



ENTERED  
10/17/2016

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

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

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

At \_\_\_\_\_ in said District on the 17th day of October, 2017; 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. \_\_\_], 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, the Debtor is hereby authorized to enter into and to perform under the Agreement and to execute and deliver such documents and amendments to the Agreement that the Debtor and IPFS may deem reasonably necessary or desirable to carry out the Agreement; and it is further

ORDERED that, pursuant to Section 364(c) of Title 11 of the United States Code, as amended (the "Bankruptcy Code") and the terms of the Agreement, the Debtors are authorized to grant to IPFS a first priority security interest (the "Lien") in the Policies including (but only to the extent permitted by applicable law); (i) all money that is or may become due under the Agreement because of a loss under the Policies that reduces unearned premiums (subject to the interest of any applicable mortgagee

or loss payee); (ii) any return of premiums or unearned premiums under the Policies; and (iii) any dividends that may become due the Debtors in connection with the Policies; and it is further

ORDERED that, in the event that the Debtor defaults under the terms of the Agreement, IPFS, may, in accordance with the terms of the Agreement, and without further order of the court, cancel the Policies listed in the Agreement or any amendment thereto and receive and apply the unearned or return premiums to the account of the Debtor; 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 this or any subsequent proceeding under the Bankruptcy Code, the appointment of a trustee in this case, or the conversion of the case to a case under Chapter 7 of the Bankruptcy Code.

ORDERED that, in the event that returned or unearned premiums or other amounts due under the Policies are insufficient to pay the total amount owing by the Debtor to IPFS, any remaining amount owing to IPFS, including reasonable attorneys' fees and costs, shall be an allowed claim in this case with priority as an administrative expense pursuant to Section 503(b) (1) of the Bankruptcy Code; and it is further

ORDERED that, any monies due under the Agreement not otherwise satisfied through returned or unearned premiums or through payment of an allowed administrative claim filed by IPFS shall not be subject to discharge or release in this Chapter 11 proceeding or any corresponding Chapter 7 proceeding, notwithstanding any provision to the contrary set forth in any Chapter 11 Plan or Confirmation Order entered in the above captioned case(s); and it is further

ORDERED that, notwithstanding anything to the contrary contained in any Order approving secured financing in this case, the Lien granted to IPFS hereunder in connection with the Policies shall be senior to any security interests and/or liens granted to any other secured creditors in the Debtor's case; and it is further

ORDERED that, because IPFS has extended credit to the Debtor in good faith, the reversal or modification of this Order on appeal shall not affect the validity of the debt owed to IPFS or the priority of its liens, as provided in Section 364(e) of the Bankruptcy Code.

ORDERED that the Debtor is hereby authorized to enter into financing agreements in the future with IPFS without further court order under the following terms:

A. Copies of the proposed financing agreement will be forwarded to counsel for the Official Committee of Unsecured Creditors (the "Committee"), and counsel to the Debtor's Senior Lenders ("Senior Lenders"); and

B. Unless the Debtor receives notice in writing from the Committee and/or the Senior Lenders within five (5) business days of receipt by the Committee and the Senior Lenders of the Financing Agreement, the Debtor will proceed to enter into said Financing Agreement; and it is further

ORDERED that any future financing agreements entered into by the Debtor and IPFS, pursuant to the procedure outlined above, will be subject to the same requirements of this Order.

**Signed: October 17, 2016.**

  
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DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE