

Terms and Conditions of Sale

1. KPMG Inc., in its capacity as Court-appointed receiver and manager (the “**Receiver**”) of New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126535 Ontario Inc., 2122042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc., (collectively, “**New Life**” or the “**Companies**”), will consider written offers to purchase all of the Companies’ right, title and interest in all or some of New Life’s portfolio of 19 life insurance policies or life settlements (the “**Portfolio**” or “**Policies**”).
 2. The Portfolio is being offered for sale on an “as is, where is” and “without recourse” basis with no representations or warranties as to title, enforceability, encumbrances, description, fitness for use, condition, defect (patent or latent), or any other matter or thing whatsoever, either stated or implied. Any prospective purchaser of the Portfolio that submits an offer to the Receiver (an “**Offeror**”) must rely on its own judgment, inspection and investigation of the Portfolio. Furthermore, the Receiver makes no representation that any of the Policies are enforceable or that any of the insurers has or will have the financial ability to pay claims on the Policies.
 3. Specific information with respect to each of the Policies is available in an electronic data room (the “**Data Room**”) that the Receiver will make available to prospective purchasers of the Portfolio who are interested in making an offer and register with the Receiver. Such registration with the Receiver shall include the execution of a confidentiality agreement in a form satisfactory to the Receiver (the “Confidentiality Agreement and Acknowledgement”). All prospective purchasers should make themselves familiar with the information contained in the Data Room. The Data Room has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and does not form part of these Terms and Conditions of Sale. If you are interested in making an offer and registering with the Receiver, please contact Mr. Bradley Butcher by telephone at (416) 777-3819 or by email at bbutcher@kpmg.ca.
 4. All offers must conform to the prescribed offer form (the “**Offer Form**”). The Offer Form has been provided to all parties who executed the Confidentiality Agreement and Acknowledgement and is available in electronic form on the Receiver’s website at www.kpmg.ca/en/ms/cl/newlifecapital/.
 5. All offers must be submitted in a sealed envelope marked “CONFIDENTIAL - OFFER RE: NEW LIFE CAPITAL” to the Receiver to the attention of Mr. Bradley Butcher. All offers must be received by the Receiver at the Receiver’s offices located at Bay Adelaide Centre, Suite 4600, 333 Bay Street, Toronto, Ontario, M5H 2S5 by no later than 12:00 o’clock noon (Toronto time) on September 2, 2011 (the “**Offer Submission Deadline**”). The Receiver will not consider any offers submitted after the Offer Submission Deadline. However,
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nothing herein prevents the Receiver from accepting any offer(s) prior to the Offer Submission Deadline.

6. All offers must be accompanied by a deposit by way of bank draft or certified cheque payable to “KPMG Inc., in Trust” in an amount equal to not less than 5% of the gross purchase price (the “**Purchase Price**”) offered for some or all of the Portfolio, which deposit will be subject to the terms of this paragraph and paragraphs 7 and 8 herein. The acceptance of any offer shall result in an agreement of purchase and sale (the “**Purchase Agreement**”) between the successful Offeror (the “**Purchaser**”) and the Receiver on the terms and conditions contained in the Purchase Agreement, which will be subject to, among other things, the approval of the Ontario Superior Court of Justice (the “**Court**”). If the offer is accepted, the deposit will be deemed to be a non-refundable cash deposit. If the contemplated sale is completed, the deposit will be applied, without interest, against the Purchase Price. If the contemplated sale is not completed by the Purchaser by reason of the Purchaser’s default, the deposit will be retained by the Receiver on account of its liquidated damages and the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.
7. On the Closing Date (as defined in paragraph 10 below), the Purchaser shall pay to the Receiver by way of bank draft or certified cheque, the Purchase Price, less the deposit, plus all applicable federal and provincial taxes and duties, unless the applicable exemption certificates are presented to the Receiver on or before the Closing Date. If, notwithstanding any alleged exemption, any taxes referred to in this paragraph shall become exigible, the Purchaser shall pay the same forthwith (including any applicable interest and penalties). The Purchaser shall be responsible for all registration fees and retail sales tax (if applicable) payable in connection with the sale.
8. Deposits accompanying offers that are not accepted by the Receiver shall be returned to the Offeror by prepaid registered mail, addressed to the Offeror at the address set forth in its Offer Form on or before September 30, 2011 without interest thereon.
9. Offers must be left open for acceptance until at least 4:00 p.m. on September 23, 2011. Upon receipt by the Receiver of any offer, no Offeror shall be entitled to retract, withdraw, vary or countermand the offer prior to acceptance or rejection thereof, without the prior written consent of the Receiver.
10. The completion of the Purchase Agreement is subject to Court approval. The closing shall take place within five (5) business days following Court approval (the “**Closing Date**”).
11. The highest or any offer shall not necessarily be accepted. The Receiver cautions that, while the policies issued by ING bearing policy numbers #1560223, 1560230 and 1560231 (collectively, the “**Advantage Policies**”) have been included in this process, the Receiver has recommended to the Court, on a preliminary basis, that the Receiver hold the Advantage Policies to maturity.

12. The Receiver reserves the right to amend or terminate the sales process, at any time, in its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to a prospective purchaser shall be to inform the prospective purchaser of the withdrawal of all or any portion of the Portfolio or of any amendment to the sales process. With respect to termination of the sales process, the sole obligation of the Receiver to any Offeror shall be to return the deposit without interest or deduction.
13. New Life is subject to a Temporary Cease Trade Order (the “TCTO”) which was originally issued by the Ontario Securities Commission (“OSC”) on August 6, 2008 and has subsequently been continued. Completion of any transaction contemplated by these Terms and Conditions of Sale may be subject to the Receiver obtaining a variance of the TCTO from the OSC.
14. All of the insurance policies included in the Portfolio are issued by U.S. insurance companies and, based on information available to the Receiver, cover the lives of U.S. residents. Life insurance in the U.S. is subject to regulation by authorities in each state. The Receiver is not in a position to assure prospective purchasers that New Life’s acquisition of its interest in each of the Policies was carried out in compliance with applicable: (i) state or other regulatory requirements; and (ii) procedures and policies established by each of the insurers. Further, the Receiver cautions prospective purchasers that the Receiver cannot guarantee that all or any of the insurers of the Policies will accept, recognize or acknowledge any transfer of ownership or beneficial interest that may flow from a sale transaction contemplated by these Terms and Conditions of Sale.
15. The submission of an offer to the Receiver shall constitute an acknowledgment and an acceptance by the Offeror of these Terms and Conditions of Sale.
16. The Receiver may request at any time, and a prospective purchaser will provide to the Receiver within three business days of such request, all requisite information and materials, including proof respecting source of funds in order that the Receiver may assess the prospective purchaser’s ability to complete the sale transaction contemplated herein. In the event that the Receiver, in its sole discretion, assesses that any prospective purchaser does not have the ability to complete the sale transaction contemplated herein, the Receiver may terminate the prospective purchaser’s involvement in this process at any stage including denying such prospective purchaser access to the Data Room and any other information regarding the Portfolio.
17. KPMG Inc. is acting solely in its capacity as the Court-appointed receiver and manager of the Companies, and not in its corporate or personal capacity, and its liabilities hereunder, if any, or under any Purchase Agreement, will be solely in its capacity as the Court-appointed receiver and manager of the Companies and it shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise.

18. Prior to the Closing Date, the Receiver will apply for an Order of the Court, in a form satisfactory to the Receiver, vesting all of the Companies' right, title and interest in the Portfolio (or the portion thereof covered by the accepted offer) in consideration of the Purchase Price (the "**Vesting Order**"). The Receiver does not guarantee that the Receiver will be able to obtain a Vesting Order.
19. Time shall be in all respects of the essence hereof.
20. Any notices, requests, demands or other communications to be given hereunder (referred to herein as "**Notice**") shall be in writing and shall be either hand delivered, telefaxed, emailed or mailed by prepaid registered mail addressed as follows:
- To a prospective purchaser: at the address submitted to the Receiver at the time the prospective purchaser registers with the Receiver in accordance with paragraph 3 hereof.
 - To the Receiver: KPMG Inc. as Receiver of New Life Capital Corp. et al., Bay Adelaide Centre, Suite 4600, 333 Bay Street, Toronto, Ontario, M5H 2S5, Attention: Mr. Bradley Butcher, Telefax No.: (416) 777-3364, Email: bbutcher@kpmg.ca.
21. Notice shall be effective upon personal delivery or, if mailed, three (3) days after the deposit with the post office, or if telefaxed or emailed, on the date the Notice was sent by telefax, or if on a holiday, the next business day thereafter.

Dated at Toronto, Ontario, this 18th day of August, 2011.

KPMG INC.
solely in its capacity as the
COURT-APPOINTED RECEIVER AND MANAGER OF
NEW LIFE CAPITAL CORP. ET AL.
and not in its personal capacity