

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ROME DIVISION**

IN RE:) **CHAPTER 11**
)
REGIONAL HOUSING & COMMUNITY) **PROPOSED**
SERVICES CORP., et al.,) **Jointly Administered Under**
) **CASE NO. 21-41034-pwb**
Debtors.)

**MOTION FOR AUTHORITY TO CONTINUE PRE-PETITION
INSURANCE PROGRAMS AND TO PAY PRE-PETITION PREMIUMS**

COME NOW the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)¹ in the above-styled proposed jointly administered case (the “**Case**”), by and through the undersigned counsel, and make and file this *Motion for Authority to Continue Pre-Petition Insurance Programs and to Pay Pre-Petition Premiums* (the “**Motion**”), respectfully showing the Court as follows:

Relief Requested

1.

By this Motion, the Debtors seek entry of an order (a) authorizing them to maintain their insurance programs, insurance policies and any related agreements, as such practices, programs, and policies were in effect as of the Petition Date, and to pay, in their sole discretion, pre-petition amounts accrued in connection therewith, and (b) authorizing applicable banks and other financial institutions to receive, process and pay any and all checks and other transfers related to such claims.

¹ The Debtors in these chapter 11 cases include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.



Jurisdiction

2.

This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. § 1334. Consideration of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this proceeding is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3.

On August 26, 2021 (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under Chapter 11, Title 11, United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses as a debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner, and no committee has been appointed in this Case.

4.

Information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Katie Goodman in Support of First Day Applications and Motions (the “**Goodman Declaration**”) which is incorporated herein by reference.

The Debtors’ Insurance Programs

5.

In connection with the operation of their businesses, the Debtors maintain various insurance policies and programs (collectively, the “**Insurance Programs**”) through certain insurance carriers (the “**Insurance Carriers**”), including the following coverages: (a) Property; (b) General & Professional & Excess Liability; (c) Auto; (d) Executive Risk (Crime & EPLI); (e) Cyber; (f) Billing E&O; and (f) Workers Compensation.

6.

The Debtors are required to pay premiums based upon a fixed rate established by the Insurance Carriers. The premiums for these policies are determined annually and are either (1) directly billed to the Debtors in monthly installments or (2) financed by the Debtors pursuant to a premium finance agreement.

7.

As of the Petition Date, the Debtors believe that they are current on pre-petition premiums billed with respect to the Insurance Programs. To the extent there is an outstanding insurance policy premium which may cover a portion of the pre-petition period, however, the Debtors seek authority to pay such premium in the ordinary course as such payments are necessary to keep the Insurance Programs in force.

The Insurance Premium Financing Program

8.

The Debtors are currently party to one or more insurance premium financing agreements (the “**Premium Financing Agreements**”) whereby certain of the Debtors’ Insurance Programs (the “**Financed Policies**”) are financed with one or more premium finance companies (each, a “**Premium Finance Company**”). Copies of Premium Financing Agreements with respect to the Debtors’ Financed Policies are attached hereto as composite Exhibit A. Attached hereto as Exhibit B is a chart which shows the total premium and other amounts charged to the Debtors for each Insurance Program broken down by facility, the amounts due for August 2021, the remaining balance owed, and which of the Debtors’ Insurance Programs are included in the Premium Financing Agreements.

9.

Pursuant to the terms of the Premium Financing Agreements, the Debtors make a down payment contemporaneously with the execution of the Premium Financing Agreement and then make monthly installment payments to the premium finance company. The Premium Finance Company typically is granted a security interest in, *inter alia*, unearned premiums that would otherwise be returned to the Debtors in the event of policy cancellation. In the event of default, any affected Premium Finance Company would undoubtedly seek relief from the automatic stay in order to exercise its rights under the applicable Premium Finance Agreement and terminate the financed policies.

Basis for Relief

10.

The Insurance Programs provide a comprehensive range of protection for the Debtors' business, properties, and assets. As such, it is essential that the Debtors' insurance coverage continues in full force and effect during the course of these chapter 11 cases. Under section 1112(b)(4)(C) of the Bankruptcy Code, "failure [of a debtor] to maintain appropriate insurance [where such failure] poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Similarly, certain of the Insurance Policies are required by various state and federal regulations. In addition, the U.S. Trustee Guidelines require that a debtor "shall maintain" certain types of insurance coverage following the Petition Date. *See* U.S. Trustee Guidelines, § 5. To ensure that the Debtors comply with section 1112(b)(4)(C) of the Bankruptcy Code, applicable state and federal regulations, and the U.S. Trustee Guidelines, the Debtors respectfully request the authority to continue to honor obligations arising under the Insurance Programs and Premium Finance Agreements and, if

necessary, to renew, supplement, or purchase insurance coverage on a postpetition basis in the ordinary course of business.

11.

This Court has the authority to grant the relief requested herein pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Moreover, Section 105(a) of the Bankruptcy Code allows the Court to authorize payments on account of certain pre-petition claims when necessary. Section 105(a) of the Bankruptcy Code provides, in relevant part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

**Continuation of the Insurance Programs is in the
Best Interests of the Debtors, Their Estates, and All Parties in Interest**

12.

Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors seek authorization to continue the Insurance Programs on an uninterrupted basis, consistent with pre-petition practices, and pay, when due, and in the ordinary course of the Debtors’ businesses, all pre-petition premiums, administrative fees, and other pre-petition obligations (collectively, the “**Insurance Obligations**”) to the Insurance Carriers and/or Premium Finance Companies to the extent due and payable post-petition.

13.

As stated above, the Debtors’ insurance policies either involve deductible amounts or a self-insured retention for each claim that is submitted. To the extent a deductible payment, self-insured retention payment, or reimbursement relating to a period prior to the Petition Date is

outstanding with respect to any of the insurance policies, the Debtors seek authority, in its discretion, to make such payments in the same manner that such payments were made prior to the Petition Date.

14.

It is essential to the continued operation of the Debtors' business and their efforts to reorganize that the Insurance Programs be maintained on an ongoing and uninterrupted basis. The failure to pay premiums when due may affect the Debtors' ability to renew the insurance policies. If the insurance policies are allowed to lapse or are otherwise terminated, the Debtors could be exposed to substantial liability for damages resulting to persons and property of the Debtors and others, which exposure could have an extremely negative impact on the Debtors' ongoing business operations. Such a result would also place at risk the estates' assets that are necessary to satisfy secured and unsecured claims.

15.

Pursuant to the terms of many of their leases and commercial contracts, as well as the guidelines established by the United States Trustee, the Debtors are obligated to remain current with respect to certain of its primary insurance policies.

16.

The amounts the Debtors propose to pay with respect to the Insurance Programs are minimal in light of the size of the Debtors' estates and the potential exposure of the Debtors, absent insurance coverage. Therefore, it is critical that the Debtors continue to maintain their Insurance Programs on an uninterrupted basis and be permitted to pay any obligations in the ordinary course of business and consistent with pre-petition practices. Other bankruptcy courts, within and without this jurisdiction, have held that a debtor is authorized to maintain pre-petition

insurance programs pursuant to Sections 363(b) and 105(a) where, as here, a sound business justification exists. See, e.g., In re Foamex Int'l. Inc., Case No. 05-12685 (PJW) (Bankr. D. Del. Sept. 21, 2005); In re Allied Holdings, Inc., Case Nos. 05-12515 – 05-12537 (Bankr. N.D. Ga. Aug. 1, 2005) (Drake, J.); In re Centennial HealthCare Corp., Case No. 02-74974 (Bankr. N.D. Ga. Dec. 20, 2002) (authorizing debtors to maintain existing insurance programs); In re WestPoint Stevens, Inc., Case No. 03-13532 (Bankr. S.D.N.Y. June 3, 2003); In re WorldCom, Inc., Case No. 02-13533 (Bankr. S.D.N.Y. July 23, 2002); In re Enron Corp., et al, Case No. 01-16034 (Bankr. S.D.N.Y. 2001). Given the crucial nature of the Debtors' insurance coverage, the Debtors submit that similar relief is appropriate in these Chapter 11 cases.

Applicable Banks Should Be Authorized to Honor and Pay Checks Issued and Make Other Transfers with Respect to the Insurance Programs

17.

If the Court grants the relief sought herein, the Debtors request that all applicable banks and other financial institutions be authorized when requested by the Debtors and in the Debtors' sole discretion, without any duty of inquiry or liability to any party for following the Debtors' instructions, to receive, process, honor and pay any and all checks drawn on the Debtors' accounts to pay the Insurance Obligations, whether those checks were presented prior to or after the Petition Date, and make other transfers provided that sufficient funds are available in the applicable accounts to make the payments.

18.

Authorization of the payment of the Insurance Obligations should not be deemed to constitute the post-petition assumption of any executory contract pursuant to Section 365 of the Bankruptcy Code. The Debtors are in the process of reviewing these matters and reserve all of its rights under the Bankruptcy Code with respect thereto. Moreover, authorization to pay the

Insurance Obligations should not affect the Debtors' right to contest the amount or validity of any such charges, in whole or in part.

19.

Based on the foregoing, the Debtors submit the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

Notice

Notice of this Motion has been provided to the Office of the United States Trustee, counsel to the Debtors' pre-petition secured lender, counsel to the Debtors' proposed debtor-in-possession lender, any other party asserting a security interest in assets of the Debtors, and the Debtors' thirty (30) largest unsecured creditors on a consolidated basis. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

Conclusion

WHEREFORE, the Debtors respectfully request that this Court:

- (a) enter an order authorizing the Debtors to continue their pre-petition Insurance Programs and pay premiums and related obligations of the Insurance Programs, including, without limitation, amounts owed to Premium Finance Companies with respect to Financed Policies ; and
- (b) grant the Debtors such other and further relief as is just and proper.

This 27th day of August, 2021.

Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.

4401 Northside Parkway
Suite 450
Atlanta, GA 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com

/s/ J. Robert Williamson
J. ROBERT WILLIAMSON
Georgia Bar No. 765214
ASHLEY REYNOLDS RAY
Georgia Bar No. 601559

Counsel for the Debtors

IPFS CORPORATION

(IPFS)
 49 STEVENSON STREET
 SUITE 1275
 SAN FRANCISCO, CA 94105
 PHONE: (877)687-9825 - FAX: (415)796-6156

NOTICE OF ACCEPTANCE AND OF ASSIGNMENT

Refer to this account no. in all correspondence	Account Number
	CAF-B34537

Dear Customer,

Thank you for the opportunity to finance your insurance premium. Per your request, we have paid the premium balance due on the policy listed below, less your down payment, to either the insurer or your agent as instructed by your agent. Your payment schedule is shown below. If payment coupons are not enclosed, you will be billed for each installment.

IMPORTANT: YOUR COPY OF INSURED NOTICE OF ACCEPTANCE

Because of the terms of the premium finance agreement, the listed instructions must be followed.

To the agent
or broker:

1. All gross unearned premiums which may become payable under the financed policies which reduce the unearned premiums, subject to any mortgagee or loss payee interest, must be paid to IPFS CORPORATION.
2. The policies may not be assigned, except for the interest of any mortgagee or loss payee, without written consent of IPFS.
3. Advise IPFS immediately of any change in address of the insured.

Agent
 ALLIANCE INSURANCE GROUP
 941 OAK STREET
 EUGENE, OR 97401

Insured
 ALG SENIOR, LLC
 PO BOX 2568
 HICKORY, NC 28603-2568

DISCLOSURE	
Total Premiums	\$3,483,036.14
Down Payment	\$1,195,057.32
Amount Financed	\$2,287,978.82
Finance Charge	\$80,486.78
Assessments	\$0.00
Total Payments	\$2,368,465.60
Number of Payments	8
Payment Amount	\$296,058.20
Annual % Rate	7.000
Acceptance Date	05/19/21

SCHEDULE OF PAYMENTS		
Pymt No.	Due Date	Amount
1	06/15/21	\$296,058.20
2	07/15/21	\$296,058.20
3	08/15/21	\$296,058.20
4	09/15/21	\$296,058.20
5	10/15/21	\$296,058.20
6	11/15/21	\$296,058.20
7	12/15/21	\$296,058.20
8	01/15/22	\$296,058.20

The terms and conditions of your premium finance agreement govern this loan. If for any reason you did not authorize this request for financing of your insurance premium, notify us immediately at the address or telephone number shown above.

North Carolina Insurance Premium Finance License # B-345

SCHEDULE OF POLICIES

POLICY PREFIX AND NUMBER	EFFECTIVE DATE	FULL NAME OF INSURER AND GENERAL AGENT OTHER THAN SUBMITTING PRODUCER TO WHOM COPY OF THIS NOTICE WAS SENT	COVERAGE FIRE, AUTO MAR, I.M., CAS	POLICY TERM IN MONTHS COVERED BY PREM.	PREMIUM FINANCED
D42265743003	04/01/21	WESTCHESTER FIRE INSURANCE CO CRC INSURANCE SERVICES, INC.	PRPRTY	12	\$2,400,000.00
00062502375	04/01/21	LEXINGTON INSURANCE COMPANY CRC INSURANCE SERVICES, INC.	FEEES	12	\$35,000.00
			TAXES		\$129,600.00
		Continued on Schedule A	PRPRTY		\$450,000.00
			FEEES		\$6,000.00
			TAXES		\$24,300.00

Make online payments or view account information at www.ipfs.com.
 Please use access code 69WCVG3 to register (first time users).

IPFS CORPORATION
(IPFS)

SCHEDULE A

NOTICE OF ACCEPTANCE AND OF ASSIGNMENT

REFER TO THIS ACCOUNT NO. IN ALL CORRESPONDENCE	ACCOUNT NUMBER
	CAF-B34537

AGENT ALLIANCE INSURANCE GROUP 941 OAK STREET EUGENE, OR 97401	INSURED ALG SENIOR, LLC PO BOX 2568 HICKORY, NC 28603-2568
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SCHEDULE OF POLICIES

POLICY PREFIX AND NUMBER	EFFECTIVE DATE	FULL NAME OF INSURER AND GENERAL AGENT OTHER THAN SUBMITTING PRODUCER TO WHOM COPY OF THIS NOTICE WAS SENT	COVERAGE	POLICY TERM IN MONTHS COVERED BY PREM.	PREMIUM FINANCED
			FIRE, AUTO MAR, I.M., CAS		
001015501	04/01/21	JAMES RIVER INSURANCE CO CRC INSURANCE SERVICES, INC.	PRPRTY	12	\$98,912.00
AHAR1155301	04/01/21	QBE SPECIALTY INSURANCE CO ARROWHEAD GENERAL INSURANCE AGENCY,	FEEES TAXES PRPRTY	12	\$2,500.00 \$5,368.25 \$223,000.00
B0621MAFFI000121	04/01/21	LLOYD'S LONDON - CERTAIN UNDERWRITE CRC INSURANCE SERVICES, INC.	FEEES TAXES TERISM	12	\$3,200.00 \$12,052.80 \$38,261.00
BMI0S83355A	04/01/21	TRAVELERS CASUALTY & SURETY CO CRC INSURANCE SERVICES, INC.	FEEES TAXES EQUIP	12	\$1,000.00 \$2,066.09 \$51,026.00
			FEEES		\$750.00

Disbursement Date	Amount	Payee
05/19/21	\$2,287,978.82	ALLIANCE INSURANCE GROUP

IPFS CORPORATION

(IPFS)
 49 STEVENSON STREET
 SUITE 1275
 SAN FRANCISCO, CA 94105
 PHONE: (877)687-9828 - FAX: (415)796-6156

NOTICE OF ACCEPTANCE AND OF ASSIGNMENT	
Refer to this account no. in all correspondence	Account Number
	CAF-B28451

Dear Customer,

Thank you for the opportunity to finance your insurance premium. Per your request, we have paid the premium balance due on the policy listed below, less your down payment, to either the insurer or your agent as instructed by your agent. Your payment schedule is shown below. If payment coupons are not enclosed, you will be billed for each installment.

IMPORTANT: YOUR COPY OF INSURED NOTICE OF ACCEPTANCE

Because of the terms of the premium finance agreement, the listed instructions must be followed.

To the agent
or broker:

1. All gross unearned premiums which may become payable under the financed policies which reduce the unearned premiums, subject to any mortgagee or loss payee interest, must be paid to IPFS CORPORATION.
2. The policies may not be assigned, except for the interest of any mortgagee or loss payee, without written consent of IPFS.
3. Advise IPFS immediately of any change in address of the insured.

Agent
 ALLIANCE INSURANCE GROUP
 941 OAK STREET
 EUGENE, OR 97401

Insured
 ALG SENIOR, LLC
 PO BOX 2568
 HICKORY, NC 28603-2568

DISCLOSURE	
Total Premiums	\$1,610,350.00
Down Payment	\$563,900.97
Amount Financed	\$1,046,449.03
Finance Charge	\$36,812.09
Assessments	\$0.00
Total Payments	\$1,083,261.12
Number of Payments	8
Payment Amount	\$135,407.64
Annual % Rate	7.000
Acceptance Date	05/03/21

SCHEDULE OF PAYMENTS		
Pymt No.	Due Date	Amount
1	06/15/21	\$135,407.64
2	07/15/21	\$135,407.64
3	08/15/21	\$135,407.64
4	09/15/21	\$135,407.64
5	10/15/21	\$135,407.64
6	11/15/21	\$135,407.64
7	12/15/21	\$135,407.64
8	01/15/22	\$135,407.64

The terms and conditions of your premium finance agreement govern this loan. If for any reason you did not authorize this request for financing of your insurance premium, notify us immediately at the address or telephone number shown above.

North Carolina Insurance Premium Finance License # B-345

SCHEDULE OF POLICIES

POLICY PREFIX AND NUMBER	EFFECTIVE DATE	FULL NAME OF INSURER AND GENERAL AGENT OTHER THAN SUBMITTING PRODUCER TO WHOM COPY OF THIS NOTICE WAS SENT	COVERAGE FIRE, AUTO MAR, T.M., CAS	POLICY TERM IN MONTHS COVERED BY PREM.	PREMIUM FINANCED
SB0000001-211	04/01/21	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GLPL	12	\$1,270,000.00
SBEX000001-211	04/01/21	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	FEEES TAXES EXLIB	12	\$6,580.00 \$63,500.00 \$255,000.00
			FEEES TAXES		\$2,520.00 \$12,750.00

IPFS CORPORATION
(IPFS)

SCHEDULE A

NOTICE OF ACCEPTANCE AND OF ASSIGNMENT	
REFER TO THIS ACCOUNT NO. IN ALL CORRESPONDENCE	ACCOUNT NUMBER
	CAF-B28451

AGENT ALLIANCE INSURANCE GROUP 941 OAK STREET EUGENE, OR 97401	INSURED ALG SENIOR, LLC PO BOX 2568 HICKORY, NC 28603-2568
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Disbursement Date	Amount	Payee
05/03/21	\$1,046,449.03	ALLIANCE INSURANCE GROUP

Make online payments or view account information at www.ipfs.com.
Please use access code 69WCVG3 to register (first time users).

49 STEVENSON STREET
SUITE 1275
SAN FRANCISCO, CA 94105
(877)687-9826 FAX: (415)796-6156
CUSTOMER SERVICE: (800)774-8282

PREMIUM FINANCE AGREEMENT **IPFS CORPORATION**
NC License # B-345

A CASH PRICE (TOTAL PREMIUMS)	\$4,911,814.97	AGENT (Name & Place of business) ALLIANCE INSURANCE GROUP	INSURED (Name & Residence or business) ALG SENIOR, LLC PO BOX 2568
B CASH DOWN PAYMENT	\$1,690,300.00	941 OAK STREET	HICKORY, NC 28603-2568
C PRINCIPAL BALANCE (A MINUS B)	\$3,221,514.97	EUGENE, OR 97401 (541)687-4799 FAX:	sabrina.davis@ipfs.com

Commercial

Account #: _____

LOAN DISCLOSURE
Additional Policies Scheduled on Page 3

AP Quote Number: 16075488(Acct: B28451)

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 7.000%	FINANCE CHARGE The dollar amount the credit will cost you. \$75,605.85	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$3,221,514.97	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled. \$3,297,120.82
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YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments	When Payments Are Due
7	\$471,017.26	Beginning: MONTHLY 07/15/2021

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 in accordance with Rule of 78's or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$15.00. 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 FINANCED
SBEX000001-211	04/16/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	12	37,498.00 Tax: 2,024.89
				Broker Fee:		\$0.00
				TOTAL:		\$4,911,814.97

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, (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.

INSURANCE PREMIUM FINANCE AGREEMENT NOTICE: A. Do not sign this agreement before you read it. B. You are entitled to a copy of this agreement. C. Under the law, you have the right to payoff in advance the full amount due and under certain conditions to obtain a partial refund of the service charge.

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 from the earlier of the earliest policy effective date and the effective date of this Agreement. **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 18 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 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. **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 \$25.00 or the maximum amount permitted by law. **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. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. 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 North Carolina will govern this Agreement. **20. 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. **21. 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, and any future, agreements represents, warrants and agrees: (1) installment payments totaling \$0.00 and all applicable down payment(s) have 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)
 ALLIANCE INSURANCE GROUP
 941 OAK STREET
 EUGENE, OR 97401
 (541)687-4799 FAX:

INSURED
 (Name & Residence or business)
 ALG SENIOR, LLC
 PO BOX 2568
 HICKORY, NC 28603-2568
 sabrina.davis@ipfs.com

Account #: _____		SCHEDULE OF POLICIES (continued)		AP Quote Number: 16075488(Acct: B28451)		
POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	04/04/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	12	25,000.00 Tax: 1,350.00
SB00000001-211	04/15/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	12	129,284.00 Tax: 6,981.34
SB00000001-211	05/03/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	9,308.00 Tax: 502.63
SB00000001-211	05/04/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	6,960.00 Tax: 375.84
SB00000001-211	05/05/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	1,150,000.00 Tax: 62,100.00
SB00000001-211	05/07/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	2,208,356.00 Tax: 119,251.22
SB00000001-211	05/12/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	6,340.00 Tax: 342.36
SB00000001-211	05/14/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	11	21,457.00 Tax: 1,158.68
SB00000001-211	04/04/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	GEN. LIAB./PROF. LIAB.	25.00%	12	55,000.00 Tax: 2,970.00
SBEX000001-211	05/03/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	11	7,934.00 Tax: 428.44
SBEX000001-211	05/04/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	11	6,522.00 Tax: 352.19
SBEX000001-211	05/05/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	11	210,000.00 Tax: 11,340.00
SBEX000001-211	05/07/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	11	766,164.00 Tax: 41,372.86
SBEX000001-211	05/12/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	0.000%	11	5,403.00 Tax: 291.76
SBEX000001-211	05/14/2021	EVEREST INDEMNITY INSURANCE CO SAPPHIRE BLUE LLC	EXCESS LIABILITY	25.00%	11	14,940.00 Tax: 806.76
				Broker Fee:		\$0.00
				TOTAL:		\$4,911,814.97

ALG Senior LLC

2021-2022 Policy Summary

All Financed Premiums noted below are financed through

Facility Name	Premium	Taxes & Fees	Total	Amount due August		Premium Finance
				2021	Balance Remaining	
IPFS (FINANCED): Contract #CAF-834537						
Property: (renews 4/1/22)						
The Gardens of Rome	\$ 18,491.39	\$ 1,256.80	\$ 19,748.19	\$ 1,961.03	\$ 9,805.16	IPFS Corporation
The Gardens of Social Circle	\$ 39,815.66	\$ 2,706.16	\$ 42,521.82	\$ 4,222.08	\$ 21,110.42	IPFS Corporation
The Gardens of Waterford Place	\$ 16,627.73	\$ 1,130.14	\$ 17,757.87	\$ 1,763.46	\$ 8,817.30	IPFS Corporation
The Landings of Columbus	\$ 27,773.34	\$ 1,887.64	\$ 29,660.99	\$ 2,945.23	\$ 14,726.15	IPFS Corporation
The Landings of Douglas	\$ 29,649.93	\$ 2,015.25	\$ 31,665.18	\$ 3,144.21	\$ 15,721.06	IPFS Corporation
The Landings of Gainesville	\$ 28,918.04	\$ 1,965.46	\$ 30,883.50	\$ 3,053.87	\$ 15,269.36	IPFS Corporation
The Landings of Montgomery	\$ 29,857.07	\$ 2,029.27	\$ 31,886.34	\$ 2,881.42	\$ 14,407.11	IPFS Corporation
The Landings of Savannah	\$ 15,414.35	\$ 1,047.69	\$ 16,462.04	\$ 1,925.77	\$ 9,628.84	IPFS Corporation
IPFS (FINANCED): Contract #CAF-B28451						
General & Professional & Excess Liability: (renews 7/15/22)						
The Gardens of Rome	\$ 108,942.07	\$ 5,930.60	\$ 114,872.67	\$ 35,874.43	\$ 81,429.37	IPFS Corporation
The Gardens of Social Circle	\$ 274,268.07	\$ 14,930.20	\$ 289,198.27	\$ 90,315.85	\$ 205,002.94	IPFS Corporation
The Gardens of Waterford Place	\$ 442,663.07	\$ 24,096.87	\$ 466,759.94	\$ 145,767.89	\$ 330,870.44	IPFS Corporation
The Landings of Columbus	\$ 158,180.07	\$ 8,610.87	\$ 166,790.94	\$ 52,088.37	\$ 118,232.49	IPFS Corporation
The Landings of Douglas	\$ 130,368.50	\$ 7,096.96	\$ 137,465.46	\$ 42,930.10	\$ 97,444.64	IPFS Corporation
The Landings of Gainesville	\$ 126,630.07	\$ 6,893.45	\$ 133,523.52	\$ 41,699.04	\$ 94,650.34	IPFS Corporation
The Landings of Montgomery	\$ 31,066.07	\$ 1,691.38	\$ 32,757.45	\$ 10,230.06	\$ 23,220.65	IPFS Corporation
The Landings of Savannah	\$ 59,888.07	\$ 3,260.32	\$ 63,148.39	\$ 19,721.07	\$ 44,763.77	IPFS Corporation
AGG (renews 8/1/22)						
The Gardens of Rome	\$ 3,444.00	\$ 69.00	\$ 3,513.00	\$ 702.60	\$ 3,513.00	IPFS Corporation
The Gardens of Social Circle	\$ 4,264.00	\$ 69.00	\$ 4,333.00	\$ 866.60	\$ 4,333.00	IPFS Corporation
The Gardens of Waterford Place	\$ 2,225.00	\$ 69.00	\$ 2,294.00	\$ 458.80	\$ 2,294.00	IPFS Corporation
The Landings of Columbus	\$ 3,379.00	\$ 68.00	\$ 3,447.00	\$ 689.40	\$ 3,447.00	IPFS Corporation
The Landings of Douglas	\$ 5,748.00	\$ 68.00	\$ 5,816.00	\$ 1,163.20	\$ 5,816.00	IPFS Corporation
The Landings of Gainesville	\$ 4,281.00	\$ 68.00	\$ 4,349.00	\$ 869.80	\$ 4,349.00	IPFS Corporation
The Landings of Montgomery	\$ -	\$ -	\$ -	\$ 0.00	\$ -	IPFS Corporation
The Landings of Savannah	\$ -	\$ 68.00	\$ 68.00	\$ 68.00	\$ 68.00	IPFS Corporation



ALG Senior LLC

2021-2022 Policy Summary

*All Financed Premiums noted below are financed through

Facility Name	Premium	Taxes & Fees	Total	Amount due August 2021	Balance Remaining	Premium Finance
Executive Risk (Crime & EPLI) (renews 7/15/22)						
The Gardens of Rome	\$ 964.00	\$ -	\$ 964.00	\$241.00	\$ 964.00	Alliance Insurance Group/Chubb
The Gardens of Social Circle	\$ 964.00	\$ -	\$ 964.00	\$241.00	\$ 964.00	Alliance Insurance Group/Chubb
The Gardens of Waterford Place	\$ 964.00	\$ -	\$ 964.00	\$240.75	\$ 964.00	Alliance Insurance Group/Chubb
The Landings of Columbus	\$ 964.00	\$ -	\$ 964.00	\$240.75	\$ 964.00	Alliance Insurance Group/Chubb
The Landings of Douglas	\$ 964.00	\$ -	\$ 964.00	\$240.75	\$ 964.00	Alliance Insurance Group/Chubb
The Landings of Gainesville	\$ 964.00	\$ -	\$ 964.00	\$240.75	\$ 964.00	Alliance Insurance Group/Chubb
The Landings of Montgomery	\$ -	\$ -	\$ -	\$0.00	\$ -	Alliance Insurance Group/Chubb
The Landings of Savannah	\$ 964.00	\$ -	\$ 964.00	\$240.75	\$ 964.00	Alliance Insurance Group/Chubb
Cyber (renews 7/15/22)						
The Gardens of Rome	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Gardens of Social Circle	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Gardens of Waterford Place	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Landings of Columbus	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Landings of Douglas	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Landings of Gainesville	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
The Landings of Montgomery	\$ -	\$ -	\$ -	\$0.00	\$ -	Alliance Insurance Group/Corvus/Hudson
The Landings of Savannah	\$ 657.00	\$ -	\$ 657.00	\$164.25	\$ 657.00	Alliance Insurance Group/Corvus/Hudson
Billing E&O (renews 7/15/22)						
The Gardens of Rome	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Gardens of Social Circle	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Gardens of Waterford Place	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Landings of Columbus	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Landings of Douglas	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Landings of Gainesville	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
The Landings of Montgomery	\$ -	\$ -	\$ -	\$0.00	\$ -	Alliance Insurance Group/Lloyds of London
The Landings of Savannah	\$ 508.00	\$ 57.00	\$ 565.00	\$184.00	\$ 565.00	Alliance Insurance Group/Lloyds of London
Direct Bill						
Workers Compensation (renews 11/15/21)						
The Gardens of Rome	\$ 4,864.00	\$ 82.00	\$ 4,946.00	-	pd if full	Great American Insurance Group
The Gardens of Social Circle	\$ 13,799.00	\$ 176.00	\$ 13,975.00	-	pd if full	Great American Insurance Group
The Gardens of Waterford Place	\$ 13,883.00	\$ 320.00	\$ 14,203.00	-	pd if full	Great American Insurance Group
The Landings of Columbus	\$ 9,393.00	\$ 130.00	\$ 9,523.00	-	pd if full	Great American Insurance Group
The Landings of Douglas	\$ 7,126.00	\$ 105.00	\$ 7,231.00	-	pd if full	Great American Insurance Group
The Landings of Gainesville	\$ 8,230.00	\$ 122.00	\$ 8,352.00	-	pd if full	Great American Insurance Group
The Landings of Montgomery	\$ -	\$ -	\$ -	-	pd if full	Great American Insurance Group
The Landings of Savannah	\$ 4,380.00	\$ 72.00	\$ 4,452.00	-	pd if full	Great American Insurance Group

