



ENTERED
09/30/2016

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION

In re: §
SNEED SHIPBUILDING, INC. § Case No. 16-60014
Debtor. § (Chapter 11)

**ORDER APPROVING PREMIUM FINANCE AGREEMENT WITH RESPECT TO
PAYMENT AND SECURITY FOR IPFS CREDIT CORPORATION**

(Docket No. 197)

At 11:00 a.m. in said District on the 30th day of September, 2016; and

CAME ON FOR CONSIDERATION the *Debtor's Emergency Motion for an Order Authorizing and Approving Debtor-In-Possession Entering Into Insurance Premium Financing Agreement* [Docket No. 197], requesting authorization for the Debtor to enter into a Premium Finance Agreement ("Agreement") with IPFS Corporation ("IPFS"), which Agreement provides for the financing of the insurance premiums to be paid for the Debtor's insurance policies, and no adverse interest being represented, and it appearing that all legal requisites having been met and sufficient cause appearing, it is

ORDERED that, pursuant to Section 364(c)(2) of the Bankruptcy Code, the Debtor is hereby authorized to enter into the Agreement, a copy of which is annexed hereto and made a part hereof; and it is further

ORDERED that IPFS is hereby granted a first and only priority security interest in:

- (i) any and all unearned premiums and dividends which may become payable under the financed insurance policies for whatever reason and
- (ii) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests; and it is further

ORDERED that the Debtor is hereby directed to pay IPFS all sums due pursuant to the Agreement; and it is further

ORDERED that the full rights of IPFS pursuant to the Agreement and controlling state law be and the same hereby are fully preserved and protected and are and shall remain unimpaired by the pendency of the bankruptcy case or any subsequent conversion of this proceeding to a Chapter 7 or any subsequent appointment of a trustee; and it is further

ORDERED that, in the event that the Debtor defaults upon any of the terms of the Agreement, IPFS may exercise such rights as it may otherwise have under state law, but for the pendency of this proceeding and, without the necessity of further application to this Court, cancel all insurance policies listed on the Agreement or any amendment thereto, and receive and apply all unearned insurance premiums to the account of the Debtor. In the event that, after such application of unearned premiums, any sums still remain due to IPFS pursuant to the Agreement, such deficiency shall be deemed an administrative expense of the estate.

Signed: September 30, 2016.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE