on interest payments in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such forms; *provided, however*, that if, at the effective date of the Assignment and Assumption pursuant to which a Lender becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) of this Section 2.13 in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service Form W-8BEN or W-8EC1 or the related certificate described above, that the applicable Lender reasonably considers to be confidential, such Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form, certificate or other document described in subsection (e) above (other than if such failure is due to a change in law, or in the interpretation or application thereof, occurring after the date on which a form, certificate or other document originally was required to be provided or if such form, certificate or other document otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under subsection (a) or (c) of this Section 2.13 with respect to Taxes imposed by the United States by reason of such failure; *provided, however*, that should a Lender become subject to Taxes because of its failure to deliver a form, certificate or other document required hereunder, the Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to Section 2.11 or this Section 2.13 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

Section 2.14 Sharing of Payments, Etc. If any Lender shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise), other than as a result of an assignment pursuant to Section 13.07, (a) on account of Exit Loan Obligations due and payable to such Lender hereunder and under the other Financing Agreements at such time in excess of its ratable share (according to the proportion of (i) the amount of such Exit Loan Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Exit Loan Obligations due and payable to all Lenders hereunder and under the other Financing Agreements at such time) of payments on account of the Exit Loan Obligations due and payable to all Lenders hereunder and under the other Financing Agreements

at such time obtained by all the Lenders at such time or (b) on account of Exit Loan Obligations owing (but not due and payable) to such Lender hereunder and under the other Financing Agreements at such time in excess of its ratable share (according to the proportion of (i) the amount of such Exit Loan Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Exit Loan Obligations owing (but not due and payable) to all Lenders hereunder and under the other Financing Agreements at such time) of payments on account of the Exit Loan Obligations owing (but not due and payable) to all Lenders hereunder and under the other Financing Agreements at such time obtained by all of the Lenders at such time, such Lender shall forthwith purchase from the other Lenders such interests or participating interests in the Exit Loan Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided*, *however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price to the extent of such Lender's ratable share (according to the proportion of (i) the purchase price paid to such Lender to (ii) the aggregate purchase price paid to all Lenders) of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (x) the amount of such other Lender's required repayment to (y) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing an interest or participating interest from another Lender pursuant to this Section 2.14 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such interest or participating interest, as the case may be, as fully as if such Lender were the direct creditor of the Borrower in the amount of such interest or participating interest, as the case may be.

Section 2.15 Use of Proceeds. The proceeds of the Exit Loan shall be available (and the Borrower agrees that it shall use such proceeds) solely (i) to pay the Pre-Effective Date Maturity Funds Loans and repay the DIP Credit Facility in full, including all accrued and unpaid interest, (ii) to pay Bankruptcy Costs, (iii) to fund ongoing premium payments related to Policies, (iv) to fund reserves established by the Borrower for future premium payments on Policies and (v) to fund the Commitment Fee and the initial unused line fee under the Revolving Line of Credit.

Section 2.16 [Reserved]

Section 2.17 Additional Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Register maintained by the Exit Loan Agent pursuant to Section 13.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, (ii) the terms of each Assignment and Assumption delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable

from the Borrower to each Lender hereunder, and (iv) the amount of any sum received by the Exit Loan Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Exit Loan Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be *prima facie* evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; *provided, however*, that the failure of the Exit Loan Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND OF LENDING

Section 3.01 The Commitment Fee. The Borrower hereby agrees that the Borrower shall pay to the Exit Loan Agent, on the Effective Date, the aggregate sum of $300,000 (the "***Commitment Fee***"), which sum is to be paid from the proceeds of the Exit Loan.

Section 3.02 Conditions Precedent to the Exit Loan. Section 2.01 of this Agreement shall become effective on and as of the "Effective Date" (as defined in the Joint Plan), subject only to the requirement that the following conditions precedent have been satisfied or waived by the Exit Loan Agent and the Exit Loan Lender (and the obligation of the Exit Loan Lender to make the Exit Loan is subject to the satisfaction or waiver of such conditions precedent) (the "***Effective Date***"):

(a) The Exit Loan Agent shall have received on or before the Effective Date the following, each dated such day (unless otherwise specified), in form and substance satisfactory to the Lenders (unless otherwise specified) and (except for the Notes) in sufficient copies for each Lender:

(i) The Note to be delivered pursuant to Section 2.02.

(ii) The Accounts Agreement.

(iii) The Security Agreement.

(iv) Any document requested by the Collateral Agent on or before the Effective Date pursuant to Article V or the Security Agreement.

(v) A certificate of the Chapter 11 Trustee for Life Partners Holdings, Inc. certifying the names and true signatures of the trustee of the Borrower authorized to sign each Financing Agreement to which the Borrower is to be a party and the other documents to be delivered hereunder and thereunder, and attaching a copy of the Joint Plan Confirmation Order.

(vi) [RESERVED]

(vii) [RESERVED]

(viii) [RESERVED]

(ix) [RESERVED].

(b) [RESERVED].

(c) [RESERVED].

(d) The Bankruptcy Court shall have entered a Joint Plan Confirmation Order, and such Joint Plan Confirmation Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, or vacated, or be subject to a stay pending appeal.

(e) The Borrower shall be in compliance in all material respects with the Joint Plan Confirmation Order.

(f) [RESERVED].

(g) [RESERVED].

(h) The Lenders shall have been granted a perfected, first priority lien on all Collateral, pursuant to the Joint Plan Confirmation, the Security Agreement, Order and the Accounts Agreement.

(i) [RESERVED].

(j) {RESERVED].

(k) [RESERVED].

Section 3.03 [RESERVED].

Section 3.04 [RESERVED].

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) If applicable, the Borrower (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases Property or in which the conduct of its business requires it to so qualify or be

licensed except where the failure to so qualify or be licensed could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect and (iii) has all requisite corporate power and authority, including, without limitation, all Governmental Authorizations to own or lease and operate its Properties and to carry on its business as now conducted and as proposed to be conducted.

(b) [RESERVED].

(c) Set forth on Schedule 4.01(c) hereto is a complete and accurate list of all Subsidiaries of the Borrower on the date hereof, showing as of the date hereof (as to each such Subsidiary) the jurisdiction of its formation, the number of shares of each class of its Equity Interests authorized, and the number outstanding, on the date hereof and the percentage of each such class of its Equity Interests owned (directly or indirectly) by the Borrower and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the date hereof.

(d) The execution, delivery and performance by the Borrower of each Financing Agreement to which it is or is to be a party are within the Borrower's trust powers, have been duly authorized by all necessary action, and will not (i) contravene the Borrower's trust agreement, (ii) violate any law, rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, or (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting the Borrower or any of its Properties. The Borrower is not violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or is in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, in each case, the violation or breach of which could reasonably be expected to have a Material Adverse Effect.

(e) No Governmental Authorization, and no notice to or filing with, any Governmental Authority or any other third party that has not already been obtained is required for (i) the operation of the business of the Borrower as required by applicable law, (ii) the due execution, delivery, recordation, filing or performance by the Borrower of any Financing Agreement to which it is or is to be a party, (iii) the grant by the Borrower of the Liens granted by it pursuant to the Security Agreement, (iv) the perfection or maintenance of the Liens created under the Security Agreement (including the applicable priority nature thereof), other than customary filings and extensions or (v) except for approvals, notices and authorizations required by any applicable Government Authority in connection with the transfer of ownership of any regulated business, the exercise by the Exit Loan Agent or any Lender of its rights under the Financing Agreements or the remedies in respect of the Collateral pursuant to the Security Agreement or the Accounts Agreement, except for the authorizations, approvals, actions, notices and filings the failure of which to obtain or make, could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, all of which have been duly obtained, taken, given or made and are in full force and effect.

(f) This Agreement has been, and each other Financing Agreement when delivered hereunder will have been, duly executed and delivered by the Borrower. This

Agreement is, and each other Financing Agreement when delivered hereunder will be, the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

(g) There is no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries, including any Environmental Action, pending or, to the knowledge of the Borrower, threatened before any Governmental Authority or arbitrator that could reasonably be likely to have a Material Adverse Effect, other than as set forth in Schedule 4.01(g).

(h) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

(i) [RESERVED].

(j) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan that has resulted in or is reasonably expected to result in liability in excess of $1,000,000 of the Borrower or any ERISA Affiliate.

(k) (i) Except as otherwise set forth on Part I of Schedule 4.01(k) hereto or the Phase I reports referred to in Section 6.11(a), the operations and Properties of the Borrower and each of its Subsidiaries comply in all material respects with all applicable Environmental Laws and Environmental Permits, all past non-compliance with such Environmental Laws and Environmental Permits has been resolved without material ongoing obligations or costs, and no circumstances exist that could reasonably be likely to (A) form the basis of an Environmental Action against the Borrower, any of its Subsidiaries or any of their Properties that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect or (B) cause any such Property to be subject to any material restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(ii) Except as otherwise set forth on Part II of Schedule 4.01(k) hereto, none of the Properties currently or formerly owned or operated by the Borrower or any of its Subsidiaries is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such Property.

(iii) Except as otherwise set forth on Part III of Schedule 4.01(k) hereto or in the Phase I reports referred to in Section 6.11(a), or as could not reasonably be expected to result in material liability, (A) there are no and never have been any underground or aboveground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any Property currently owned or operated by the Borrower or any of its Subsidiaries or, to its knowledge, on any Property formerly owned or operated by the Borrower or any of its Subsidiaries; (B) there is no asbestos or asbestos-containing material on any Property currently owned or operated by the Borrower or any of its Subsidiaries; and (C) Hazardous Materials have not been released, discharged or

disposed of on any Property currently or, to its knowledge, formerly owned or operated by the Borrower or any of its Subsidiaries.

(iv) Except as otherwise set forth on Part IV of Schedule 4.01(k) hereto, neither the Borrower nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any material investigation, assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any governmental or regulatory authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any Property currently or formerly owned or operated by the Borrower or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result in material liability to the Borrower or any of its Subsidiaries.

(l) (i) Neither the Borrower nor any of its Subsidiaries is party to any tax sharing agreement.

(ii) The Borrower and each of its Subsidiaries has filed, has caused to be filed or has been included in all tax returns (federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties to the extent, in the case of the Debtors, permitted to be paid (or required to be paid) under the Bankruptcy Code, except any taxes, penalties and interests shown on the proofs of claim filed by the IRS and the Texas Comptroller that are currently being contested, or where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(iii) The aggregate unpaid amount, as of the date hereof, of adjustments to the state, local and foreign tax liability of the Borrower and its Subsidiaries proposed by all state, local and foreign taxing authorities (other than amounts arising from adjustments to Federal income tax returns) could not reasonably be expected, either individually or in the aggregate, to result in a Material Adverse Effect. No issues have been raised by such taxing authorities that, in the aggregate, could be reasonably likely to have a Material Adverse Effect.

(m) Neither the business nor the Properties of the Borrower or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that could reasonably be likely to have a Material Adverse Effect.

(n) Set forth on Schedule 4.01(m) hereto is a complete and accurate list of all Investments (other than Investments otherwise scheduled hereunder or comprised of plants, real property, equipment, Investments in Subsidiaries or interests in Policies) held by the Borrower on the date hereof having a value of at least $250,000, showing as of the date hereof the amount, obligor or issuer and maturity, if any, thereof.

(o) Set forth on Schedule 4.01(n) hereto is a complete and accurate list of all material patents, trademarks, trade names, service marks and copyrights, and all applications therefor and any material licenses thereof, of the Borrower on the date hereof, showing as of the date hereof the jurisdiction in which registered, the registration number, the date of registration and the expiration date.

(p) The Borrower has good, legal and valid title or otherwise has the right to use all equipment and personal Property, tangible or intangible, which is used in the day to day operations of the business of the Borrower and which is necessary to conduct the business of the Borrower in accordance with applicable law, Governmental Authorizations and the Financing Agreements, except where the failure to have such title or right of use could not reasonably be expected to have a Material Adverse Effect on the business and operation of the Borrower.

(q) [RESERVED].

ARTICLE V

GRANT AND PERFECTION OF SECURITY INTEREST AND PRIORITY OF LIENS

Section 5.01 Grant of Security Interest To secure payment and performance of all Exit Loan Obligations, the Borrower hereby agrees to grant to the Collateral Agent, for itself and the benefit of the Lenders, in the Security Agreement a continuing security interest in, a lien upon, and hereby collaterally assigns to the Collateral Agent, for itself and the benefit of the Lenders, as security for the Exit Loan Obligations, the Collateral.

Section 5.02 Perfection and Priority of Security Interests. (a) The Exit Loan Obligations shall at all times be entitled to a first priority, perfected security interest in, and lien upon all of the Collateral; *provided, however*, the security interests securing payment of the Revolving Line of Credit shall be entitled to a pari passu, first priority perfected security interest in the Collateral.

(b) Notwithstanding the forgoing subsection (a), any advances made under the terms of or pursuant to the Pre-Effective Date Maturity Funds Loans following the Effective Date shall be entitled to a pari passu, perfected security interest in death benefits related to Beneficial Ownership in the Policies held by the Position Holder Trust; *provided, however*, that any such advances shall be subject to the terms of Article IX herein.

Section 5.03 Further Actions. The Security Agreement shall provide, among other things, that, to the extent permitted under the Accounts Agreement and the security agreements referred to therein, the Borrower shall take any other actions reasonably requested by the Collateral Agent from time to time to cause the attachment, perfection and agreed priority of, and the ability of the Collateral Agent to enforce, the security interest of the Collateral Agent, for itself and for the benefit of the Lenders, in any and all of the Collateral, including, without limitation, (a) executing and delivering a security agreement evidencing the grant of any security interest contemplated herein, (b) executing, delivering and, where appropriate, filing mortgages, financing statements and amendments relating thereto under the UCC or other applicable law, to

the extent, if any, that the Borrower's signature thereon is required therefor, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Collateral Agent to enforce, the security interest of the Collateral Agent in such Collateral and (d) obtaining the consents and approvals of any Governmental Authority or third party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, and taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as any Advance or any other Exit Loan Obligation of the Borrower under any Financing Agreement shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

Section 6.01 Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970, except where such non-compliance could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 6.02 Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its Property, except where such non-payment could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its Property; provided, however, that the Borrower shall not be required to pay or discharge any such tax, assessment, charge or claim that is subject to Contest, unless and until any Lien resulting therefrom attaches to its Property and becomes enforceable against its other creditors.

Section 6.03 [RESERVED].

Section 6.04 [RESERVED].

Section 6.05 Preservation of Existence, Etc. (a) (i) Subject to the terms of the Joint Plan, the Joint Plan Confirmation Order and the Servicing Agreement, cause each of its Subsidiaries to preserve, renew and keep in full force and effect, its organizational existence and (ii) take all reasonable steps and cause each of its Subsidiaries to take all reasonable steps to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 9.05 and except, in the case of clause (ii) above, to the extent that failure to do could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect and (b) comply with all

Contractual Obligations, to the extent that failure to do so could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 6.06 Visitation Rights. At any reasonable time and from time to time, permit the Exit Loan Agent or any of the Lenders, or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and, upon prior notice and during normal business hours, (a) visit the Properties of the Borrower and (b) permit the Exit Loan Agent or any of the Lenders to discuss the affairs, finances and accounts of the Borrower with any of its officers or directors and with its independent certified public accountants, *provided* the Exit Loan Agent and the Lenders shall use reasonable efforts to coordinate such visits in order to mitigate any burden on the operation of the business of the Borrower and any such visit shall be conducted in the presence of one or more representatives of the Borrower; and provided further that the rights of the Exit Loan Agent and the Lenders under this Section shall be subject to limitations imposed by privacy and similar laws such as the Texas Life Settlement Act and the United States Health Insurance Portability and Accountability Act.

Section 6.07 Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, each of its Subsidiaries, as the case may be, in accordance with GAAP in effect from time to time.

Section 6.08 [RESERVED].

Section 6.09 Further Assurances. (a) Promptly upon request by the Required Lenders, to the extent permitted under the Financing Agreements, correct any material defect or error that may be discovered in any Financing Agreement or in the execution, acknowledgment, filing or recordation thereof, to the extent permitted under the terms thereof.

(b) [RESERVED.]

Section 6.10 [RESERVED].

Section 6.11 [RESERVED].

Section 6.12 [RESERVED].

Section 6.13 Bankruptcy Related Matters.

(a) [RESERVED].

(b) Comply in all material respects with the Joint Plan Confirmation Order, except where failure to comply could not reasonably be expected to have a Material Adverse Effect.

(c) Provide the Lenders and the Exit Loan Agent with reasonable access to non-privileged information (including historical information) and relevant personnel regarding strategic planning, cash and liquidity management, operational and restructuring activities, in each case subject to customary confidentiality restrictions.

(d) [RESERVED].

Section 6.14 [RESERVED].[RESERVED].

ARTICLE VII

[RESERVED]

ARTICLE VIII

REPORTING COVENANTS

So long as any Advance or any other Exit Loan Obligation of the Borrower under any Financing Agreement shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will furnish to the Exit Loan Agent and the Lenders:

Section 8.01 Default Notice. As soon as possible and in any event within two Business Days after becoming aware of the occurrence of any Default or any event, development or occurrence reasonably likely to have a Material Adverse Effect continuing on the date of such statement, a statement of the trustee of the Borrower setting forth details of such Default or event, development or occurrence and the action, if any, that the Borrower has taken or proposes to take with respect thereto.

Section 8.02 Financial Statements. The Borrower shall promptly provide the Administrative Agent with any financial statements maintained by the Borrower's trustee.

Section 8.03 [RESERVED].

Section 8.04 [RESERVED]..

Section 8.05 [RESERVED]..

Section 8.06 Litigation. Promptly after the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any Governmental Authority affecting the Borrower or any of its Subsidiaries of the type described in Section 4.01(g).

Section 8.07 [RESERVED].

Section 8.08 Creditor Reports. Promptly after the furnishing thereof, copies of any statement or report furnished to the holders of Debt securities pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to any other section of this Article VIII.

Section 8.09 [RESERVED].

Section 8.10 Agreement Notices, Etc. Promptly upon receipt thereof, and except for any of the same delivered pursuant to a Financing Agreement, (a) copies of all notices, requests and other documents received by the Borrower or any of its Subsidiaries under or

pursuant to any instrument, indenture, loan or credit or similar agreement, regarding or related to any breach or default by any party thereto or any other event that could materially impair the value of the interests of the Borrower or otherwise have a Material Adverse Effect; (b) copies of any amendment, modification or waiver of any provision of any constituent document of the Borrower or any instrument, indenture, loan or credit or similar agreement; and (c) from time to time upon request by the Exit Loan Agent, such non-privileged information and reports regarding such instruments, indentures and loan and credit and similar agreements as the Exit Loan Agent may reasonably request, but subject to appropriate confidentiality restrictions in the case of clause (a) and this clause (c); *provided* that in no case shall any notice of breach or default be subject to such confidentiality restrictions.

Section 8.11 ERISA. (a) ERISA Events and ERISA Reports. (i) Promptly and in any event within fifteen (15) Business Days after the Borrower or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, a statement of the Borrower describing such ERISA Event and the action, if any, that the Borrower or such ERISA Affiliate has taken and proposes to take with respect thereto and (ii) on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information.

(b) Plan Terminations. Promptly and in any event within ten (10) Business Days after receipt thereof by the Borrower or any ERISA Affiliate, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan.

(c) Multiemplover Plan Notices. Promptly and in any event within ten (10) Business Days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (i) the imposition of Withdrawal Liability by any such Multiemployer Plan, (ii) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan or (iii) the amount of liability incurred, or that may be incurred, by the Borrower or any ERISA Affiliate in connection with any event described in clause (i) or (ii).

Section 8.12 [RESERVED]. [RESERVED].

Section 8.14 Casualty Events and Events of Eminent Domain. Promptly give notice to the Exit Loan Agent of the occurrence of any Casualty Event or Event of Eminent Domain, in each case, whether or not insured and involving a probable loss of $50,000 or more.

Section 8.15 Other Information. Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower or any of its Subsidiaries as the Exit Loan Agent, acting at the request of any Lender, may reasonably from time to time request; *provided* that the rights of the Exit Loan Agent and the Lenders under this Section shall be subject to limitations imposed by privacy and similar laws such as the Texas Life Settlement Act and the United States Health Insurance Portability and Accountability Act.

ARTICLE IX

NEGATIVE COVENANTS

Until the Exit Loan Obligations have been fully satisfied, the Borrower covenants and agrees with the Exit Loan Agent and the Lenders that:

Section 9.01 Debt. Absent express written consent from the Exit Loan Agent, the Borrower shall be prohibited from creating, incurring, assuming, or permitting to exist any Debt, including, but not limited to, any Debt under the terms of the Pre-Effective Date Maturity Funds Loans, except:

(a) [Reserved];

(b) Debt created herein or under the terms of any of the Financing Agreements;

(c) [Reserved];

(d) Debt existing on the date hereof and extensions, renewals and replacements of any such Debt that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof;

(e) Debt evidenced by the New IRA Notes;

(f) Debt that will be repaid from the proceeds of the Exit Loan pursuant and subject to Section 2.15; and

(g) [Reserved].

Section 9.02 Liens. Absent express written consent from the Administrative Agent, the Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens contemplated by the Joint Plan and the Joint Plan Confirmation Order;

(b) Liens created under the Security Agreement; and

(c) Liens contemplated by the Accounts Agreement and the security agreements referred to therein.

Section 9.03 Fundamental Changes. The Borrower will not, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, other than any Subsidiary as of the date hereof. The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and

its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto. The Borrower will have no Subsidiary other than Subsidiaries as of the date hereof.

Section 9.04 Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any Equity Interests in or evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) Cash Equivalents;

(b) Investments contemplated by the Accounts Agreement (other than with respect to any securities account or deposit account of the Borrower not subject to a Lien);

(c) the Borrower's rights and interests in the Policies, including any acquired after the Effective Date, pursuant to the Joint Plan and the Borrower's trust agreement; and

(d) [Reserved].

Section 9.05 Asset Sales. The Borrower will not, and will not permit any of its Subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any of its Subsidiaries to issue any additional Equity Interest in such Subsidiary, except:

(a) sales, transfers and dispositions contemplated by the Joint Plan and the Borrower's trust agreement;

(b) sales of asset in the ordinary course of business; and

(c) dispositions contemplated by the Accounts Agreement; *provided* that the maturity of any Policy shall not be considered a disposition of such Policy or any interest therein for purposes of this Section.

Section 9.06 Sale and Leaseback Transactions. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets that is made for cash consideration in an amount not less than the cost of such fixed or capital asset and is consummated within ninety (90) days after the Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset.

Section 9.07 Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any of its Subsidiaries has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest–bearing liability or investment of the Borrower or any Subsidiary thereof.

Section 9.08 Certain Payments of Debt.

(a) [RESERVED].

(b) [RESERVED].

(c) Certain Payments of Debt. The Borrower will not, nor will it permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash securities or other property) of or in respect of principal of or interest on any Debt, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Debt, except:

(i) any payment of Debt contemplated by the Joint Plan, including the New IRA Notes; and

(ii) payment of Debt created under the Financing Agreements and, Debt arising under the Pre-Effective Date Maturity Fund Loans.

(iii) [Reserved].

Section 9.09 Transactions with Affiliates. The Borrower will not, nor will it permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's -length basis from unrelated third parties, (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate, and (c) any transactions contemplated by the Joint Plan.

Section 9.10 Restrictive Agreements. Except as contemplated by the Joint Plan, the Borrower will not, nor will it permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist, any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any Equity Interests it has issued or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Debt of the Borrower or any other Subsidiary.

Section 9.11 Amendment of Material Documents. Absent express written consent of the Exit Loan Agent, the Borrower will not, nor will it permit any Subsidiary to, amend, modify or waive any rights of the Borrower, the Exit Agent or Lenders under any agreement contemplated by the Joint Plan.

Section 9.12 Change in Fiscal Year. The Borrower will not change the manner in which either the last day of its fiscal year or the last days of the first three fiscal quarters of its fiscal year is calculated.

Section 9.13 Government Regulations. The Borrower will not: (a) be or become subject at any time to any law, rule or regulation, or list of any Government Authority (including the U.S. Office of Foreign Asset Control list) that prohibits or limits the Lenders from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower, or (b) fail to provide documentary and other evidence of the Borrower's identity as may be requested by any Lender at any time to enable each Lender to verify its identity or to comply with any applicable laws, rules and regulations, including Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 9.14 Specific Distributions. Absent express written consent from the Exit Loan Agent, the Borrower shall be prohibited from making any distributions to Position Holder Trust Beneficiaries under the Borrower's trust agreement until such time that the Borrower pays to the Exit Loan Agent, for the account of the Lenders, the principal amount of all Advances made by the Lenders to the Borrower under the terms of this Agreement, together with all interest owing by the Borrower pursuant to Section 2.08.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. If any of the following events ("***Events of Default***") shall occur:

(a) (i) the Borrower shall fail to pay any principal of any Advance when the same shall become due and payable or (ii) the Borrower shall fail to pay any interest on any Advance, or the Borrower shall fail to make any other payment due under any Financing Agreement, in each case under this clause (ii) within five (5) Business Days after the same shall become due and payable; or

(b) any representation, warranty or certification made by, or deemed made by, the Borrower (or any of its officers) under or in connection with any Financing Agreement shall prove to have been incorrect in any material respect as of the date made or deemed made; or

(c) the Borrower shall fail to pay the Commitment Fee; or

(d) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in any Financing Agreement on its part to be performed or observed if such failure shall remain unremedied for ten (10) Business Days after the earlier of

the date on which (i) the Borrower becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Exit Loan Agent or any Lender; or

(e) the Borrower shall accrue new indebtedness under the Pre-Effective Date Maturity Funds Loans in violation of Section 9.01; or

(f) any judgments which are in the aggregate in excess of $100,000 (in excess of insurance coverage) as to any obligation shall be rendered against the Borrower and the enforcement thereof shall not be stayed (by court ordered stay or by consent of the party litigants); or there shall be rendered against the Borrower a non-monetary judgment with respect to an event which causes or would reasonably be expected to cause a material adverse change or a Material Adverse Effect; or

(g) any material provision of any Financing Agreement after delivery thereof pursuant to Section 3.02 or 6.09 shall for any reason cease to be valid and binding on or enforceable against the Borrower to it, or the Borrower shall so state in writing; or

(h) any event of default shall occur under the terms of the Revolving Line of Credit as the term "Event of Default" is defined therein; or

(i) [Reserved]; or

(j) [Reserved]; or

(k) [Reserved]; or

(l) [Reserved]; or

(m) [Reserved]; or

(n) [Reserved]; or

(o) [Reserved]; or

(p) [Reserved]; or

(q) [Reserved]; or

(r) [Reserved]; or

(s) Certain Bankruptcy Related Events:

(i) [Reserved];

(ii) [Reserved];

(iii) [Reserved];

(iv) [Reserved];

(v) (A) an order of the Bankruptcy Court shall be entered reversing, amending, supplementing, staying for a period of five (5) Business Days or more, vacating or otherwise amending, supplementing, or modifying the Joint Plan Confirmation Order, or the Borrower shall apply for authority to do so, without, in each case, the prior written consent of the Required Lenders and the Exit Loan Agent, or (B) the Borrower shall fail to comply with the Joint Plan Confirmation Order in any material respect and such failure could reasonably be expected to have a Material Adverse Effect and is not cured within three (3) days of the earlier of (i) the Borrower's knowledge of such failure to comply or (ii) notice thereof from the Exit Loan Agent;

(vi) [Reserved];

(vii) [Reserved];

(viii) [Reserved];

(ix) [Reserved];

(x) [Reserved];

(xi) [Reserved];

(xii) except as permitted under this Agreement, (A) the Borrower or any of its Affiliates shall file any pleading or proceeding seeking relief which could reasonably be expected to result in a Material Adverse Effect or (B) the Bankruptcy Court shall enter an order with respect to any pleading or proceeding brought by any other person which results in a Material Adverse Effect;

(t) the Borrower shall fail to comply with its obligations under Section 5.03, and such failure continues unremedied for a period of ten (10) Business Days;

(u) [Reserved];

(v) [Reserved];

then, and in any such event, at any time while such event is continuing, the Exit Loan Agent, acting at the direction of the Required Lenders, (i) by written notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement and the other Financing Agreements to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower.

Section 10.02 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, the Collateral Agent, the Exit Loan Agent and Lenders shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the Bankruptcy Code, the

UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by the Borrower, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to the Collateral Agent, the Exit Loan Agent and Lenders hereunder, under any of the other Financing Agreements, the Bankruptcy Code, the UCC or other applicable law, are cumulative, not exclusive and enforceable, in the Exit Loan Agent's discretion, but acting solely at the direction of the Required Lenders (or with respect to the Collateral Agent as provided in the Security Agreement), alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by the Borrower of this Agreement or any of the other Financing Agreements. Subject to Article XI hereof, the Exit Loan Agent, acting at the direction of the Required Lenders, may, at any time or times, proceed directly against the Borrower to collect the Exit Loan Obligations without prior recourse to the Collateral.

(b) [RESERVED].

(c) [RESERVED].

(d) [RESERVED].

(e) [RESERVED].

(f) [RESERVED].

(g) [RESERVED].

In addition to the remedies set forth above, the Exit Loan Agent may exercise any other remedies provided for by the Financing Agreements in accordance with the terms hereof and thereof or any other remedies provided by applicable law.

ARTICLE XI

THE EXIT LOAN AGENT

Section 11.01 Authorization and Action. (a) Each Lender (on behalf of itself and its Affiliates in their capacities as a Lender) hereby appoints and authorizes the Exit Loan Agent to take such actions on its behalf and to exercise such powers as are delegated to the Exit Loan Agent by the terms hereof and thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of this Article are solely for the benefit of the Exit Loan Agent and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

Section 11.02 Exit Loan Agents Individually. (a) Any Person serving as an Exit Loan Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Exit Loan Agent and the term *"Lender"* or *"Lenders"* shall, unless otherwise expressly indicated or unless the context

otherwise requires, include each Person serving as an Exit Loan Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Exit Loan Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender acknowledges that Vida Capital, Inc. and its respective Affiliates are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 11.02 as ***"Activities"***) and may engage in the Activities with or on behalf of the Borrower or its Affiliates. Furthermore, Vida Capital, Inc. and its respective Affiliates may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for their own account or on behalf of others (including the Borrower and its Affiliates and including holding, for its own account or on behalf of others, equity and similar positions in the Borrower or any of its Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of the Borrower or its Affiliates. Each Lender understands and agrees that in engaging in the Activities, Vida Capital, Inc. and its respective Affiliates may receive or otherwise obtain information concerning the Borrower or its Affiliates (including information concerning the ability of the Borrower to perform its obligations hereunder and under the other Financing Agreements), which information may not be available to any of the Lenders that are not Affiliates of Vida Capital, Inc. and its respective Affiliates. Except for documents expressly required by any Financing Agreement to be transmitted by the Exit Loan Agent to the Lenders, neither any Exit Loan Agent nor any of its respective Affiliates shall have any duty or responsibility to provide, and shall not be liable for the failure to provide, any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any Affiliate of the Borrower that may come into the possession of any Exit Loan Agent or any Affiliate thereof or any employee or Exit Loan Agent thereof.

Section 11.03 Duties of Exit Loan Agent; Exculpatory Provisions. (a) The Exit Loan Agent's duties hereunder and under the other Financing Agreements are solely mechanical and administrative in nature and the Exit Loan Agent shall not have any duties or obligations except those expressly set forth herein and in the other Financing Agreements. Without limiting the generality of the foregoing, the Exit Loan Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Financing Agreements that such Exit Loan Agent is required to exercise upon the written direction of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Financing Agreements); *provided* that no Exit Loan Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Exit Loan Agent or any of its Affiliates to liability or that is contrary to any Financing Agreement or

applicable law; *provided further* that no Exit Loan Agent shall be required to take any action unless the written direction of the Required Lenders with respect to such action includes an agreement to indemnify such Exit Loan Agent with respect to such action; and

(iii) except as expressly set forth herein and in the other Financing Agreements, shall not have any duty to disclose or be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by such Exit Loan Agent or any of its Affiliates in any capacity.

(b) The Exit Loan Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Exit Loan Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 13.01 or 10.01) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The Exit Loan Agent shall not be deemed to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until notice describing such Default, identified as a "notice of default", and such event or events is given to the Exit Loan Agent by the Borrower or any Lender.

(c) The Exit Loan Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Financing Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Financing Agreement or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created by the Financing Agreements or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Exit Loan Agent. Neither the Exit Loan Agent nor any of its Related Parties shall be responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Exit Loan Agent or any other Person given in, pursuant to or in connection with any Financing Agreements.

(d) Nothing in this Agreement or any other Financing Agreement shall require the Exit Loan Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Exit Loan Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Exit Loan Agent.

Section 11.04 Reliance by Exit Loan Agent. The Exit Loan Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine

and to have been signed, sent or otherwise authenticated by the proper Person. The Exit Loan Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Without limiting Section 3.04, in determining compliance with any condition hereunder to the making of any Advances that by its terms must be fulfilled to the satisfaction of a Lender, the Exit Loan Agent may presume that such condition is satisfactory to such Lender unless the Exit Loan Agent shall have received notice to the contrary from such Lender prior to the making of such Advances. The Exit Loan Agent may consult with legal counsel (who may be counsel for the Borrower) independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. No Lender shall have any right of action whatsoever against the Exit Loan Agent as a result of the Exit Loan Agent acting hereunder or under any other Financing Document in accordance with the instructions of the Required Lenders or refraining from acting hereunder or under any other Financing Document in accordance with the instructions of the Required Lenders other than with respect to the Exit Loan Agent's bad faith, gross negligence or willful misconduct.

Section 11.05 Delegation of Duties. The Exit Loan Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Financing Agreement by or through any one or more sub agents appointed by the Exit Loan Agent. The Exit Loan Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. Each such sub agent and the Related Parties of the Exit Loan Agent and each such sub agent shall be entitled to the benefits of all provisions of this Article XI and Article XIII (as though such sub-agents were the *"Agent"* under the Financing Agreements) as if set forth in full herein with respect thereto; *provided* that the Exit Loan Agent shall not be responsible for the negligence or misconduct of any sub agents.

Section 11.06 Resignation of Exit Loan Agent. The Exit Loan Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor, which shall be a commercial bank or financial institution reasonably acceptable to the Required Lenders. If no such successor Exit Loan Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment prior to the effective date of the resignation of the Exit Loan Agent, then the Exit Loan Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Exit Loan Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on such effective date and (i) the retiring Exit Loan Agent shall be discharged from its duties and obligations hereunder and under the other Financing Agreements (except that Exit Loan Agent shall continue to hold any Collateral until such time as a successor Exit Loan Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through the retiring Exit Loan Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Exit Loan Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Exit Loan Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Exit Loan Agent, and the retiring Exit Loan Agent shall be discharged from all of its duties and obligations hereunder or under the other Financing Agreements (if not already discharged therefrom as

provided above in this paragraph). After the retiring Exit Loan Agent's resignation hereunder and under the other Financing Agreements, the provisions of this Article and Section 13.04 shall continue in effect for the benefit of such retiring Exit Loan Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Exit Loan Agent was acting as Exit Loan Agent under this Agreement.

Section 11.07 Non-Reliance on Exit Loan Agent and Other Lenders. (a) Each Lender confirms to the Exit Loan Agent, each other Lender and each of their respective Related Parties that it (i) possesses such knowledge and experience in financial and business matters that it is capable, without reliance on the Exit Loan Agent, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, accounting and other financial matters) of entering into this Agreement, making Advances and other extensions of credit hereunder and under the other Financing Agreements and in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risk and (iii) has determined that entering into this Agreement and making Advances and other extensions of credit hereunder and under the other Financing Agreements is suitable and appropriate for it.

(b) Each Lender acknowledges that it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Financing Agreements and that it has, independently and without reliance upon the Exit Loan Agent or any other Lender or any of their respective Related Parties and based on such documents and information, as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Exit Loan Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Financing Agreements, including but not limited to:

(i) the financial condition, status and capitalization of the Borrower;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Financing Agreement and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Financing Agreement;

(iii) determining compliance or non-compliance with any condition hereunder to the making of Advances; and

(iv) the adequacy, accuracy and/or completeness of any of the information delivered by the Exit Loan Agent, any other Lender or by any other Person under or in connection with this Agreement or any other Financing Agreement, the transactions contemplated by this Agreement and the other Financing Agreements or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Financing Agreement.

Section 11.08 Indemnification.

(a) Each Lender severally agrees to indemnify the Exit Loan Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Exit Loan Agent in any way relating to or arising out of the Financing Agreements or any action taken or omitted by the Exit Loan Agent under the Financing Agreements (collectively, the "***Indemnified Costs***"); *provided, however*, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Exit Loan Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction; *provided, further*, that, no action taken or refrained from in accordance with the directions or consent of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Financing Agreements) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 11.08. Without limitation of the foregoing, each Lender agrees to reimburse each Exit Loan Agent promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by the Borrower under Section 13.04, to the extent that the Exit Loan Agent is not promptly reimbursed for such costs and expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 11.08 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person and whether or not the Exit Loan Agent is a party to such investigation, litigation or proceeding.

(b) [Reserved].

(c) For purposes of this Section 11.08, each Lender's ratable share of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to such Lender and (ii) the aggregate unused portions of such Lender's Commitments at such time. The failure of any Lender to reimburse the Exit Loan Agent promptly upon demand for its ratable share of any amount required to be paid by the Lenders to such Exit Loan Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse such Exit Loan Agent for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Exit Loan Agent for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 11.08 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Financing Agreements.

ARTICLE XII

[RESERVED]

Section 12.01 [RESERVED].

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Financing Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that

(a) no amendment, waiver or consent shall, unless in writing and signed by each Lender affected thereby and the Borrower, do any of the following at any time:

(i) amend or otherwise modify the definition of *"Required Lenders"* under this Agreement or the definition of *"Lenders,"* in any manner that changes the number of Lenders or the percentage of (x) the Commitment or (y) the aggregate unpaid principal amount of the Advances that, in each case, are required for the Lenders or any of them to take any action hereunder or under the Financing Agreements,

(ii) change the order of application of the proceeds of any Collateral from the application thereof set forth in this Agreement in any manner that is materially adverse to such affected Lender;

(iii) release all or substantially all of the Collateral in any transaction or series of related transactions (other than in connection with any sale or disposition permitted under Section 9.05) or as provided in the Accounts Agreement: or

(iv) amend this Section 13.01;

(b) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and each Lender specified below for such amendment, waiver or consent:

(i) increase the Commitment of a Lender without the consent of such Lender;

(ii) reduce the principal of, or stated rate of interest on, the Advances owed to a Lender or any fees or other amounts stated to be payable hereunder or under the other Financing Agreements to such Lender without the consent of such Lender; or

(iii) postpone any date scheduled for any payment of principal of, or interest on, the Advances pursuant to Section 2.04 or 2.08, or any date fixed for any payment of fees hereunder in each case payable to a Lender without the consent of such Lender; *provided*, that no amendment, waiver or consent shall, unless in writing and signed by the Exit Loan Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Exit Loan Agent under this Agreement or the other Financing Agreements.

Section 13.02 Notices, Etc. (a) All notices and other communications provided for hereunder shall be either (x) in writing (including telegraphic, telecopy or electronic communication) and mailed, e-mailed, telegraphed, telecopied or delivered or (y) as and to the extent set forth in Section 13.02(b) and in the proviso to this Section 13.02(a), in an electronic medium and delivered as set forth in Section 13.02(b), if to the Borrower, to _____ at its address at _____, with a copy of any material notification to Thompson & Knight, LLP, One Arts Plaza, 1722 Ruth Street, Suite 1500, Dallas Texas 75201, Attn: _____, email: _____; if to any Lender, at its address specified in its Administrative Questionnaire; and if to the Exit Loan Agent, at its address at Vida Capital Inc., 805 Las Cimas Pkwy, Suite 350, Austin, Texas 78746, Attn: Dan Young, Esq., General Counsel, email: dan.young@vidacapitalinc.com; with a copy to Gray Reed & McGraw P.C., 1601 Elm Street, Suite 4600, Dallas Texas 75201, Attn: Jason S. Brookner, email: jbrookner@grayreed.com; *provided, however*, that notices of borrowing, conversion or payment be sent to: *[Exit Loan Agent treasury contact]*, with a copy to Mr. Young, or, as to any Party, at such other address as shall be designated by such party in a written notice to the other parties; *provided, however*, that materials and information described in Section 13.02(b) shall be delivered to the Exit Loan Agent in accordance with the provisions thereof or as otherwise specified to the Borrower by the Exit Loan Agent. All such notices and other communications shall, when mailed, telegraphed, telecopied, or e-mailed, be effective when deposited in the mails, delivered to the telegraph company, transmitted by telecopier or sent by electronic communication, respectively, except that notices and communications to the Exit Loan Agent pursuant to Article II, III or XI shall not be effective until received by the Exit Loan Agent. Delivery by telecopier of an executed counterpart of a signature page to any amendment or waiver of any provision of this Agreement or the Notes shall be effective as delivery of an original executed counterpart thereof.The Borrower hereby agrees that it will provide to the Exit Loan Agent all information, documents and other materials that it is obligated to furnish to the Exit Loan Agent pursuant to the Financing Agreements, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new Borrowing, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Borrowing or other Extension of Credit thereunder (all such non-excluded communications being referred to herein collectively as "***Communications***"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Exit Loan Agent to an electronic mail address specified by the Exit Loan Agent to the Borrower. In addition, the Borrower agrees to continue to provide the Communications to the Exit Loan Agent in the manner specified in the Financing Agreements but only to the extent requested by the Exit Loan Agent.

(c) The Exit Loan Agent agrees that the receipt of the Communications by the Exit Loan Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Exit Loan Agent for purposes of the Financing Agreements. Nothing herein shall prejudice the right of the Exit Loan Agent or any Lender to give any notice or other communication pursuant to any Financing Agreement in any other manner specified in such Financing Agreement.

(d) The Borrower hereby acknowledges that certain of the Lenders may be "***public-side***" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "***Public Lender***"). Subject to the provisions of subparagraph (e) below, the Borrower hereby agrees that (i) Communications that are to be made available to Public Lenders shall be clearly and conspicuously marked "***PUBLIC,***" which, at a minimum, shall mean that the word "***PUBLIC***" shall appear prominently on the first page thereof, (ii) by marking Communications "***PUBLIC,***" the Borrower shall be deemed to have authorized the Exit Loan Agent and the Lenders and the Lenders to treat such Communications as either publicly available information or not material information (although it may contain sensitive business information and remains subject to the confidentiality undertakings of Section 13.10) with respect to the Borrower or its securities for purposes of United States federal and state securities laws, and (iii) all Communications marked "***PUBLIC***" are permitted to be made available through a portion of the Platform designated "***Public Side Information***."

(e) EACH LENDER ACKNOWLEDGES THAT UNITED STATES FEDERAL AND STATE SECURITIES LAWS PROHIBIT ANY PERSON WITH MATERIAL, NON-PUBLIC INFORMATION ABOUT AN ISSUER FROM PURCHASING OR SELLING SECURITIES OF SUCH ISSUER OR, SUBJECT TO CERTAIN LIMITED EXCEPTIONS, FROM COMMUNICATING SUCH INFORMATION TO ANY OTHER PERSON. EACH LENDER AGREES TO COMPLY WITH APPLICABLE LAW AND ITS RESPECTIVE CONTRACTUAL OBLIGATIONS WITH RESPECT TO CONFIDENTIAL AND MATERIAL NON-PUBLIC INFORMATION. Each Lender that is not a Public Lender confirms to the Exit Loan Agent that such Lender has adopted and will maintain internal policies and procedures reasonably designed to permit such Lender to take delivery of Restricting Information (as defined below) and maintain its compliance with applicable law and its respective contractual obligations with respect to confidential and material non-public information. A Public Lender may elect not to receive Communications and Information that contains material non-public information with respect to the Borrower or its securities (such Communications and Information, collectively, "***Restricting Information***"), in which case it will identify itself to the Exit Loan Agent as a Public Lender. Such Public Lender shall not take delivery of Restricting Information and shall not participate in conversations or other interactions with the Exit Loan Agent, any Lender or the Borrower in which Restricting Information may be discussed. No Agent Party, however, shall by making any Communications and Information (including Restricting Information) available to a Lender (including any Public Lender), by participating in any conversations or other interactions with a Lender (including any Public Lender) or otherwise, be responsible or liable in any way for any decision a Lender (including any Public Lender) may make to limit or to not limit its access to the Communications and Information. In particular, the Exit Loan Agent, on behalf of itself and each and all of its Affiliates, hereby disclaims, any duty to ascertain or inquire as to whether or not a Lender (including any Public Lender) has elected to receive Restricting Information, such Lender's policies or procedures regarding the safeguarding of material nonpublic information or such Lender's compliance with applicable laws related thereto. Each Public Lender acknowledges that circumstances may arise that requires it to refer to Communications and Information that might contain Restricting Information. Accordingly, each Public Lender agrees that it will nominate at least one designee to receive Communications and Information (including Restricting Information) on its behalf and identify such designee (including such designee's

contact information) on such Public Lender's Administrative Questionnaire. Each Public Lender agrees to notify the Exit Loan Agent in writing (including by electronic communication) from time to time of such Public Lender's designee's e-mail address to which notice of the availability of Restricting Information may be sent by electronic transmission. Each Public Lender confirms to the Exit Loan Agent and the Lenders that are not Public Lenders that such Public Lender understands and agrees that the Exit Loan Agent and such other Lenders may have access to Restricting Information that is not available to such Public Lender and that such Public Lender has elected to make its decision to enter into this Agreement and to take or not take action under or based upon this Agreement, any other Financing Agreement or related agreement knowing that, so long as such Person remains a Public Lender, it does not and will not be provided access to such Restricting Information. Nothing in this Section 13.02(f) shall modify or limit a Lender's (including any Public Lender) obligations under Section 13.10 with regard to Communications and Information and the maintenance of the confidentiality of or other treatment of Communications or Information.

Section 13.03 No Waiver; Remedies. No failure on the part of any Lender or the Exit Loan Agent to exercise, and no delay in exercising, any right hereunder or under any Note or any other Financing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 13.04 Costs and Expense.

(a) Each party will bear its own costs and expenses in connection with the negotiation, execution and delivery and administration of this Agreement and the other Financing Agreements and any related bankruptcy proceedings.

(b) The Borrower agrees to pay on demand all costs and expenses of the Exit Loan Agent and the Lenders in connection with the enforcement of the Financing Agreements, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally (including, without limitation, the fees and expenses of counsel for the Exit Loan Agent and one set of counsel for the Lenders with respect thereto).

(c) The Borrower agrees to indemnify, defend and save and hold harmless each Exit Loan Agent, each Lender and each of their Affiliates and their respective Related Parties (each, an "*Indemnified Party*") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, the actual or proposed use of the proceeds of the Advances, the other Financing Agreements or any of the transactions contemplated thereby or (ii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss,

liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence, willful misconduct or bad faith. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.04(a) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, trustee, shareholders or creditors, any Indemnified Party or any other Person, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated by this Agreement are consummated. The Borrower also agrees not to assert any claim against the Exit Loan Agent, any Lender or any of their Affiliates, or any of their respective officers, directors, employees, agents and advisors, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, the actual or proposed use of the proceeds of the Advances, the other Financing Agreements (other than the Plan Collaboration Agreement) or any of the transactions contemplated by the Financing Agreements (other than the Plan Collaboration Agreement).

(d) [RESERVED].

(e) If the Borrower fails to pay when due any costs, expenses or other amounts payable by it under any Financing Agreement, including, without limitation, fees and expenses of counsel and indemnities, such amount may be paid on behalf of the Borrower by the Exit Loan Agent or any Lender, in its sole discretion.

(f) Without prejudice to the survival of any other agreement of the Borrower hereunder or under any other Financing Agreement, the agreements and obligations of the Borrower contained in Sections 2.11 and 2.13 and this Section 13.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Financing Agreement.

Section 13.05 Right of Set-off.

(a) Upon the making of the request or the granting of the consent specified by Section 10.01 to authorize the Exit Loan Agent to declare the Advances due and payable pursuant to the provisions of Section 10.01, the Exit Loan Agent and each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Exit Loan Agent, such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the Exit Loan Obligations now or hereafter existing under the Financing Agreements, irrespective of whether the Exit Loan Agent or such Lender shall have made any demand under this Agreement and although such Exit Loan Obligations may be unmatured. The Exit Loan Agent and each Lender agrees promptly to notify the Borrower after any such set- off and application; *provided, however,* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Exit Loan Agent and each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Exit Loan Agent, such Lender and their respective Affiliates may have.

Section 13.06 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower, the Exit Loan Agent and the Exit Loan Lender and thereafter shall be binding upon and inure to the benefit of the Borrower, the Exit Loan Agent and each Lender and their respective successors and permitted assigns.

Section 13.07 Assignments and Participations. The Borrower has no right to assign its rights hereunder or any interest herein without the prior written consent of each Lender.

(a) After the Exit Loan shall have been fully funded on the Effective Date, each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Exit Loan owing to it and the Note or Notes held by it); *provided, however*, that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations hereunder, (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender, an Affiliate of any Lender or an Approved Fund of any Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the aggregate amount of the Commitment being assigned to such Eligible Assignee pursuant to such assignment (determined as of the date of the Assignment and Assumption with respect to such assignment) shall in no event be less than (i) $250,000 (or such lesser amount as shall be approved by the Exit Loan Agent), (ii) each such assignment shall be to an Eligible Assignee, and (iii) the parties to each such assignment shall execute and deliver to the Exit Loan Agent, for its acceptance and recording in the Register, an Assignment and Assumption, together with any Note or Notes (if any) subject to such assignment.

(b) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Assumption, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights and obligations of a Lender hereunder and (ii) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights (other than its rights under Sections 2.11, 2.13 and 13.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the remaining portion of an assigning Lender's rights and obligations under this Agreement or such Lender shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Assumption, each Lender assignor thereunder and each assignee thereunder confirm to and agree with each other and the other parties thereto and hereto as follows: (i) other than as provided in such Assignment and Assumption, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Financing Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Financing Agreement or any other instrument or document furnished pursuant thereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition

of the Borrower or the performance or observance by the Borrower of any of its obligations under any Financing Agreement or any other instrument or document furnished pursuant thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the reports, budgets, financial statements and notices delivered pursuant to Article VIII and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (iv) such assignee will, independently and without reliance upon the Exit Loan Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Exit Loan Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Financing Agreements as are delegated to such Exit Loan Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Exit Loan Agent, acting for this purpose (but only for this purpose) as the non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 13.02 a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders, their respective Commitments, and the principal amount of the Advances owing to each Lender from time to time (the "***Register***"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Exit Loan Agent and the Lenders shall treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Exit Loan Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Assumption executed by an assigning Lender and an assignee, together with any Note or Notes (if any) subject to such assignment, the Exit Loan Agent shall, if such Assignment and Assumption has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Assumption, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. In the case of any assignment by a Lender, within five (5) Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Exit Loan Agent in exchange for the surrendered Note or Notes (if any) a new Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it hereunder pursuant to such Assignment and Assumption and, if any assigning Lender that had a Note or Notes prior to such assignment has retained a Commitment hereunder, a new Note to the order of such assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be dated the effective date of such Assignment and Assumption and shall otherwise be in substantially the form of Exhibit A hereto.

(f) [RESERVED].

(g) After the Exit Loan shall have been fully funded on the Effective Date, each Lender may sell participations to one or more Persons (other than the Borrower or

any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments and the Advances owing to it and the Note or Notes (if any) held by it); *provided, however*, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitments) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Exit Loan Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Financing Agreement, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or release all or substantially all of the Collateral or the value of the Guaranties; *provided* that notwithstanding anything herein or in any other Financing Agreement to the contrary, no Affiliate of the Borrower that is a Lender hereunder shall be entitled to any vote in connection with any amendment, modification or waiver of this Agreement or any other Financing Agreement or in connection with any exercise of rights or remedies of the Borrower under the Financing Documents and any participation interest of such Affiliate shall be disregarded for such purposes.

(h) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.07, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided, however*, that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information received by it from such Lender.

(i) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances and the Note or Notes (if any) held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(j) Notwithstanding anything to the contrary contained herein, any Lender that is a Fund may create a security interest in all or any portion of the Advances and any Note or Notes held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; *provided* that, unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 13.07, (i) no such pledge shall release the pledging Lender from any of its obligations under this Agreement and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Financing Agreements even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

(k) [RESERVED].

Section 13.08 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by telecopier or electronic transmission (e.g., "pdf") of an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart of this Agreement.

Section 13.09 [RESERVED]. Confidentiality. Exit Loan Agent and each Lender shall keep confidential, in accordance with its customary procedures for handling confidential information and safe and sound lending practices, and in compliance with applicable privacy and similar laws such as the Texas Life Settlement Act and the United States Health Insurance Portability and Accountability Act, provided, that, nothing contained herein shall limit the disclosure of any such information, to the extent permitted by such privacy and similar laws, (a) to such Exit Loan Agent's or such Lender's Affiliates and their officers, directors, employees, agents and advisors, to any pledgee referred to in Section 13.07(j), to actual or prospective Eligible Assignees and participants and to any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations, and, in each case, then only on a confidential basis, (b) as required by any law, rule or regulation or legal or judicial process, (c) as requested or required by any state, federal or foreign authority or examiner (including the National Association of Insurance Commissioners or any similar organization or quasi-regulatory authority) or non-governmental regulatory authority purporting to have jurisdiction over such Lender, (d) to any rating agency when required by it, *provided* that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender, (e) in connection with any litigation or proceeding related to this Agreement, any other Financing Agreement or the Cases to which such Exit Loan Agent or such Lender or any of its Affiliates may be a party and which was not initiated by such party, (f) in connection with the exercise of any right or remedy under this Agreement or any other Financing Agreement, (g) to any other party hereto on a confidential basis, (h) with the consent of the Borrower or (i) to the extent that such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to any Exit Loan Agent or Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower.

Section 13.11 Patriot Act Notice. Each Lender and the Exit Loan Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Exit Loan Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall, and shall cause each of its Subsidiaries to, provide such information and take such actions as are reasonably requested by the Exit Loan Agent or any Lender in order to assist the Exit Loan Agent and the Lenders in maintaining compliance with the Patriot Act.

Section 13.12 Jurisdiction, Etc. Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Bankruptcy Court and if the Bankruptcy Court does not have (or abstains from) jurisdiction, to the exclusive general jurisdiction of any Texas state court or federal court of the United States of America sitting in the Northern District of Texas, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any of the other Financing Agreements, and waives any objection based on venue or *forum non conveniens* with respect to any action instituted in the courts described above arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Exit Loan Agent and Lenders shall have the right to bring any action or proceeding against the Borrower or its or their property in the courts of any other jurisdiction which Exit Loan Agent deems necessary or appropriate in order to realize on the Collateral).

Section 13.13 Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of Texas.

Section 13.14 Waiver of Jury Trial. The Borrower, the Exit Loan Agent and the Lenders irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to any of the Financing Agreements or the Advances, or the actions of any Exit Loan Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

Section 13.15 Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be.

Section 13.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Agreement), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between the Borrower and its Subsidiaries and any Exit Loan Agent or Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Financing Agreements, irrespective of whether any Exit Loan Agent or Lender has advised or is advising the Borrower or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by any Exit Loan Agent or Lender are arm's -length commercial transactions between the Borrower and its Affiliates, on the one hand, and such Exit Loan Agent or Lender, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Agreements; and (b) (i) each of the Exit Loan Agent and Lenders is and has been

acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, Exit Loan Agent or fiduciary for the Borrower or any of their respective Affiliates, or any other Person; (ii) none of the Exit Loan Agent or Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Agreements; and (iii) the Exit Loan Agent, Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Exit Loan Agents or Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by Law, the Borrower hereby waives and releases any claims that it may have against the Exit Loan Agent and Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 13.17 No Recourse Against Trustee Individually. The trustee of the Borrower is entering into this Agreement solely in his capacity as trustee of Life Partners Position Holder Trust. There shall be no recourse under any circumstance, against the trustee in individually for any obligations or liabilities hereunder or under any other Financing Agreement. The sole recourse of the Exit Agent, the Lenders and any other Person with respect to such obligations and liabilities shall be against trust assets of Life Partners Position Holder Trust available for the payment of such obligations and liabilities.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

LIFE PARTNERS POSITION HOLDER TRUST,
as the Borrower

By: _____
Name: Edward Espinosa
Title: Trustee

[Signature Page to Exit Loan Facility Agreement]

VIDA CAPITAL, INC.,
as the Exit Loan Agent

By: _____
Name:
Title:

VIDA OPPORTUNITY FUND LP,
as the Exit Loan Lender

By: _____
Name:
Title:

The following constitutes the ruling of the court and has the force and effect therein described.

Signed April 7, 2017

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:	§	
	§	CASE NO. 15-40289-rfn-11
LIFE PARTNERS HOLDINGS, INC.,	§	
***et. al.*,**	§	Jointly Administered
	§	
REORGANIZED DEBTORS.	§	Chapter 11

ORDER GRANTING JOINT MOTION OF THE REORGANIZED DEBTORS TO APPROVE NON-MATERIAL PLAN MODIFICATIONS PURSUANT TO 11 U.S.C. 1127

The Court has considered the *Joint Motion of the Reorganized Debtors to Approve Non-Material Plan Modifications Pursuant to 11 U.S.C. § 1127* (the "Motion"),[1] filed by the Reorganized Debtors under the terms of the Plan, confirmed by this Court in the above-captioned, jointly administered Chapter 11 bankruptcy cases (the "Bankruptcy Cases") of Life Partners Holdings, Inc. ("LPHI") and its affiliated debtors, Life Partners, Inc. ("LPI") and LPI Financial Services Inc. ("LPIFS," collectively with LPI the "Subsidiary Debtors," and collectively with LPHI and LPI, "Debtors" or "Life Partners"), by and through Alan M. Jacobs,

[1] All capitalized terms not defined in this Order shall have the meaning ascribed to them in the Motion, which incorporates terms from the Plan and Confirmation Order.

in his capacity as the Trustee of the Life Partners Creditors' Trust ("Creditors' Trustee"), and Eduardo S. Espinosa, in his capacity as the Trustee of the Life Partners Position Holder Trust (the "Position Holder Trustee" and, collectively with the Creditors' Trustee, the "Successor Trustees"), appointed pursuant to the Plan. The Court finds that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the estates and their creditors and interested parties; (iv) proper and adequate notice of the Motion has been given and that no other or further notice is necessary; (v) all objections to the Motion, filed or un-filed, including the *Joinder and Partial Objection to Motion of the Reorganized Debtors to Approve Non-Material Plan Modifications Pursuant to 11 U.S.C. § 1127* [D.I. 3959], filed by Amicus Curiae Holders of Fractional Interests ("Amicus"), have been resolved by this Order or are hereby expressly overruled in their entirety, without prejudice to any rights Amicus may have to seek future relief with respect to immaterial modifications for elections under the Plan;[2] and (vi) upon the record herein, after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. **IT IS THEREFORE ORDERED** as follows:

1. The Motion is hereby **GRANTED** as set forth herein.

2. Tax Payer Verification. The Successor Trustees are hereby authorized to withhold any and all distributions of cash otherwise required under the Plan unless the applicable recipient of such distribution provides a properly executed IRS Form W-9 or Form W-8BEN to the respective Successor Trustee. Unless such information was previously received by the Position Holder Trustee or Creditor Trustee, written requests for such disclosures shall be sent to the holders of all Allowed and Disputed Claims asserted against either of the Creditors' Trust or

[2] The Successor Trustees reserve all rights with respect to any such request for relief by Amicus.

Position Holder Trust, at the last known address (or e-mail address, if known) of record for each such holder within thirty (30) days of the date of entry of this Order. Any such Form W-9 or Form W-8BEN documentation provided subsequent to November 1, 2016 (the date on which this Court entered its Order confirming the Plan), to the Debtors, the Chapter 11 Trustee, the Reorganized Debtors, or to any Successor Entity, may be relied upon by any and all of the Reorganized Debtors and Successor Entities. For any holders who do not respond to such requests within thirty (30) days thereof, a written reminder request shall be transmitted forty-five (45) days following the original request. As provided under the Plan, any distributions of cash that are withheld due to the failure of a recipient to provide the required IRS Form W-9 or Form W-8BEN shall be held as Unclaimed Property in the Undeliverable Distribution Reserve as provided in sections 10.03 and 11.02 of the Plan. As provided therein, if the applicable recipient of such distribution does not provide the required IRS Form W-9 or Form W-8BEN within one year of the date that an applicable Distribution is made, then any such withheld distribution shall be deemed to be forfeited for all purposes, and all Claims upon which the distribution was to be made, or in respect of void checks and/or the underlying (undeliverable) distributions, shall be forever barred, estopped and enjoined from assertion in any manner against the Successor Entities, Debtors, Securities Intermediaries or Servicing Company, as applicable. Nothing in this paragraph shall cause the forfeit of a Position Holder Trust Interest, an IRA Partnership Interest or a New IRA Note.

3. Modification to Premium Call Procedures. Section 12.09(a) of the Plan is hereby removed and replaced with the following language: “The Position Holder Trustee may make premium calls to Continuing Fractional Holders as needed, in the Position Holder Trustee’s sole discretion, but no more frequently than one bill per year for any given Policy.”

4. Extension of Deadline for Initial Premium Calls. There shall be no Payment Default with respect to the Fractional Interests for premium call notices invoiced in December, 2016, provided that all applicable Premiums for such Fractional Interests have been received by the Position Holder Trustee or its Servicing Company on or before April 6, 2017.

5. Waiver of Penalty for Certain Premium Defaults. This Paragraph shall be limited to premium call notices issued to Continuing Fractional Holders in December, 2016, and the first premium call notice issued for each Continuing Fractional Interest after the entry of this Order. For any Continuing Fractional Holder who is deemed to have made the Position Holder Trust Election as the result of a Payment Default arising from one of the premium call notices described in the preceding sentence, the reduction to such Holder's Beneficial Ownership related to the Contributed Position provided in Section 5.05(c)(i) of the Plan shall not apply. For clarity, except as expressly provided in Paragraph 4 above or this Paragraph 5, nothing in this Order shall be deemed to excuse or waive any Payment Default.

6. IRA Holder Distribution Deadline. Any IRA Holder classified in Class B3 or B3A of the Plan who made an Option 4 – Conversion Election pursuant to a duly and timely submitted (or otherwise accepted) Ballot under either Section 3.07(d)(iii)(4) or Section 3.07(e)(iii)(4) of the Plan, must request a distribution of the applicable IRA assets from the IRA Holder's custodian by no later than before 5:00 pm Central Time on May 5, 2017, in order to allow the Holder's IRA custodian to provide notice to the Position Holder Trustee, as set forth below, on or before 5:00 pm Central Time on May 15, 2017 (the "Conversion Deadline"). Without waiving any restrictions or fees imposed by the custodian in the ordinary course of business pursuant to the terms and conditions applicable as between the IRA custodians and their respective account holders, any and all IRA custodians receiving such a written request must

(i) make available to the IRA Holder any forms necessary to process such distribution request; (ii) honor such request promptly upon receipt; and (iii) provide notice to the Position Holder Trustee of such distribution on or before the Conversion Deadline. Failure to do so will result in such Holder's Option 4 – Conversion Election being deemed void *ab initio*, and such Holder's Claim being treated pursuant to Section 3.07(d)(iv) or Section 3.07(e)(iv) of the Plan as of the Effective Date, *unless* the IRA Holder's custodian provides written notice to the Position Holder Trustee, on before the Conversion Deadline, in accordance with the notice provisions of Paragraph 6(a)-(b) below, and satisfactory to the Position Holder Trustee, demonstrating that the IRA Holder has effectuated the distribution of the IRA assets corresponding to the Fractional Position(s) for which the Conversion Election was made outside of the IRA such that the Fractional Position(s) may be held directly by the individual taxpayer.

(a) Any such written notification must clearly identify and provide the following information: (i) the Policy IDs subject to the conversion; (ii) the portion of the asset associated with the Policy ID being distributed, including the applicable Account IDs; (iii) the name(s) of the applicable account holder(s); (iv) the custodian's name and contact information; and (v) such custodian's clear and unequivocal statement that the applicable account holder's assets have been distributed from the applicable IRA. For purposes of (ii) above, the portion of the asset being distributed shall mean the amount initially invested in the asset associated with the Policy ID, unless otherwise noted.

(b) Such notification must be received on or before the Conversion Deadline via first-class mail, e-mail, facsimile transmission, or hand delivery to:

Life Partners Position Holder Trustee, Attention: Eduardo S. Espinosa, Trustee, 1717 Main Street, Suite 4200, Dallas, Texas 75201 or such other address as the Position Holder Trustee shall designate in writing and post on his website (www.lpi-pht.com); with a copy via first-class mail or e-mail to: Michael Napoli (mnapoli@dykema.com) and Aaron Kaufman (akaufman@dykema.com), counsel to the Position Holder Trustee, 1717 Main Street, Suite 4200, Dallas, Texas 75201.

7. The Position Holder Trustee may, in its sole discretion as exercised consistent with the Position Holder Trustee's duties under the Plan, extend the Conversion Deadline for any IRA Holder if, and only if, such IRA Holder can demonstrate satisfactorily to the Position Holder Trustee that such IRA Holder's custodian failed to abide by the terms of this Order, despite the IRA Holder's full compliance with the terms of Paragraph 6 of this Order. Moreover, nothing in this Order shall be construed as adjudicating a Holder's rights or remedies with regard to any pending Holder Dispute (as that term is defined under the Position Holder Trust Agreement), except to the extent such Holder Dispute is rendered moot as a result of this Order.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of the Plan and this Order.

END OF ORDER # #

Agreed to in form and substance by:

By: */s/ Jay H. Ong*
Joseph J. Wielebinski (Texas Bar No. 21432400)
Dennis L. Roossien, Jr. (Texas Bar No. 00784873)
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ATTORNEYS FOR AMICUS CURIAE HOLDERS OF FRACTIONAL INTEREST