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*Counsel for the Debtor
and Debtor in Possession*

The following constitutes the order of the Court.
Signed: July 25, 2024

William J. Lafferty, III
U.S. Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

THE ROMAN CATHOLIC BISHOP OF
OAKLAND, a California corporation sole,

Debtor.

Case No. 23-40523 WJL

Chapter 11

**SECOND ORDER APPROVING
INSURANCE PREMIUM FINANCE AND
SECURITY AGREEMENT AND GRANTING
POST-PETITION SECURITY INTEREST**

Judge: Hon. William J. Lafferty

Date: July 25, 2024
Time: 9:00 a.m.
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 Upon the *Debtor's Second Motion for Order Approving Insurance Premium Finance and Security*
2 *Agreement and Granting Post-Petition Security Interest*, dated July 17, 2024 [Docket No. 1247] (the
3 "Motion"),¹ filed by the Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor
4 and debtor in possession (the "Debtor") in the above-captioned chapter 11 bankruptcy case (the "Chapter
5 11 Case"), for entry of an order approving the Debtor's post-petition insurance premium financing
6 agreement and granting the financing company a security interest; the Court having reviewed and
7 considered the Motion, the Bardos Declaration in support thereof, all other filings in support of or
8 opposition to the Motion, and the arguments made at the hearing on the Motion; the Court finding it has
9 jurisdiction over this matter, venue in this Court is proper, and notice of the Motion and the hearing thereon
10 was reasonable and sufficient under the circumstances; and the Court finding the relief requested in the
11 Motion is in the best interests of the Debtor, its creditors, and other parties in interest; and after due
12 deliberation and good cause appearing therefor,

13 **IT IS HEREBY ORDERED:**

- 14 1. The Motion is granted as set forth herein.
- 15 2. The Debtor is hereby authorized to enter into and perform under the Commercial Insurance
16 Premium Finance and Security Agreement (the "Finance Agreement"), with an effective date of July 1,
17 2024, between the Debtor and AFCO Acceptance Corporation ("AFCO").
- 18 3. The Debtor is hereby authorized and directed to make all payments due under the Finance
19 Agreement, and AFCO is authorized and directed to receive and apply such payments to the indebtedness
20 owed by the Debtor to AFCO as provided in the Finance Agreement.
- 21 4. Pursuant to Section 364(c) of the Bankruptcy Code, the Debtor is authorized to grant
22 AFCO, and AFCO is hereby granted, a first-priority security interest in the Financed Policies on the terms
23 set forth in the Finance Agreement, including (but only to the extent permitted by applicable law): (i) all
24 money that is or may become due under the Finance Agreement because of a loss under the Financed
25 Policies that reduces unearned premiums (subject to the interest of any applicable mortgagee or loss
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28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1 payee); (ii) any return of premiums or unearned premiums under the Financed Policies; and (iii) any
2 dividends that may become due to the Debtor in connection with the Financed Policies.

3 5. If the Debtor does not make any payment required under the Finance Agreement as they
4 come due, the automatic stay under Section 362 of the Bankruptcy Code shall automatically be lifted
5 without further order of this Court to enable AFCO and/or the Insurance Carriers providing coverage
6 under the Financed Policies to take all steps necessary and appropriate to cancel the Financed Policies,
7 collect the collateral in which it is granted a security interest under the Finance Agreement, and apply such
8 collateral to the indebtedness owed to AFCO by the Debtor. In exercising any such rights under the
9 Finance Agreement, (i) AFCO and any other parties shall comply with the applicable notice provisions of
10 the Finance Agreement and/or the Financed Policies, and (ii) AFCO (a) may retain and apply its collateral
11 up to the amount it is owed under the Finance Agreement, (b) shall turn over any surplus to the Debtor,
12 and (c) shall have an administrative claim in the amount of the deficiency, if any. Nothing herein waives
13 or modifies the rights of the Debtor (i) under any applicable law governing the Financed Policies or the
14 Finance Agreement, or (ii) to, in the event AFCO declares a default under the Finance Agreement or takes
15 action to enforce its rights on default, petition the Court for a determination of whether a default has
16 actually occurred. Should a dispute arise as to whether the Debtor made a payment when due under the
17 Finance Agreement, the Debtor shall, in any petition filed with the Court, present proof that it made such
18 payment.

19 6. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be immediately effective upon
20 its entry.

21 7. The Debtor is authorized to take all actions necessary or appropriate to effectuate the relief
22 granted in this Order.

23 8. This Court shall retain jurisdiction with respect to all matters arising from or related to the
24 implementation of or interpretation of this Order.

25 *** END OF ORDER ***

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ORDER APPROVING INSURANCE PREMIUM FINANCE AGREEMENT

COURT SERVICE LIST

All ECF Recipients.

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