

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
Lafayette Division**

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

**MOTION FOR AUTHORITY TO ASSUME
INSURANCE PREMIUM FINANCING AGREEMENTS,
GRANT NEW LIENS AGAINST INSURANCE POLICIES AND
PROVIDE OTHER ADEQUATE ASSURANCE**

NOW INTO COURT, comes Progressive Acute Care, LLC (“PAC”), Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles”), Progressive Acute Care Oakdale, LLC (“PAC Oakdale”) and Progressive Acute Care Winn, LLC (“PAC Winn”) as debtors and debtors-in-possession (collectively, the “Debtors”), which respectfully request authority to assume certain insurance premium financing agreements with IPFS Corporation (“IPFS”) pursuant to 11 U.S.C. § 365(b), and grant a lien against the Debtors’ insurance policies in favor of IPFS, pursuant to § 364(c)(2):

Background

1.

On May 31, 2016, each of the Debtors filed a petition for voluntary relief under chapter 11 of the Bankruptcy Code. No creditors’ committee has been appointed in any case; and, the Debtors continue to operate their businesses in the ordinary course as debtors-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2.

The Debtors own and operate three (3) community-based hospitals (“Hospitals”), ranging from 50-60 bed capacity, which provide inpatient, outpatient and emergency care, primarily for

residents of the immediate regions of the Hospitals. The Hospitals are located in Marksville (PAC Avoyelles), Oakdale (PAC Oakdale) and Winnfield (PAC Winn).

Basis for Relief

3.

Section 365(b) allows a debtor to assume executory contracts. 11 U.S.C. § 365(b). Section 364(c)(2), allows a debtor to obtain credit secured by a lien on property of the estate. See 11 U.S.C. § 364(c)(2).

Relief Requested

4.

In the ordinary course of the Debtors' business, the Debtors must maintain various insurance policies, including those policies listed on the Schedules of Policies contained in the two Premium Finance Agreement Disclosure Statement and Security Agreements (the "Premium Finance Agreements" or "PFAs"), which are attached hereto *in globo* as "Exhibit A" (collectively referred to herein as the "Insurance Policies"). These policies are extremely valuable and it is essential to maintain them in the interest of the preservation of the property, assets, and business of the Debtors.

5.

The Debtors do not have sufficient funds to pay the entire amount of the Insurance Policy premiums immediately, and, thus, to preserve coverage under the Insurance Policies, need to maintain the installment payment financing of the premiums under the PFAs.

6.

The Debtors have been unable to obtain any source other than IPFS to finance the Premiums.

7.

To maintain IPFS's financing terms granted under the PFAs, the Debtors seek authority from this Court to assume the existing PFAs. As adequate assurance of the Debtors' continued payment obligation under the PFAs, the Debtors seek authority to grant to IPFS new liens against the Debtors' Insurance Policies pursuant to § 362(c)(2).

8.

Subject to the Court's approval, IPFS has agreed to continue its financing of the Insurance Policies under the terms and conditions set forth in the PFAs, together with a modification of those terms set forth in the Proposed Order attached hereto as Exhibit B, if the Debtor assumes the PFAs and grants a new security interest in the Debtors' Insurance Policies.

9.

As set forth in the Premium Finance Agreement attached hereto as Exhibit A and the Proposed Order attached hereto as Exhibit B, under the terms of the Premium Finance Agreements, IPFS under section 364(c) of the Bankruptcy Code would be granted a new first priority security interest (the "Lien") in the Insurance Policies including: (i) all money that is or may become due under the Premium Finance Agreements because of a loss under the Insurance Policies that reduces unearned premium (subject to the interest of any applicable mortgagee or loss payee); (ii) any return of premiums or unearned premiums under the Insurance Policies; and, (iii) any dividends that may become due to the Debtors in connection with the Policies.

10.

As further adequate assurance in assuming the PFAs, the Debtors shall pay to IPFS the final three installments due under PFA# TXH-454234 on or before June 30, July 31, and August 31, 2016, with the last such payment to include any accrued unpaid late charges that may be due.

As of the filing date of this motion, monthly payments on PFA# TXH-487593 are current through May 31, 2016, and shall continue to be paid by the Debtors on or before the last day of each month hereafter through the term of that PFA.

11.

In light of the importance of maintaining insurance coverage with respect to the business activities of the Debtors in order to preserve the Debtors' cash flow and estates, the Debtors believe that it would be in the best interests of the Debtors' estates and creditors to assume the Premium Finance Agreements.

WHEREFORE, the Debtors respectfully request that this Court allow the Debtors to (i) assume the Premium Financing Agreements attached hereto *in globo* as Exhibit A, (ii) as adequate assurance of future payment under the Premium Financing Agreements, grant to IPFS new security interests in the Insurance Policies referenced in the Schedule of Policies contained in Exhibit A, (iii) as further adequate assurance, allow the Debtors to pay to IPFS the final three installments due under PFA# TXH-454234 on or before June 30, July 31, and August 31, 2016, with the last such payment to include any accrued unpaid late charges that may be due; and, (iv) for any and all other relief to which the Debtors may be entitled.

Respectfully submitted by:

STEFFES, VINGIELLO & McKENZIE, L.L.C.

By: /s/ William E. Steffes

William E. Steffes (La. Bar No. 12426)

Barbara B. Parsons (La. Bar No. 28714)

Noel Steffes Melancon (La. Bar No. 30072)

STEFFES, VINGIELLO & McKENZIE, LLC

13702 Coursey Boulevard Building 3

Baton Rouge, Louisiana 70817

Telephone: (225) 751-1751

Facsimile: (225) 751-1998

E-mail: bsteffes@steffeslaw.com

Counsel for Debtors

2777 ALLEN PARKWAY
SUITE 550
HOUSTON, TX 77019
(877)687-9824 FAX: (832)308-7925
CUSTOMER SERVICE: (800)247-6129

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A	CASH PRICE (TOTAL PREMIUMS)	\$499,311.00
B	CASH DOWN PAYMENT	\$63,312.63
C	PRINCIPAL BALANCE (A MINUS B)	\$435,998.37

AGENT (Name & Place of business) TODD & ASSOCIATES LLC 530 E COLLEGE ST LAKE CHARLES, LA 70605-1706 (337)475-1040 FAX: (337)475-0190	INSURED (Name & Residence or business) PROGRESSIVE ACUTE CARE LLC 2210 7th St Ste B STE B MANDEVILLE, LA 70471-1872 (985)626-6134
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Commercial

Account #: _____

LOAN DISCLOSURE

Additional Policies Scheduled on Page 3

Quote Number: 4337216

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 4.940%	FINANCE CHARGE The dollar amount the credit will cost you. \$9,023.46	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$435,998.37	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled \$445,021.83
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YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments 9	Amount Of Payments \$49,446.87	When Payments Are Due Beginning: MONTHLY 12/01/2015
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ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed by the actuarial method on a 360 day basis or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$10.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	11/01/2015	CHUBB CUSTOM INSURANCE CO	FIDUCIARY	0.000%	12	4,875.00
Broker Fee:						\$7,500.00
TOTAL:						\$499,311.00

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Donna Varnado
Signature of Insured or Authorized Agent

10/30/2015
DATE

[Signature]
Signature of Agent

10/30/15
DATE

(11/13) Copyright 2013 IPFS Corporation

Page 1 of 3

10/30/2015 Web - LACFEE

Insured and Lender further agree that: **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

4. AGREEMENT EFFECTIVE DATE: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. (Not applicable in KY, NV, and VT) **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$20.00 or the maximum amount permitted by law. (Not applicable in AL and KY). **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general Intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Missouri will govern this Agreement. **19. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
 (Name & Place of business)
 TODD & ASSOCIATES LLC

 530 E COLLEGE ST

 LAKE CHARLES, LA 70605-1706
 (337)475-1040 FAX: (337)475-0190

INSURED
 (Name & Residence or business)
 PROGRESSIVE ACUTE CARE LLC

 2210 7th St Ste B
 STE B
 MANDEVILLE, LA 70471-1872
 (985)626-6134

Account #: _____

SCHEDULE OF POLICIES
 (continued)

Quote Number: 4337216

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	11/01/2015	LOUISIANA HOSP ASSN MALPRACTICE & G	PROFESSION AL LIABILITY	0.000%	12	174,946.00
PENDING	11/01/2015	LOUISIANA HOSP ASSN MALPRACTICE & G	EXCESS OTHER***	0.000%	12	27,165.00
PENDING	11/01/2015	LOUISIANA HOSPITAL ASSN PHYSICIANS	PROFESSION AL LIABILITY	0.000%	12	17,092.00
PENDING	11/01/2015	LOUISIANA PATIENT'S COMP FUND	PROFESSION AL LIABILITY	0.000%	12	20,459.00
PENDING	11/01/2015	LOUISIANA PATIENT'S COMP FUND	PROFESSION AL LIABILITY	0.000%	12	168,660.00
PENDING	11/01/2015	CHUBB CUSTOM INSURANCE CO CENTURION CORPORATION	DIRECTORS & OFFICERS	0.000%	12	73,750.00
PENDING	11/01/2015	TRAVELERS INDEMNITY COMPANY (THE) CENTURION CORPORATION	CRIME	0.000%	12	4,739.00
PENDING	11/01/2015	LOUISIANA HOSP ASSN MALPRACTICE & G	PROFESSION AL LIABILITY	0.000%	12	125.00

Broker Fee: \$7,500.00

TOTAL: \$499,311.00

2777 ALLEN PARKWAY
SUITE 550
HOUSTON, TX 77019
(877)687-9824 FAX: (832)308-7925
CUSTOMER SERVICE: (800)247-6129

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A	CASH PRICE (TOTAL PREMIUMS)	\$178,423.08
B	CASH DOWN PAYMENT	\$29,995.40
C	PRINCIPAL BALANCE (A MINUS B)	\$148,427.68

AGENT
(Name & Place of business)
TODD & ASSOCIATES LLC

530 E COLLEGE ST

LAKE CHARLES, LA 70605-1706
(337)475-1040 FAX: (337)475-0190

INSURED
(Name & Residence or business)
PROGRESSIVE ACUTE CARE LLC

2210 7th St Ste B
STE B
MANDEVILLE, LA 70471-1872
(985)626-6134

Commercial

Account #: _____

LOAN DISCLOSURE

Additional Policies Scheduled on Page 3

Quote Number: 4670283

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled
5.200%	\$3,560.42	\$148,427.68	\$151,988.10

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments
10	\$15,198.81

**When Payments
Are Due**
Beginning:

MONTHLY
01/31/2016

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed by the actuarial method on a 360 day basis or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$10.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
WC-0658-2016	01/01/2016	LOUISIANA HOSP ASSN MALPRACTICE & G	WORKMENS COMP	0.000%	12	172,136.00
Broker Fee:						\$4,175.00
TOTAL:						\$178,423.08

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Signature of Insured or Authorized Agent

DATE

Signature of Agent

DATE

Insured and Lender further agree that: **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

4. AGREEMENT EFFECTIVE DATE: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. (Not applicable in KY, NV, and VT) **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$20.00 or the maximum amount permitted by law. (Not applicable in AL and KY). **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Missouri will govern this Agreement. **19. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
(Name & Place of business)
TODD & ASSOCIATES LLC

530 E COLLEGE ST

LAKE CHARLES,LA 70605-1706
(337)475-1040 FAX: (337)475-0190

INSURED
(Name & Residence or business)
PROGRESSIVE ACUTE CARE LLC

2210 7th St Ste B
STE B
MANDEVILLE, LA 70471-1872
(985)626-6134

Account #: _____

SCHEDULE OF POLICIES
(continued)

Quote Number: 4670283

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
Old balalnce	12/31/2015	OLD BALANCE	FEE	100.0%	12	2,112.08

Broker Fee: \$4,175.00

TOTAL: \$178,423.08

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
Lafayette Division**

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al.

CHAPTER 11

DEBTORS

JOINTLY ADMINISTERED

ORDER AUTHORIZING ASSUMPTION OF PREMIUM FINANCE AGREEMENTS

Upon motion of Progressive Acute Care, LLC, Progressive Acute Care Avoyelles, LLC, Progressive Acute Care Oakdale, LLC, and Progressive Acute Care Winn, LLC (collectively, the “Debtors”), requesting authorization to assume two certain premium finance agreements between the Debtors and IPFS Corporation (“IPFS”), which agreements financed the payment of premiums paid upon the Debtors insurance policies (the “Policies”) named therein (a copy of said agreements being attached to the Motion and hereinafter referred to as the "Agreements");

IT IS ORDERED that, pursuant to Section 365(b) of Title 11 of the United States Code, as amended (the “Bankruptcy Code”) the Debtors are hereby authorized and ordered to assume the Agreements;

IT IS FURTHER ORDERED that, pursuant to Section 364(c) of the Bankruptcy Code and the terms of the Agreements, 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 Agreements 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;

IT IS FURTHER ORDERED that, in the event that the Debtors default under the terms of the Agreements, IPFS, may, in accordance with the terms of the Agreements, and without further order of the Court, cancel the Policies listed in the Agreements or any amendment thereto and receive and apply the unearned or return premiums to the account of the Debtors;

IT IS FURTHER ORDERED that, the full rights of IPFS pursuant to the Agreements 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 these cases, or the conversion of the cases to cases under Chapter 7 of the Bankruptcy Code;

IT IS FURTHER 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 Debtors to IPFS, any remaining amount owing to IPFS, including reasonable attorneys’ fees and costs, shall be an allowed claim in these cases with priority as an administrative expense pursuant to Section 503(b) (1) of the Bankruptcy Code;

IT IS FURTHER ORDERED that, notwithstanding anything to the contrary contained in any Order approving secured financing in these cases, 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 Debtors' cases;

IT IS FURTHER ORDERED that, as further adequate assurance the Debtors are permitted to pay to IPFS the final three installments due under PFA# TXH-454234 on or before June 30, July 31, and August 31, 2016 with the last such payment to include any accrued unpaid late charges that may be due.

IT IS FURTHER ORDERED that because IPFS has extended credit to the Debtors 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;

IT IS FURTHER ORDERED that the Debtors are 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 any Official Committee of Unsecured Creditors (the "Committee"), and counsel to the Debtors' Senior Lender ("Senior Lender"); and,
- B. Unless the Debtors receive notice in writing from the Committee and/or the Senior Lender within five (5) business days of receipt by the Committee and the Senior Lender of the Financing Agreements, the Debtors will proceed to enter into said Financing Agreements;

and

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

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Respectfully Submitted:
William E. Steffes, LA Bar No. 12426
Barbara B. Parsons, LA Bar No. 28714
Steffes, Vingiello & McKENzie, LLC
13702 Coursey Blvd., Bldg. 3
Baton Rouge, LA 70817
Telephone: (225) 751-1751
Counsel for Debtors