

Programs, (iii) honor all of their prepetition insurance premium financing arrangements (clauses (ii) and (iii), collectively, the “**Insurance Obligations**”), and (iv) renew their premium financing arrangements in the ordinary course of business. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Marc Beilinson in Support of Chapter 11 Petitions* [Docket No. 5] (the “**First Day Declaration**”) and the *Declaration of Marc Beilinson in Support of Additional Chapter 11 Petitions and First Day Pleadings* (the “**Supplemental First Day Declaration**”),² filed contemporaneously herewith, and respectfully state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

2. Venue of these chapter 11 cases and this Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought hereby are sections 105(a) and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 6003(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

² Each capitalized term used but not defined herein shall have the meaning ascribed to it in the First Day Declaration or the Supplemental First Day Declaration.

BACKGROUND

4. On December 13, 2015 (the “**Initial Petition Date**”), the Original Debtors with the exception of Tag Forest, LLC (“**Tag**”) commenced a voluntary case under chapter 11 of the Bankruptcy Code. On December 14, 2015, Tag commenced its voluntary case under chapter 11 of the Bankruptcy Code. On the date hereof, (the “**Petition Date**”), each of the Additional Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. No official committees have been appointed in these chapter 11 cases and no request has been made for the appointment of a trustee or an examiner. The Original Debtors’ chapter 11 cases are being jointly administered, for procedural purposes only, pursuant to Bankruptcy Rule 1015(b). Contemporaneously herewith, the Additional Debtors filed a supplemental motion seeking joint administration of their chapter 11 cases with the Original Debtors for procedural purposes only, pursuant to Rule 1015(b) of the Bankruptcy Rules.

5. Additional information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the filing of these chapter 11 cases is set forth in the First Day Declaration and the Supplemental First Day Declaration.

THE INSURANCE PROGRAMS

6. In the ordinary course of their businesses, the Debtors maintain numerous insurance policies and an insurance bond (collectively, the “**Insurance Policies**”), as summarized in Exhibit B attached hereto.³ The Insurance Policies are administered by multiple third-party insurance carriers (collectively, the “**Insurance Carriers**”) that provide coverage for,

³ The Insurance Policies summarized on Exhibit B are not intended to restrict the Debtors from changing carriers or programs, or adding different types of insurance, all in the reasonable exercise of the Debtors’ discretion. In addition to the Insurance Policies listed on Exhibit B, Seaboard Property Management, Inc. (“**Seaboard Property Management**”) maintains insurance policies on behalf of the Debtors with respect to, among other things, employee health, dental, and vision benefits. These programs are described, and relief is requested with respect to such programs, in the *Motion of Debtors for Orders Authorizing the Payment of Prepetition Wages and Salaries and the Payment and Honoring of Prepetition Employee Policies and Benefits* (the “**Wages and Benefits Motion**”), filed contemporaneously herewith.

among other things, the Debtors' property, commercial liability, umbrella coverage, excess liability, employee dishonesty, a 401(k) Plan bond, environmental liability, director and officer liability, and workers' compensation (collectively, the "**Insurance Programs**"). On average, the total of the annual premiums due under the Insurance Policies is approximately \$280,000.

A. Financed Insurance Policies

7. The Debtors finance the premiums for all of their existing Insurance Policies, other than the Commercial Package Policy, the Employee Dishonesty Policy, the 401(k) Insurance Bond, the D&O Policy, and the Workers' Compensation Plan (each as defined below), because it is not economically advantageous for the Debtors to pay those premiums in full on a lump-sum basis. For their existing Umbrella Package Policies, Seaboard LTS Risk Policy, Seaboard LTS Excess Umbrella Policy, and Environmental Policy (each as defined below and collectively, the "**Financed Policies**"), the Debtors have financed their premiums pursuant to three Commercial Premium Finance Agreements (the "**Financing Agreements**") with First Insurance Funding Corporation ("**First Insurance**"), except for the Environmental Policy which is no longer subject to a Financing Agreement.

8. The first Financing Agreement provides the Debtors with umbrella liability and excess umbrella liability coverage through four insurance policies (the "**Umbrella Package Policies**") with Commerce and Industry Insurance Company, the Ohio Casualty Insurance Company, and Allied World National Assurance Company (the "**Umbrella Financing Agreement**").⁴ Three of the Umbrella Package Policies expire on November 1, 2016, with the other Umbrella Package Policy expiring on October 13, 2016. Under the Umbrella Financing Agreement, the Debtors made a \$10,039.87 down payment and received a loan in the amount of

⁴ A copy of the Umbrella Financing Agreement is attached hereto as **Exhibit C**.

\$12,241.13 at an annual percentage interest rate of 6.75% for the balance. The Debtors are obligated to make monthly payments of \$1,262.30 on the 13th of each month in advance for that month. The Debtors have made 3 of 10 monthly payments under the Umbrella Financing Agreement, and are current on their obligations thereunder. The Debtors will be obligated to make a payment of \$1,262.30 on February 13, 2016.

9. The second Financing Agreement allows Seaboard Hotel LTS Associates, LLC to maintain a builders risk Insurance Policy (the “**Seaboard LTS Risk Policy**”) with Liberty Mutual Fire Insurance Company (the “**Builders Risk Financing Agreement**”).⁵ The Seaboard LTS Risk Policy expires on March 31, 2016. Under the Builders Risk Financing Agreement, the Debtors made a \$3,086.04 down payment and received a loan in the amount of \$22,630.96 at an annual percentage interest rate of 6.75% for the balance. The Debtors are obligated to make monthly payments of \$2,900.04 on the 19th of each month in advance for that month. The Debtors have made all monthly payments under the Builders Risk Financing Agreement, and are current on their obligations thereunder.

10. The third Financing Agreement is for Seaboard Hotel LTS Associates, LLC and Seaboard Hotel LTS Member Associates, LLC to maintain a separate construction Insurance Policy (the “**Seaboard LTS Excess Umbrella Policy**”) with Travelers Property Casualty Company of America (the “**Excess Umbrella Financing Agreement**”).⁶ The Seaboard LTS Excess Umbrella Policy expires on April 14, 2016. Under the Excess Umbrella Financing Agreement, the Debtors made a \$2,797.80 down payment and received a loan in the amount of \$25,180.20 at an annual percentage interest rate of 6.00% for the balance. The Debtors are

⁵ A copy of the Builders Risk Financing Agreement is attached hereto as **Exhibit D**.

⁶ A copy of the Excess Umbrella Financing Agreement is attached hereto as **Exhibit E**. The Umbrella Package Policies exclude construction. As a result, the Seaboard LTS Excess Umbrella Policy is necessary.

obligated to make monthly payments of \$2,587.78 on the 14th of each month in advance for that month. The Debtors have made 9 of 10 monthly payments under the Excess Umbrella Financing Agreement, and are current on their obligations thereunder. The Debtors will be obligated to make a payment of \$2,587.78 on February 14, 2016.

11. Additionally, 88 Hamilton Avenue Associates, LLC maintains an environmental Insurance Policy with Chartis Specialty Insurance Company (the “**Environmental Policy**”). The Environmental Policy expires on March 5, 2016. The Environmental Policy had a premium of \$22,486.00 for the three-year term of the policy, which the Debtors financed and then made monthly installments over the first 15 months of the policy. As of the Petition Date, the Debtors have paid all installments of the Environmental Policy’s premium in full.

12. Out of an abundance of caution, the Debtors seek authority to honor all amounts on account of the Financed Policies, in the ordinary course of business to ensure uninterrupted coverage under the Financed Policies.

13. Further, the Debtors request the ability to continue honoring their obligations under the Financing Agreements. The Debtors’ obligations under the Financing Agreements are secured by all of the Debtors’ right, title, and interest to the Financed Policies and all amounts which are or may become payable to the Debtors under or with reference to those policies including, among other things, any gross unearned premiums, dividend payments, and all payments on account of loss which results in reduction of any unearned premiums in accordance with those policies. If the Debtors were unable to continue honoring their obligations under the Financing Agreements, First Insurance may seek relief from the automatic stay to terminate the Financed Policies which, if granted, would require the Debtors to obtain

replacement insurance on an expedited basis. If the Debtors were to do so, and pay a lump-sum premium for the replacement policies in advance, this payment would likely result in greater costs for the Debtors.

14. Even if the Financed Policies were not terminated, any interruption in the Debtors' payments could adversely affect the Debtors' ability to finance premiums for future policies. Considering the importance of maintaining insurance coverage with respect to their business activities and the preservation of the Debtors' cash flow by financing the premiums under the Financed Policies, the Debtors believe it is in the best interests of their estates to honor their obligations under the Financing Agreements. Accordingly, the Debtors seek authority to continue honoring their obligations under the Financing Agreements.

15. The Debtors seek authority to renew the Financed Policies and the Financing Agreements or, if necessary, enter into new insurance policies and financing arrangements on a postpetition basis in the ordinary course of business, and pay premiums and other amounts thereunder, without further Court approval. The Debtors respectfully submit that the renewal of the Financed Policies and/or obtaining new insurance policies is within the ordinary course of the Debtors' businesses and therefore authorized by section 363(c)(1) of the Bankruptcy Code. Further, to reduce the administrative burden, as well as to allow them to meet one of the criteria for operating as debtors in possession, the Debtors seek the Court's authority now, pursuant to section 364 of the Bankruptcy Code, to renew the Financing Agreements or obtain new premium financing arrangements as necessary in the Debtors' business judgment.

B. The Non-Financed Insurance Policies

16. The Debtors maintain a commercial package Insurance Policy for property insurance, general liability coverage, and business automobile insurance (the "**Commercial Package Policy**") with Zurich American Insurance Company. The Commercial Package Policy

expires on October 13, 2016. The Commercial Package Policy has an annual premium of \$253,799.00, with 25% paid up front and followed by nine monthly installments paid to the insurance carrier via Smith Brothers Insurance, LLC (“**Smith Brothers**”) on the 13th of each month. As of the Petition Date, the Debtors have paid all owed monthly installments of the Commercial Package Policy’s premium in full.

17. Seaboard Property Management, Inc. (“**Seaboard Property Management**”) maintains an employee dishonesty Insurance Policy with Travelers Property Casualty Company of America (the “**Employee Dishonesty Policy**”).⁷ The Employee Dishonesty Policy expires on April 10, 2018. The Employee Dishonesty Policy has an annual premium of \$2,279.00 paid annually in advance to the insurance carrier via Smith Brothers. The next payment under the Employee Dishonesty Policy is due on April 10, 2016. As of the Petition Date, the Debtors do not owe any premiums under the Employee Dishonesty Policy.⁸

18. Seaboard Property Management maintains an insurance bond with respect to its 401(k) Plan (described in the Wages and Benefits Motion) with Hartford Fire Insurance Company (the “**401(k) Insurance Bond**”).⁹ The 401(k) Insurance Bond provides continuous coverage until cancelled and is billed by the insurance carrier via Smith Brothers every three years in advance. The premium for three years of coverage is \$370.00, which was paid in full.

⁷ As disclosed in the Wages and Benefits Motion, Seaboard Property Management employs the employees that work for the Debtors. The Debtors anticipate that all employees will be employees of Debtor Newbury Common Member Associates, LLC on or around March 1, 2016. The Debtors are seeking to honor all obligations under the Employee Dishonesty Policy regardless of where the employees are employed.

⁸ As discussed in further detail in the Supplemental First Day Declaration, given the circumstances surrounding these chapter 11 filings with respect to potential “employee dishonesty,” it is of great importance to the Debtors that this policy remain enforceable.

⁹ As disclosed in the Wages and Benefits Motion, Seaboard Property Management employs the employees that work for the Debtors. The Debtors anticipate that all employees will be employees of Debtor Newbury Common Member Associates, LLC on or around March 1, 2016. The Debtors are seeking to honor all obligations under the 401(k) Insurance Bond regardless of where the employees are employed.

The next payment due for coverage under the 401(k) Insurance Bond is not until October 15, 2017. As of the Petition Date, the Debtors have paid the 401(k) Insurance Bond's premium in full.

19. Prior to the Petition Date, the Debtors obtained a director and officer liability Insurance Policy (the "**D&O Policy**") with XL Specialty Insurance Company, which covers certain acts of Howard Altschul, Waterbridge Advisors LLC and Marc Beilinson after December 13, 2015. The D&O Policy expires on February 3, 2017. The D&O Policy has an annual premium of \$60,000 paid in advance to the insurance carrier. As of the Petition Date, the Debtors do not owe any premiums under the D&O Policy.

20. As of the Petition Date, the Debtors believe they have fully paid all premiums under the Insurance Policies. Out of an abundance of caution, however, the Debtors seek authority to honor all amounts on account of the Insurance Policies, including any outstanding prepetition premiums, in the ordinary course of business to ensure uninterrupted coverage.

C. The Workers' Compensation Plan

21. As required by the law, the Debtors provide their employees with workers' compensation benefits for claims arising from and related to their employment. As a result, the Debtors maintain workers' compensation coverage for their employees in Connecticut. The Debtors' workers' compensation obligations are covered by a policy offered through their payroll processor, Paychex Insurance Agency Inc. ("**Paychex**"), as agent, and New Hampshire Insurance Company ("**New Hampshire Insurance**") as insurer (the "**Workers' Compensation Plan**").¹⁰ There is no deductible under the Workers' Compensation Plan, and New Hampshire

¹⁰ As disclosed in the Wages and Benefits Motion, Seaboard Property Management employs the employees that work for the Debtors. The Debtors anticipate that all employees will be employees of Debtor Newbury

Insurance is liable to the employees for workers' compensation claims with a cap of \$1,000,000 per claim. In 2016, the Debtors expect to pay a total of approximately \$20,000 in Workers' Compensation Plan premiums. Because Paychex remits to New Hampshire Insurance the Workers' Compensation Plan premiums in advance in connection with each payroll period, the Debtors do not believe that they owe any Workers' Compensation Plan premiums as of the Petition Date.

D. Insurance Brokers

22. The Debtors utilize several insurance brokers, including Smith Brothers, Paramount Real Estate Group, Paychex, and The Spofford Group (collectively, the "**Brokers**") to assist them with the procurement and negotiation of their Insurance Programs. These Brokers provide services to and receive compensation (the "**Broker Fees**") from the Debtors pursuant to certain contracts with the Debtors. The Debtors pay an annual fee of \$2,500 to Smith Brothers as Broker Fees for such services. All other Broker Fees are paid by the Insurance Carriers, and the Debtors believe that all other Broker Fees have been paid in full as of the Petition Date. The Debtors seek authority to honor all amounts owed to the Brokers in the ordinary course of business to ensure uninterrupted insurance coverage.

E. The Need to Continue the Insurance Programs

23. The Debtors request that they be permitted to maintain their insurance under the Insurance Programs. Continuation of the Insurance Policies in all categories of insurance is essential to the ongoing operation of the Debtors' businesses and preserving the value of the Debtors' assets. In many cases, coverage is required by various laws and contracts that govern the Debtors' business conduct. Thus, absent the relief requested, the Debtors would

Common Member Associates, LLC on or around March 1, 2016. The Debtors are seeking to honor all obligations under the Workers' Compensation Plan regardless of where the employees are employed.

be required to obtain replacement insurance on an expedited basis and at significant cost to the Debtors' estates.

24. In addition, as directed by the Office of the United States Trustee for the District of Delaware, debtors in chapter 11 cases have a fiduciary obligation and a legal duty to account for their business operations, which is met in part by obtaining and maintaining insurance following the Petition Date. See *Operating Guidelines and Financial Reporting Requirements Required in All Cases Under Chapter 11*, Office of the United States Trustee for the District of Delaware, dated January 13, 2013.

25. The Debtors also believe that any delay in the timely payment of workers' compensation benefits under the Workers' Compensation Plan would have a negative effect on the morale of the employees. Without the support of their workforce, the Debtors' operations would be impaired. On the other hand, continuation of the Workers' Compensation Plan will facilitate the Debtors' reorganization efforts by helping to foster a sense of "business as usual."

RELIEF REQUESTED

26. The Debtors seek the entry of the proposed form of Order authorizing them to (i) continue and renew their Insurance Programs, including renewing their Insurance Policies or obtaining new insurance policies as needed in the ordinary course of business, (ii) honor all of their obligations under and in connection with the Insurance Programs on an uninterrupted basis and in accordance with the same practices and procedures as were in effect before the Petition Date, (iii) honor all of their prepetition Financing Arrangements on an uninterrupted basis and in accordance with the same practices and procedures as were in effect before the Petition Date, and (iv) renew their Financing Arrangements, or obtain new financing arrangements in the ordinary course of business. This relief includes authorization to pay all

prepetition amounts arising under the Insurance Policies and the Financing Arrangements, including any Broker Fees (to the extent they may be considered an obligation of the Debtors).

27. Finally, the Debtors request that all applicable banks and other financial institutions be authorized to receive, process, honor, and pay checks drawn on the Debtors' accounts to honor the Insurance Obligations, if any, without regard to whether such checks were presented prior to or after the Petition Date, unless otherwise directed by the Debtors.¹¹

BASIS FOR RELIEF REQUESTED

A. The Relief Requested Herein Will Benefit All Creditors

28. Section 105(a) of the Bankruptcy Code empowers this Court to issue “any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]” 11 U.S.C. § 105(a). The purpose of section 105(a) is to ensure a bankruptcy court’s power to take whatever action “is appropriate or necessary in aid of the exercise of [its] jurisdiction.” 2 COLLIER ON BANKRUPTCY, ¶ 105.01 (15th rev. ed. 1997); see also Mgmt. Tech. Corp. v. Pardo, 56 B.R. 337, 339 (Bankr. D. N.J. 1985) (recognizing that court possesses equitable powers under section 105 of the Bankruptcy Code).

29. Under the “necessity of payment rule” or the “doctrine of necessity,”¹² courts often allow the immediate payment of prepetition claims where the payments are essential

¹¹ Nothing contained in this Motion or any actions taken by the Debtors pursuant to any relief granted in the Order is intended or should be construed as: (i) an admission as to the validity of any particular claim against a Debtor entity; (ii) a waiver of the Debtors’ rights to dispute any particular claim on any grounds; (iii) a promise or requirement to pay any particular claim; (iv) an implication or admission that any particular claim is of a type specified or defined in this Motion; (v) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) a waiver or limitation of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (vii) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If this Court grants the relief sought herein, any payment made pursuant to this Court’s order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors’ rights to subsequently dispute such claim.

¹² This doctrine, first articulated by the United States Supreme Court in Miltenberger v. Logansport, C&S W. R. Co., 106 U.S. 286, 311-312 (1882), recognizes the existence of judicial power to authorize a debtor in a

to the debtor's continued operations, even though the Bankruptcy Code may not explicitly authorize payment. See In re Ionosphere Clubs, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989) (stating that the "necessity of payment" doctrine "recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor"); accord In re Just for Feet, Inc., 242 B.R. 821, 825 (Bankr. D. Del. 1999); In re NVR L.P., 147 B.R. 126, 127 (Bankr. E.D. Va. 1992).

30. The doctrine of necessity recognizes that paying prepetition obligations outside of a plan of reorganization is often necessary to realize the paramount purpose of a chapter 11 reorganization, *i.e.*, preventing the liquidation of the debtor in possession and preserving its potential for rehabilitation. See, e.g., In re Lehigh & New England Ry. Co., 657 F.2d 570, 581 (3d Cir. 1981) (holding that the doctrine of necessity permits "immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims shall have been paid").

31. In other large chapter 11 cases, this Court has permitted debtors to pay prepetition obligations relating to insurance when doing so was necessary to the success of the bankruptcy proceedings. See, e.g., In re Colt Holding Co., Case No. 15-11296 (LSS), [Docket Nos. 89 & 195] (Bankr. D. Del. June 16, 2015 and July 10, 2015) (granting interim and final relief); In re Molycorp, Inc., Case No. 15-11357 (CSS), [Docket No. 85] (Bankr. D. Del. June 26, 2015); In re Allied Nevada Gold Corp., Case No. 15-10503 (MFW), [Docket Nos. 61 & 188] (Bankr. D. Del. Mar. 11, 2015 and Apr. 15, 2015) (granting interim and final relief); In re Radioshack Corp., Case No. 15-10197 (BLS), [Docket No. 163] (Bankr. D. Del. Feb. 9, 2015); In re Endeavour Operating Corp., Case No. 14-12308 (KJC), [Docket No. 151] (Bankr. D. Del.

reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor.

Nov. 6, 2014); In re Trump Entm't Resorts, Inc., Case No. 14-12104 (KG), [Docket No. 46] (Bankr. D. Del. Sept. 10, 2014).¹³

32. Any prepetition amounts that the Debtors may pay in respect of the Insurance Obligations are extremely small in light of the size of the Debtors' estates and the benefits to be derived therefrom. Thus, the Debtors submit that the continuation of the Insurance Policies and the payment of all prepetition and postpetition Insurance Obligations arising thereunder are essential to preservation of the Debtors' assets and protect against unexpected losses. Further, it is essential that the relief requested herein be granted expeditiously considering the necessity of keeping appropriate insurance coverage in place and the potential adverse consequences to the Debtors.

33. As set forth in detail above, the Debtors also believe that continuing the Workers' Compensation Plan and honoring the Debtors' obligations under those programs in a timely manner is important to the ongoing operation of their businesses. To summarize, if the Debtors cannot continue those programs and ensure that any Insurance Obligations in respect of those programs will be paid in the ordinary course of business, the Debtors could face severe consequences for failure to comply with applicable state law. In addition, the Debtors would risk a loss of value in their business operations, including, among other things, potentially significant litigation exposure and increased costs for alternative arrangements for workers' compensation coverage.

¹³ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

B. The Debtors Should Be Authorized to Honor Obligations Under and Renew the Premium Financing Agreements

34. Payment of amounts owed under the Financing Agreements is also necessary and appropriate, and may be authorized under sections 105(a) and 363(b) of the Bankruptcy Code. Moreover, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur secured postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interests of the estate. See, e.g., In re Ames Dept Stores, Inc., 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (recognizing that courts “permit debtors in possession to exercise their basic business judgment consistent with their fiduciary duties” in incurring postpetition credit). As described above, the Debtors believe that continuing to perform under the Financing Agreements on a postpetition basis is in the best interests of their estates. Moreover, given the Debtors’ current financial circumstances, the Debtors may have difficulty securing alternative premium financing on terms as favorable as under the Financing Arrangements. In any event, the Debtors are highly unlikely to obtain such financing on an unsecured basis. Thus, the Debtors’ ability to continue performing under and renew the Financing Agreements is likely to preserve estate value.

35. Courts in this district have authorized debtors to continue to honor premium financing arrangements in similar circumstances. See, e.g., In re Hagggen Holdings, LLC, Case No. 15-11874 (KG), [Docket Nos. 48 & 250] (Bankr. D. Del. Sept. 10, 2015 and Oct. 2, 2015) (granting interim and final relief); In re Allied Nevada Gold Corp., Case No. 15-10503 (MFW), [Docket Nos. 61 & 188] (Bankr. D. Del. Mar. 11, 2015 and Apr. 15, 2015) (same); In re Everywhere Global, Inc., Case No. 15-10743 (LSS), [Docket No. 49] (Bankr. D. Del. Apr. 9, 2015) (granting final relief); Cal Dive Int’l, Inc., Case No. 15-10458 (CSS), [Docket Nos. 63 & 162] (Bankr. D. Del. Mar. 6, 2015 and Mar. 27, 2015) (granting interim and final relief); In re

Alsip Acquisition, LLC, Case No. 14-12596 (KJC), [Docket No. 39] (Bankr. D. Del. Nov. 24, 2014) (granting final relief); In re Longview Power, LLC, Case No. 13-12211 (BLS), [Docket Nos. 100 & 259] (Bankr. D. Del. Sept. 4, 2013 and Sept. 24, 2013) (granting interim and final relief).¹⁴ Further, courts in this district have granted debtors authority to enter into postpetition secured premium financing arrangements under similar circumstances. See, e.g., In re Trump Entm't Resorts, Case No. 14-12103 (KG), [Docket No. 46] (Bankr. D. Del. Sept. 10, 2015).

C. There are Sound Business Reasons for the Relief Requested Herein

36. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to use property of the estate in the ordinary course of business without notice or a hearing. See 11 U.S.C. § 363(c)(1). The Debtors submit that the payments sought for approval herein are payments that they would make in the ordinary course of business as they are (i) commonly made in the Debtors' industry and (ii) those that the Debtors' creditors have expected and would expect the Debtors to make. See In re Crystal Apparel, Inc., 207 B.R. 406, 409 (Bankr. S.D.N.Y. 1997) (explaining the horizontal and vertical tests).

37. In any event, section 363(b) of the Bankruptcy Code provides this Court with additional authority to grant the relief requested herein. Under this section, the Debtors may use property of their estates outside of the ordinary course of business if doing so is within their sound business judgment. See In re Filene's Basement, Case No. 11-13511, 2014 WL 1713416, *12 (Bankr. D. Del. Apr. 29, 2014) (noting that under Section 363(b), "[w]here the debtor articulates a reasonable basis for its business decisions . . . courts will generally not entertain objections to the debtor's conduct") (quoting In re Johns-Manville Corp., 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986)); In re Landsource Communities Dev. LLC, Case No. 08-11111,

¹⁴ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

2009 WL 4874670, ¶ 15 (Bankr. D. Del. Nov. 25, 2009) (“Where valid business justification exists, a presumption exists ‘that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.’”) (quoting In re Integrated Res., Inc., 147 B.R. 650, 656 (S.D.N.Y. 1990)). In fact, courts within this District have employed section 363(b) to allow a debtor to pay a prepetition claim as an outside of the ordinary course transaction. See, e.g., In re Longview Power, LLC, Case No. 13-12211 (BLS), [Docket No. 249] (Bankr. D. Del. Sept. 24, 2013) (granting final relief); In re Furniture Brands Int’l, Inc., Case No. 13-12329 (CSS), [Docket No. 234] (Bankr. D. Del. Sept. 30, 2013) (same); In re Exide Techs., Case No. 13-11482 (KJC), [Docket No. 320] (Bankr. D. Del. July 11, 2013) (same).

38. The Debtors submit that, for the reasons discussed herein, it would be a sound and prudent exercise of their business judgment to honor the Insurance Obligations.

D. The Debtors Have Sufficient Funds to Make the Payments Sought Herein

39. The Debtors represent that they have sufficient availability of funds to pay the amounts described herein in the ordinary course of business by virtue of cash reserves, expected cash flows from ongoing business operations, and anticipated access to cash collateral. Under the Debtors’ proposed cash management system, the Debtors represent that checks or wire transfer requests can be readily identified as relating to an authorized payment in respect of the Insurance Obligations. Accordingly, the Debtors believe there is little risk that checks or wire transfer requests unrelated to authorized payments would be honored inadvertently, and that all applicable banks, financial institutions, and third party payroll processing agents should be authorized, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the Insurance Obligations.

**E. Failure to Authorize Payment In the First 21 Days
Would Cause Immediate and Irreparable Harm**

40. Rule 6003(b) of the Bankruptcy Rules allows the use of property of the estate, or the payment of prepetition claims, within 21 days of the Petition Date if the relief would prevent “immediate and irreparable harm.” See FED. R. BANKR. P. 6003(b). Accordingly, for the reasons set forth above and in the First Day Declaration, the Debtors submit that the relief requested herein is necessary to prevent immediate and irreparable harm to the Debtors and their estates.

WAIVER OF RULE 6004 STAY

41. Because the relief requested herein is essential to prevent irreparable harm to the Debtors’ reorganization efforts, the Debtors submit that cause exists for a waiver of the 14-day stay imposed by Rule 6004(h) of the Bankruptcy Rules, to the extent applicable.

NOTICE

42. Notice of this Motion will be provided by overnight delivery and/or e-mail or facsimile to: (a) the Office of the United States Trustee for Region 3, serving the District of Delaware; (b) the prepetition mortgage loan servicers, trustees, lenders and their respective counsel; (c) the mezzanine lenders and their counsel to the extent known; (d) the United States Attorney’s Office for the District of Delaware; (e) the United States Attorney General; (f) the Internal Revenue Service; (g) the parties included on the Debtors’ list of largest unsecured creditors; (h) the Insurance Carriers; and (i) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the proposed form of Order and grant the Debtors such other and further relief as is just and proper.

Dated: February 3, 2016
Wilmington, Delaware

Respectfully submitted,

By: /s/ Robert S. Brady
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EXHIBIT A

Proposed Form of Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
NEWBURY COMMON)	Case No. 15 – 15-12707 (LSS)
ASSOCIATES, LLC, <u>et al.</u> ,)	
)	Jointly Administered
Debtors. ¹)	
)	Re: Docket No. _____

ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE AND RENEW THEIR PROPERTY, COMMERCIAL LIABILITY, AND OTHER INSURANCE POLICIES AND AGREEMENTS, (II) HONOR ALL OBLIGATIONS IN RESPECT THEREOF, (III) HONOR THEIR PREPETITION INSURANCE PREMIUM FINANCING ARRANGEMENTS, AND (IV) RENEW THEIR PREMIUM FINANCING ARRANGEMENTS IN THE ORDINARY COURSE OF BUSINESS

Upon consideration of the motion (the “**Motion**”)² of the Debtors for the entry an order authorizing them to (i) continue and renew their Insurance Programs, (ii) honor all of their obligations under and in connection with the Insurance Programs, (iii) honor all of their prepetition insurance premium financing arrangements, and (iv) renew their premium financing arrangements in the ordinary course of business; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s tax identification number, are: Newbury Common Associates, LLC (3783); Seaboard Realty, LLC (6291); 600 Summer Street Stamford Associates, LLC (6739); Seaboard Hotel Member Associates, LLC (8984); Seaboard Hotel LTS Member Associates, LLC (6005); Park Square West Member Associates, LLC (9223); Seaboard Residential, LLC (2990); One Atlantic Member Associates, LLC (4120); 88 Hamilton Avenue Member Associates, LLC (5539); 316 Courtland Avenue Associates, LLC (0290); 300 Main Management, Inc. (6365); 300 Main Street Member Associates, LLC (2334); PSWMA I, LLC (6291); PSWMA II, LLC (6291); Tag Forest, LLC (8974); Newbury Common Member Associates, LLC (3909); Century Plaza Investor Associates, LLC (1480); Seaboard Hotel Associates, LLC (2281); Seaboard Hotel LTS Associates, LLC (8811); Park Square West Associates, LLC (9781); Clocktower Close Associates, LLC (3154); One Atlantic Investor Associates, LLC (7075); 88 Hamilton Avenue Associates, LLC (5749); 220 Elm Street I, LLC (7540); and 300 Main Street Associates, LLC (8501). The Debtors’ corporate headquarters is located at, and the mailing address for each Debtor is, 1 Atlantic Street, Stamford, CT 06901.

² Each capitalized term used but not defined herein shall have the meaning ascribed to it in the Motion.

29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with the United States Constitution; and this Court having found that good and sufficient cause exists for granting the Motion; and upon consideration of the First Day Declaration and the Supplemental First Day Declaration, and the files and records in these chapter 11 cases; and upon the arguments and statements in support of the Motion presented at the hearing before this Court; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and it appearing that notice of the Motion was adequate and proper under the circumstances of these cases and that no further or other notice need be given; it is hereby

ORDERED that the Motion is GRANTED as set forth herein; and it is further

ORDERED that the Debtors are authorized, but not directed, without interruption and in accordance with the same practices and procedures as were in effect before the Petition Date, to maintain and honor all of their obligations under or in connection with the Insurance Policies identified on **Exhibit B** to the Motion in the ordinary course of business; and it is further

ORDERED that the Debtors are authorized, but not directed, in their sole discretion, to satisfy their prepetition Insurance Obligations, including, but not limited to the Broker Fees, and any amounts due pursuant to the Financing Agreements; and it is further

ORDERED that the Debtors are authorized to renew the Insurance Policies identified on **Exhibit B** or to obtain new insurance policies or to execute other agreements in connection with the Insurance Policies in the ordinary course of business; and it is further

ORDERED that the Debtors are authorized to renew the Financing Agreements or to obtain new premium financing arrangements and make all payments thereunder in the ordinary course of business; and it is further

ORDERED that each bank or financial institution maintaining an account upon which a check, draft, or wire transfer dated prior to, on, or after the Petition Date is authorized to (i) honor any such checks or drafts issued, upon presentation thereof, or any such wire transfer instructions, upon receipt thereof, in each case, in respect of claims paid pursuant to this Order, and (ii) rely upon the representations of the Debtors as to which such checks, drafts, or wire transfers are in payment of claims pursuant to this Order; and it is further

ORDERED that the Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies; and it is further

ORDERED that, notwithstanding the relief granted in this Order and any actions taken pursuant to this Order, nothing herein shall be deemed (i) an admission as to the validity of any particular claim against a Debtor entity; (ii) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (iii) a promise or requirement to pay any particular claim; (iv) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion; (v) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (vi) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; and it is further

ORDERED that the requirements set forth in Rule 6003(b) of the Bankruptcy Rules are satisfied by the contents of the Motion or are otherwise deemed waived; and it is further

ORDERED that Rule 6004(a) of the Bankruptcy Rules is waived for purposes of the Motion and, notwithstanding any applicability of Rule 6004(h) of the Bankruptcy Rules, this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; and it is further

ORDERED that this Court retains exclusive jurisdiction to hear and determine all matters arising from or relating to the interpretation, implementation, or enforcement of this Order.

Dated: _____, 2016
Wilmington, Delaware

The Honorable Laurie Selber Silverstein
United States Bankruptcy Judge

EXHIBIT B

Summary of the Insurance Programs

The Financed Insurance Policies					
Coverage Type	Insurance Company	Policy Number	Term	Insured(s)	Premium/term (\$) (exclusive of tax)
Commercial Umbrella Liability – One of the Umbrella Package Policies	Commerce and Industry Insurance Co	PRMT058778100-7440	1 Year Commencing 10/13/2015	Clocktower Close Associates, LLC 220 Elm Street I, LLC One Atlantic Investor Associates, LLC Century Plaza Investor Associates, LLC 88 Hamilton Avenue Associates, LLC Park Square West Associates, LLC 300 Main Street Associates, LLC Park Square West Member Associates, LLC One Atlantic Member Associates, LLC 316 Courtland Ave Associates, LLC	\$13,379.00
Excess Commercial Umbrella Liability - One of the Umbrella Package Policies	The Ohio Casualty Insurance Company	ECO(16) 56 30 23	2 Years Commencing 11/01/2014	Clocktower Close Associates, LLC 220 Elm Street I, LLC One Atlantic Investor Associates, LLC Century Plaza Investor Associates, LLC 88 Hamilton Avenue Associates, LLC Park Square West Associates, LLC 300 Main Street Associates, LLC Park Square West Member Associates, LLC One Atlantic Member Associates, LLC 316 Courtland Ave Associates, LLC	\$2,578.00
Excess Commercial Umbrella Liability - One of the Umbrella Package Policies	Allied World National Assurance Company	0309-2319	2 Years Commencing 11/01/2014	Clocktower Close Associates, LLC 220 Elm Street I, LLC One Atlantic Investor Associates, LLC Century Plaza Investor Associates, LLC 88 Hamilton Avenue Associates, LLC Park Square West Associates, LLC 300 Main Street Associates, LLC Park Square West Member Associates, LLC One Atlantic Member Associates, LLC 316 Courtland Ave Associates, LLC	\$1,324.00

Excess Commercial Umbrella Liability - One of the Umbrella Package Policies	The Ohio Casualty Insurance Company	ECO(16) 56 33 52 16	2 Years Commencing 11/01/2014	Clocktower Close Associates, LLC 220 Elm Street I, LLC One Atlantic Investor Associates, LLC Century Plaza Investor Associates, LLC 88 Hamilton Avenue Associates, LLC Park Square West Associates, LLC 300 Main Street Associates, LLC Park Square West Member Associates, LLC One Atlantic Member Associates, LLC 316 Courtland Ave Associates, LLC	\$1,000.00
Builders Risk Insurance – Seaboard LTS Risk Policy	Liberty Mutual Fire Insurance Company	YM2-L9L-462548-014	05/19/2014 through 03/31/2016	Seaboard Hotel LTS Associates, LLC	\$27,717.00
Excess Umbrella Policy – Seaboard LTS Excess Umbrella Policy	Travelers Property Casualty Company of America	ZUP-15S46059-15-NF	1 Year Commencing 04/14/2015	Seaboard Hotel LTS Associates, LLC Seaboard Hotel LTS Member Associates, LLC	\$27,978.00
Environmental Policy	Chartis Specialty Insurance Company	PLS 1211919	3 Years Commencing 03/05/2013	88 Hamilton Avenue Associates, LLC	\$22,486.00

The Non-Financed Insurance Policies					
Coverage Type	Insurance Company	Policy Number	Term	Insured(s)	Premium/term (\$) (exclusive of tax)
Commercial Package/Business Owners Policy: Property, General Liability and Business Automobile Coverage	Zurich American Insurance Company	CPO 9319602-04	1 Year Commencing 10/13/2015	Seaboard Residential, LLC Clocktower Close Associates, LLC Century Plaza Investors Associates, LLC 220 Elm Street I, LLC One Atlantic Investor Associates, LLC Tag Forest, LLC 88 Hamilton Avenue Associates, LLC Park Square West Associates, LLC Seaboard Hotel Associates, LLC Seaboard Realty, LLC Seaboard Hotel LTS Associates, LLC Park Square West Member Associates, LLC 88 Hamilton Avenue Member Associates, LLC One Atlantic Member Associates, LLC Seaboard Hotel Member Associates, LLC 316 Courtland Ave. Associates, LLC 300 Main Street Associates, LLC	\$253,799.00
Employee Dishonesty Policy	Travelers Casualty And Surety Company of America	105770334	3 Years Commencing 04/10/2015	Seaboard Property Management, Inc.	\$6,837.00
401(k) Plan Bond	Hartford Fire Insurance Co	02BDDAG9477	January 2014 through October 2017	Seaboard Property Management, Inc.	\$270.00
D&O Policy	XL Specialty Insurance Company		1 Year Commencing 02/03/2016	Howard Altschul Waterbridge Advisors LLC Marc Beilinson	\$60,000.00

Workers' Compensation Insurance	New Hampshire Insurance Company	066085196	Ongoing Term	Seaboard Property Management, Inc.	\$20,000.00
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Exhibit C

The Umbrella Financing Agreement

Seal Pro 01

LENDER:
 Lake Forest Bank & Trust Company
 727 North Bank Lane
 Lake Forest, IL 60045

**COMMERCIAL
 PREMIUM FINANCE AGREEMENT**

To Be Serviced By **FIRST Insurance Funding Corp.**
 450 Skokie Blvd, Ste 1000
 Northbrook, IL 60062-7917
 P (800) 837-2511 F (800) 837-3709
 www.firstinsurancefunding.com
Quote #: 6125108

FIRST INSURANCE[®]
 FUNDING
 A WELLS FARGO COMPANY

INSURED/BORROWER (Name and Address as shown on Policy) Seaboard Property Management Corp 1 Atlantic St 4th Flr Stamford, CT 06901	Customer ID: N/A	AGENT or BROKER (Name and Business Address) SMITH BROTHERS INSURANCE, LLC 68 NATIONAL DRIVE GLASTONBURY, CT 06033
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LOAN DISCLOSURE

Total Premiums, Taxes and Fees	Cash Down Payment	Unpaid Premium Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
22,281.00	10,039.87	12,241.13	0.00	12,241.13	381.87	12,623.00	6.750 %

YOUR PAYMENT SCHEDULE WILL BE: Mail Payments to: **FIRST Insurance Funding Corp., PO Box 7000, Carol Stream, IL 60197-7000**

Number of Payments	Amount of Each Payment	First Installment Due	11/13/2015
10	1,262.30	Installment Due Dates	13th (Monthly)

SECURITY INTEREST. INSURED/BORROWER ("Insured") grants and assigns LENDER a security interest in the financed policies and any additional premiums required under the financed policies, including (but only to the extent permitted by applicable law) all return premiums, dividend payments (not applicable in KY), and loss payments which reduce unearned premium, subject to any mortgagee or loss payee interest. If any circumstances exist in which premiums related to any financed policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.

FINANCE CHARGE. The finance charge begins accruing on the earliest effective date of the policies listed in the Schedule of Policies. The finance charge may include a nonrefundable service charge equal to the maximum amount permitted by law (\$10 in AK, DE, NY & PA, \$25 in NV, \$12 in NJ, \$15 in NC, RI & VA, \$16 in MA, \$20 in FL). The finance charge is computed using a 365-day calendar year.

LATE PAYMENT. A late charge will be assessed on any installment at least 5 days in default (7 days in VA, 10 days in MA & TX, or later date as required by law). This late charge will equal 5% of the delinquent installment or the maximum late charge permitted by law, whichever is less (greater of \$10 or 5% in FL, greater of \$25 or 1.5% in NJ, \$5 maximum in DE, MT and ND; \$100 maximum in MD; 5% in VA).

PREPAYMENT. Insured is entitled to a refund of the unearned finance charge if the loan is prepaid in full. The refund shall be computed according to applicable law. In VA the refund shall be calculated using the short rate method. In CA the rebate is in compliance with *Cal Fin Code § 18629*.

SCHEDULE OF POLICIES

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
PRMT058778100-7440	C00139-COMMERCE AND INDUSTRY INS CO G01732-GREAT POINT INSURANCE SERVICES [CX.10] [90%PR]	UMB	12	10/13/2015 ERN TXS/FEES FIN TXS/FEES	18,281.00 1,500.00 2,500.00
TOTAL					22,281.00

Q# 6125108, PRN 102115, CFG: A06470-IMM, RT. A06470-IMM, DD N/A, BM Invoice, P/F INT. Qtd For: A06470 Original, Memo 0

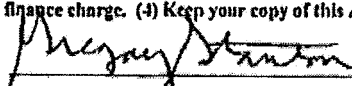
INSURED'S AGREEMENT:

1. In consideration of the premium payment by LENDER to the insurance companies listed in the Schedule of Policies, their representative or the Agent or Broker listed above, Insured promises to pay, to the order of LENDER, the Total of Payments subject to all of the provisions of this Agreement.

2. **POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (i) cancel the financed policies in accordance with the provisions contained herein, (ii) receive all sums assigned to LENDER, and (iii) execute and deliver on behalf of Insured all documents relating to the insurance policies listed on the Schedule of Policies ("Financed Policies") in furtherance of this Agreement (clauses (ii) and (iii) are not applicable in Florida). This right to cancel will terminate only after Insured's indebtedness under this Agreement is paid in full.

3. **SIGNATURE & ACKNOWLEDGEMENT.** Insured has signed and received a copy of this Agreement. If Insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of Insured. All named Insured(s), jointly and severally if more than one, agree to all provisions set forth in this Agreement. Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.

NOTICE TO INSURED: (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to receive a partial refund of the finance charge. (4) Keep your copy of this Agreement to protect your legal rights.


 _____ 10/22/15 _____ 10-28-15
 Signature of Insured or Authorized Agent Date Signature of Agent Date

The undersigned hereby warrants and agrees to the Agent or Broker Representations and Warranties set forth herein.

Insured: Seaboard Property Managen
Quote #: 6125108

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

4. **EFFECTIVE DATE.** This Agreement will not become effective until it is accepted in writing by LENDER.
5. **DEFAULT/CANCELLATION.** Insured is in default under this Agreement if (a) a payment is not received by LENDER 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 comply with any of the terms of this Agreement; provided, however, when required by law, Insured may be deemed in default only under clause (a) above. Clauses (b) and (c) are not applicable in FL, MD, NV, NC or VA. At any time after default, LENDER can demand and has the right to receive immediate payment of the total unpaid amount due under this Agreement even if LENDER has not received any refund of unearned premium. If Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by law. If a default by Insured results in cancellation of the Financed Policies, Insured agrees to pay a cancellation charge where allowed by law (not permitted in AK, FL, KS, KY, NV, NY, NC, PA, SC, TX or VA). If cancellation or default occurs, where permitted by law, Insured agrees to pay LENDER interest on the balance due at the contract rate or at the maximum lawful rate, whichever is less, until the balance is paid in full or until such other date as provided by law.
6. **LIMITATION OF LIABILITY.** Insured understands and agrees that LENDER or its assignee is not liable for any losses or damages to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER, except in KY.
7. **RETURNED CHECK CHARGE.** If Insured's check is dishonored for any reason and if permitted by law, Insured will pay LENDER a returned check charge equal to the maximum fee permitted by law (\$0 in KY; \$15 in FL & NV; \$20 in VA; maximum of \$25 in MD).
8. **REINSTATEMENT.** Once a Notice of Cancellation has been sent to any insurance company, LENDER has no duty to ask that the Financed Policy be reinstated, even if LENDER later receives a payment from Insured. If LENDER requests reinstatement, such request does not guarantee coverage will be reinstated by the insurance company. Payments that LENDER receives after sending a Notice of Cancellation may be applied to Insured's account without changing any of LENDER's rights under this Agreement.
9. **LENDER'S RIGHTS AFTER THE POLICIES ARE CANCELLED.** After any Financed Policy is cancelled by any party, LENDER has the right to receive all unearned premiums and other funds assigned to LENDER as security herein and to apply them to Insured's unpaid balance under this Agreement or any other agreement between Insured and LENDER (in VA, only to this Agreement). Receipt of unearned premiums does not constitute payment of installments to LENDER, in full or in part. Any amounts received by LENDER after cancellation will be credited to the balance due with any excess paid to Insured; the minimum refund is the greater of \$1.00 or the minimum amount allowed by law (no minimum in VA). Any deficiency shall be immediately paid by Insured to LENDER. Insured agrees that insurance companies may rely exclusively on LENDER's representations about the financed policies.
10. **ASSIGNMENT.** Insured may not assign any Financed Policy without LENDER's written consent. LENDER may transfer its rights under this Agreement without the consent of Insured.
11. **AGENT OR BROKER.** Insured agrees that the Agent or Broker issuing the policies or through whom the policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to Insured, orally or in writing, that is not contained in this Agreement. Where permissible by law, LENDER may pay some portion of the finance charge or other form of compensation to the Agent or Broker executing this Agreement for aiding in the administration of this Agreement (not applicable in VA), and in NY the Agent or Broker may assess a fee to Insured for obtaining and servicing the Financed Policies pursuant to NY CLS Ins § 2119. Any questions regarding this payment should be directed to the Agent or Broker.
12. **COLLECTION COSTS.** Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes (not permitted in KY or MD).
13. **GOVERNING LAW.** This Agreement is governed by and interpreted under the laws of the state where Insured resides, except for conflict of laws principles thereof. If any court finds any part of this Agreement to be invalid, such finding shall not affect the remaining provisions of this Agreement.
14. **WARRANTY OF ACCURACY.** Insured represents and warrants that to the best of its knowledge (i) the Financed Policies are in full force and effect and that Insured has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees, (ii) that none of the Financed Policies are for personal, family or household purposes, (iii) the Cash Down Payment and any past due payments have been paid in full to the Agent or Broker in cash or other immediately available funds, (iv) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading, (v) Insured is not insolvent nor presently involved in any insolvency proceeding, (vi) Insured has no indebtedness to the insurers issuing the Financed Policies, and (vii) there is no provision in the Financed Policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of such policies.
15. **ADDITIONAL PREMIUMS.** Insured agrees to fully and timely comply with all audits and pay to the insurance company any additional amount due in connection with the Financed Policies. The Amount Financed shall be applied to the Financed Policies' premium amounts and Insured shall be responsible for any additional premiums or other sums. Insured, or Agent/Broker, may request that LENDER finance additional policies and/or additional premium during the term of this Agreement, and if LENDER agrees, this Agreement shall be deemed amended accordingly. Should LENDER assign an account number to further extensions of credit, then a) this Agreement and loan documents identified by the assigned account number(s) shall be deemed to comprise a single and indivisible loan transaction, b) Insured shall irrevocably appoint LENDER as its attorney in fact in connection with additional amount financed, c) default under any component of the transaction shall constitute a default under the entire transaction, and d) unearned premium relating to any component of the transaction may be collected and applied to the entire loan transaction balance.
16. **CORRECTIONS.** LENDER may insert the names of the insurance companies and policy numbers, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement (not applicable in KY or VA).

Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that is granted a loan. LENDER will require such information as LENDER deems reasonably necessary for proper identification, such as your name, street address, FEIN or SSN. LENDER will use this information only to process this Agreement and will not share this information with outside parties except to the extent necessary to complete this transaction.

AGENT OR BROKER REPRESENTATIONS AND WARRANTIES

Unless previously disclosed in writing to LENDER or specified in the Schedule of Policies, the Agent or Broker executing this Agreement expressly represents, warrants, and agrees as follows: (1) Insured has received a copy of this Agreement and has authorized this transaction, Insured's signature is genuine, and the cash down payment has been received from Insured, (2) the information contained in the Schedule of Policies including the premium amount is correct and accurately reflects the necessary coverage, (3) the policies listed in the Schedule of Policies (a) are in full force and effect, (b) are cancellable by Insured or LENDER (or its successors or assigns), (c) will generate unearned premiums which will be computed on the standard short rate or pro rata basis, and (d) do not contain any provisions which affect the standard short rate or pro rata premium computation, including but not limited to direct company bill, audit, reporting form, retrospective rating, or minimum or fully earned premium, (4) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (5) to the best of the Agent or Broker's knowledge, there are no bankruptcy, receivership, or insolvency proceedings affecting Insured, (6) Agent or Broker will hold harmless and indemnify LENDER and its successors and assigns against any loss or expense (including attorney's fees, court costs, and other costs) incurred by LENDER and resulting from Agent or Broker's violations of these Representations and Warranties or from Agent or Broker's errors, omissions, or inaccuracies in preparing this Agreement, (7) Agent or Broker will (a) hold in trust for LENDER any payments made or credited to Insured through or to Agent or Broker by the insurance companies or LENDER, and (b) pay these monies and the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness under this Agreement, and (8) to fully and timely assist with all payroll audits.

NC License #482, CA License #1850, VA License #PF146 California Borrowers: **FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA**

FIF0815P

Exhibit D

The Builders Risk Financing Agreement

sea.bhot-0.2

LENDER:
 Lake Forest Bank & Trust Company
 727 North Bank Lane
 Lake Forest, IL 60045

**COMMERCIAL
 PREMIUM FINANCE AGREEMENT**

To Be Serviced By: **FIRST Insurance Funding Corp.**
 450 Skokie Blvd, Ste 1000
 Northbrook, IL 60062-7917
 P: (800) 837-2511 F: (800) 837-3709
 www.firstinsurancefunding.com
 Quote #: 1774967

**FIRST INSURANCE[®]
 FUNDING**
 A WINTRUST COMPANY

INSURED/BORROWER (Name and Address as shown on Policy) Seaboard Hotel LTS Associates c/o Seaboard Property Management 1 Atlantic St 4th Floor Stamford, CT 06901	Customer ID: N/A	AGENT or BROKER (Name and Business Address) SMITH BROTHERS INSURANCE, LLC 68 NATIONAL DRIVE GLASTONBURY, CT 06033
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LOAN DISCLOSURE

Total Premiums, Taxes and Fees	Cash Down Payment	Unpaid Premium Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
25,717.00	3,086.04	22,630.96	0.00	22,630.96	576.56	23,207.52	6.750 %

YOUR PAYMENT SCHEDULE WILL BE: *Mail Payments to: FIRST Insurance Funding Corp., PO Box 7000, Carol Stream, IL 60197-7000*

Number of Payments	Amount of Each Payment	First Installment Due	06/19/2015
8	2,900.94	Installment Due Dates	19th (Monthly)

SECURITY INTEREST. The named insured (herein referred to as "Insured") grants LENDER a security interest in the financed policies and any additional premiums required under the financed policies, including (but only to the extent permitted by applicable law) all return premiums, dividend payments (not applicable in KY), and loss payments which reduce unearned premium, subject to any mortgage or loss payee interest. If any circumstances exist in which all premiums related to any financed policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.

FINANCE CHARGE. The finance charge begins accruing on the earliest effective date of the policies listed in the Schedule of Policies. The finance charge may include a nonrefundable service charge equal to the maximum amount permitted by law (\$10 in AK, DE, NY & PA; \$25 in NV; \$12 in NJ; \$15 in NC, RI & VA; \$16 in MA; \$20 in FL). The finance charge is computed using a 365-day calendar year.

LATE PAYMENT. A late charge will be assessed on any installment at least 5 days in default (7 days in VA or such later date as required by applicable law, 10 days in MA & TX). This late charge will equal 5% of the delinquent installment or the maximum late charge permitted by applicable law, whichever is less (greater of \$10 or 5% in FL; greater of \$25 or 1.5% in NJ; \$5 maximum in DE, MT and ND; \$100 maximum in MD; 5% in VA).

PREPAYMENT. The insured is entitled to a refund of part or all of the unearned finance charge if the loan is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to any nonrefundable service charge. In VA the refund shall be calculated using the short rate method. In CA the rebate is in compliance with *Cal Fin Code § 18629*.

SCHEDULE OF POLICIES

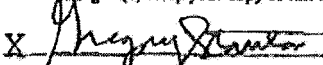
Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
YM2-L9L-462548-015	C00317-LIBERTY MUTUAL FIRE INS CO [CX:10] (90%PR)	PRBR	10	05/19/2015 ERN TXS:FEES FIN TXS:FEES	25,717.00 0.00 0.00
TOTAL					25,717.00

Q# 1774967, PRN: 042915, CFG: A06470-IMM, RT: A06470-IMM, DD: N/A, BM: Invoice, I/F: INT. Qtd For: A06470 Original, Memo 0

INSURED'S AGREEMENT:

- In consideration of the premium payment being advanced by LENDER to the insurance companies listed in the Schedule of Policies, their representative or the Agent or Broker listed above, the Insured promises to pay, to the order of LENDER, the Total of Payments subject to all of the provisions set forth in this Agreement.
- POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (i) cancel the financed policies in accordance with the provisions contained herein, (ii) receive all sums assigned to LENDER, and (iii) execute and deliver on behalf of the Insured all documents, forms and notices relating to the insurance policies listed on the Schedule of Policies in furtherance of this Agreement (clauses (ii) and (iii) are not applicable in Florida). Insured agrees that this right to cancel will terminate only after all of Insured's indebtedness under this Agreement is paid in full.
- SIGNATURE & ACKNOWLEDGEMENT.** Insured has signed and received a copy of this Agreement. If the Insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of the Insured. All named Insured(s), jointly and severally if more than one, agree to all provisions set forth in this Agreement. Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.

NOTICE TO INSURED: (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to receive a partial refund of the finance charge. (4) Keep your copy of this Agreement to protect your legal rights.

x 
 Signature of Insured or Authorized Agent

4/30/15
 Date


 Signature of Agent

5-8-15
 Date

The undersigned hereby warrants and agrees to the Agent or Broker Representations and Warranties set forth herein.

Insured: Seaboard Hotel LTS Associi
Quote #: 1774967

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

- 4. EFFECTIVE DATE.** This Agreement will not become effective until it is accepted in writing by LENDER.
- 5. DEFAULT/CANCELLATION.** Insured is in default under this Agreement if (a) a payment is not received by LENDER 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 comply with any of the terms of this Agreement; provided, however, when required by applicable law, Insured may be deemed in default only under clause (a) above. Clauses (b) and (c) are not applicable in FL, MD, NV, NC or VA. At any time after default, LENDER can demand and has the right to receive immediate payment of the total unpaid amount due under this Agreement even if LENDER has not received any refund of unearned premium. If the Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on the Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by applicable law. If a default by the Insured results in cancellation of any insurance policy listed in the Schedule of Policies, the Insured agrees to pay a cancellation charge where allowed by applicable law (not permitted in AK, FL, KS, KY, NV, NY, NC, PA, SC, TX or VA). If cancellation occurs, where permitted by law, the Insured agrees to pay LENDER interest on the balance due at the contract rate or at the maximum lawful rate, whichever is less, until the balance is paid in full or until such other date as provided by applicable law.
- 6. RETURNED CHECK CHARGE.** If an Insured's check is dishonored for any reason and if permitted by law, the Insured will pay LENDER a returned check charge equal to the maximum fee permitted by law (not permitted in KY; \$15 in FL & NV; \$20 in VA; maximum of \$25 in MD).
- 7. REINSTATEMENT.** Once a Notice of Cancellation has been sent to any insurance company, LENDER has no duty to rescind it or to ask that the policy be reinstated, even if LENDER later receives a payment from Insured. In the event LENDER requests reinstatement, such request does not guarantee that coverage will be reinstated by the insurance company. Payments that LENDER receives after sending a Notice of Cancellation may be applied to Insured's account without changing any of LENDER's rights under this Agreement.
- 8. LENDER'S RIGHTS AFTER THE POLICIES ARE CANCELLED.** After any financed policy is cancelled, whether by LENDER, the Insured, or the insurance companies listed in the Schedule of Policies, LENDER has the right to receive all unearned premiums and other funds assigned to LENDER as security herein and to apply them to Insured's unpaid balance under this Agreement or any other agreement between the Insured and LENDER (in VA, only to policies financed under this Agreement). Receipt of unearned premiums does not constitute payment of installments to LENDER, in full or in part. If the amount received is more than the amount owed by Insured, any excess amount will be refunded to Insured; the minimum refund is \$1.00 (no minimum in VA). If the amount received is less than the amount owed by Insured, Insured will be responsible for the deficiency. Insured agrees that insurance companies may rely exclusively on LENDER's representations about the financed policies.
- 9. ASSIGNMENT.** Insured may not assign any policy without LENDER's written consent. However, LENDER's consent is not needed to add mortgagees or other persons as loss payees to financed policies. LENDER may transfer its rights under this Agreement to anyone without the consent of Insured.
- 10. AGENT OR BROKER.** Insured agrees that the insurance Agent or Broker issuing the policies or through whom the policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to the Insured, orally or in writing, that is not contained in this Agreement. Where permissible by law, LENDER may pay some portion of the finance charge or other form of compensation to the Agent or Broker executing this Agreement for aiding in the administration of this Agreement (not applicable in VA). Any questions regarding this payment should be directed to the Agent or Broker.
- 11. COLLECTION COSTS.** Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes (not permitted in KY or MD).
- 12. LIABILITY.** Insured understands and agrees that LENDER is not liable to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER. This provision is not permitted in KY.
- 13. GOVERNING LAW.** This Agreement is governed by and interpreted under the laws of the state where the Insured resides, except for conflict of laws principles thereof. If any court finds any part of this Agreement to be invalid, such finding shall not affect the remaining provisions of this Agreement.
- 14. WARRANTY OF ACCURACY.** The Insured represents and warrants that to the best of its knowledge (i) the insurance policies listed in the Schedule of Policies are in full force and effect and that the Insured has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees, (ii) that unless disclosed on Page 1, none of the policies listed in the Schedule of Policies are for personal, family or household purposes, (iii) the Cash Down Payment and any past due payments have been paid in full to the agent in cash or other immediately available funds, (iv) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading, (v) no proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, (vi) the Insured has no indebtedness to the insurers issuing the listed policies and none of those insurers have asserted any claims for payment against the Insured, and (vii) there is no term or provision in any listed policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of such policies.
- 15. ADDITIONAL PREMIUMS.** Funds paid by LENDER shall be applied to the premium amounts listed in this Agreement and Insured shall be responsible for any additional premiums or other sums. Insured, or Agent/Broker, may request that LENDER finance additional policies and/or additional premium during the term of this Agreement, and if LENDER agrees, this Agreement shall be deemed amended accordingly. Should LENDER assign an account number to further extensions of credit, then a) this Agreement and loan documents identified by the assigned account number(s) shall be deemed to comprise a single and indivisible loan transaction, b) Insured shall irrevocably appoint LENDER as its attorney in fact in connection with additional amount financed, c) default under any component of the transaction shall constitute a default under the entire transaction, and d) unearned premium relating to any component of the transaction may be collected and applied to the entire loan transaction balance.
- 16. AUDIT AND REPORTING FORM POLICIES.** If any financed policies are auditable, reporting form policies or subject to retrospective rating, the Insured agrees to fully comply with all audits and pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by LENDER and retained by the insurance company.
- 17. CORRECTIONS.** LENDER may insert the names of the insurance companies and policy numbers, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement (not applicable in KY or VA).

AGENT OR BROKER REPRESENTATIONS AND WARRANTIES

The Agent or Broker executing this Agreement represents, warrants, and agrees:

(1) The Insured has received a copy of this Agreement and has authorized this transaction, the Insured's signature is genuine and the cash down payment has been received from the Insured, (2) the listed policies are in full force and effect, and the information contained in the Schedule of Policies including the premium amount is correct, except for assigned risk policies where the actual premium amount may be unknown at this time, (3) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (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 previously disclosed in writing to LENDER, 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) with proper notice, and the unearned premiums will be computed on the standard short rate or pro rata table except as previously disclosed in writing to LENDER, (6) to the best of the undersigned's knowledge and belief, 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 violations of these Representations and Warranties or from errors, omissions, or inaccuracies of Agent or Broker in preparing this Agreement, (8) to pay all reasonable attorney fees, court costs, and other collection costs incurred by LENDER in recovering amounts due from the Agent or Broker in connection with any breach of these Agent or Broker Representations and Warranties, (9) to indemnify LENDER for any and all losses LENDER incurs as a result of any error committed by the Agent or Broker in completing or failing to complete any portion of this Agreement, and (10) to hold in trust for LENDER any payments made or credited to the Insured through or to the undersigned directly or indirectly, actually or constructively by the insurance companies or LENDER and to pay the monies as well as the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness of the Insured.

NC License #482. CA License #1850. VA License #PF146. California Borrowers: **FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA**

FIF0214P

Exhibit E

The Excess Umbrella Financing Agreement

LENDER:
 Lake Forest Bank & Trust Company
 727 North Bank Lane
 Lake Forest, IL 60045

**COMMERCIAL
 PREMIUM FINANCE AGREEMENT**

To Be Serviced By: **FIRST Insurance Funding Corp.**
 450 Skokie Blvd, Ste 1000
 Northbrook, IL 60062-7917
 P:(800) 837-2511 F:(800) 837-3709
 www.firstinsurancefunding.com
Quote #: 1576297

FIRST INSURANCE[®]
 FUNDING
 A WINTRUST COMPANY

INSURED/BORROWER (Name and Address as shown on Policy) Seaboard Property Management LLC and Seaboard Hotel LTS Associates LLC 1 Atlantic St 4th flr Stamford, CT 06901-2402	Customer ID: N/A	AGENT or BROKER (Name and Business Address) SMITH BROTHERS INSURANCE, LLC 68 NATIONAL DRIVE GLASTONBURY, CT 06033
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LOAN DISCLOSURE

Total Premiums, Taxes and Fees	Cash Down Payment	Unpaid Premium Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
27,978.00	2,797.80	25,180.20	0.00	25,180.20	697.60	25,877.80	6.000 %

YOUR PAYMENT SCHEDULE WILL BE: Mail Payments to: **FIRST Insurance Funding Corp., PO Box 7000, Carol Stream, IL 60197-7000**

Number of Payments	Amount of Each Payment	First Installment Due	05/14/2015
10	2,587.78	Installment Due Dates	14th (Monthly)

SECURITY INTEREST. The named insured (herein referred to as "Insured") grants LENDER a security interest in the financed policies and any additional premiums required under the financed policies, including (but only to the extent permitted by applicable law) all return premiums, dividend payments (not applicable in KY), and loss payments which reduce unearned premium, subject to any mortgagee or loss payee interest. If any circumstances exist in which all premiums related to any financed policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.

FINANCE CHARGE. The finance charge begins accruing on the earliest effective date of the policies listed in the Schedule of Policies. The finance charge may include a nonrefundable service charge equal to the maximum amount permitted by law (\$10 in AK, DE, NY & PA; \$25 in NV, \$12 in NJ, \$15 in NC, RI & VA; \$16 in MA; \$20 in FL). The finance charge is computed using a 365-day calendar year.

LATE PAYMENT. A late charge will be assessed on any installment at least 5 days in default (7 days in VA or such later date as required by applicable law. 10 days in MA & TX). This late charge will equal 5% of the delinquent installment or the maximum late charge permitted by applicable law, whichever is less (greater of \$10 or 5% in FL; greater of \$25 or 1.5% in NJ; \$5 maximum in DE, MT and ND; \$100 maximum in MD; 5% in VA).

PREPAYMENT. The Insured is entitled to a refund of part or all of the unearned finance charge if the loan is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to any nonrefundable service charge. In VA the refund shall be calculated using the short rate method. In CA the rebate is in compliance with *Cal Fin Code § 18629*.

SCHEDULE OF POLICIES

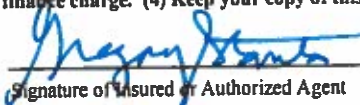
Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
ZUP-15S46059-15-NF	C00724-TRAVELERS PROP CAS CO OF AMER [CX:10] [90%PR]	UMB	12	04/14/2015 ERN TXS/FEES FIN TXS/FEES	27,978.00 0.00 0.00
				TOTAL	27,978.00

Q# 1576297, PRN. 040615, CFG. A06470-IMM, RT: A06470-IMM, DD: N/A, BM: Invoice, P/F: INT. Qtd For: A06470 Original, Memo 0

INSURED'S AGREEMENT:

- In consideration of the premium payment being advanced by LENDER to the insurance companies listed in the Schedule of Policies, their representative or the Agent or Broker listed above, the Insured promises to pay, to the order of LENDER, the Total of Payments subject to all of the provisions set forth in this Agreement.
- POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (i) cancel the financed policies in accordance with the provisions contained herein, (ii) receive all sums assigned to LENDER, and (iii) execute and deliver on behalf of the Insured all documents, forms and notices relating to the insurance policies listed on the Schedule of Policies in furtherance of this Agreement (clauses (ii) and (iii) are not applicable in Florida). Insured agrees that this right to cancel will terminate only after all of Insured's indebtedness under this Agreement is paid in full.
- SIGNATURE & ACKNOWLEDGEMENT.** Insured has signed and received a copy of this Agreement. If the Insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of the Insured. All named Insured(s), jointly and severally if more than one, agree to all provisions set forth in this Agreement. Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.

NOTICE TO INSURED: (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to receive a partial refund of the finance charge. (4) Keep your copy of this Agreement to protect your legal rights.

 _____ Date 4/17/15
 Signature of Agent _____ Date _____

The undersigned hereby warrants and agrees to the Agent or Broker Representations and Warranties set forth herein.

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

4. EFFECTIVE DATE. This Agreement will not become effective until it is accepted in writing by LENDER.

5. DEFAULT/CANCELLATION. Insured is in default under this Agreement if (a) a payment is not received by LENDER 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 comply with any of the terms of this Agreement; provided, however, when required by applicable law, Insured may be deemed in default only under clause (a) above. Clauses (b) and (c) are not applicable in FL, MD, NV, NC or VA. At any time after default, LENDER can demand and has the right to receive immediate payment of the total unpaid amount due under this Agreement even if LENDER has not received any refund of unearned premium. If the Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on the Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by applicable law. If a default by the Insured results in cancellation of any insurance policy listed in the Schedule of Policies, the Insured agrees to pay a cancellation charge where allowed by applicable law (not permitted in AK, FL, KS, KY, NV, NY, NC, PA, SC, TX or VA). If cancellation occurs, where permitted by law, the Insured agrees to pay LENDER interest on the balance due at the contract rate or at the maximum lawful rate, whichever is less, until the balance is paid in full or until such other date as provided by applicable law.

6. RETURNED CHECK CHARGE. If an Insured's check is dishonored for any reason and if permitted by law, the Insured will pay LENDER a returned check charge equal to the maximum fee permitted by law (not permitted in KY; \$15 in FL & NV; \$20 in VA; maximum of \$25 in MD).

7. REINSTATEMENT. Once a Notice of Cancellation has been sent to any insurance company, LENDER has no duty to rescind it or to ask that the policy be reinstated, even if LENDER later receives a payment from Insured. In the event LENDER requests reinstatement, such request does not guarantee that coverage will be reinstated by the insurance company. Payments that LENDER receives after sending a Notice of Cancellation may be applied to Insured's account without changing any of LENDER's rights under this Agreement.

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9. ASSIGNMENT. Insured may not assign any policy without LENDER's written consent. However, LENDER's consent is not needed to add mortgagees or other persons as loss payees to financed policies. LENDER may transfer its rights under this Agreement to anyone without the consent of Insured.

10. AGENT OR BROKER. Insured agrees that the insurance Agent or Broker issuing the policies or through whom the policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to the Insured, orally or in writing, that is not contained in this Agreement. Where permissible by law, LENDER may pay some portion of the finance charge or other form of compensation to the Agent or Broker executing this Agreement for aiding in the administration of this Agreement (not applicable in VA). Any questions regarding this payment should be directed to the Agent or Broker.

11. COLLECTION COSTS. Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes (not permitted in KY or MD).

12. LIABILITY. Insured understands and agrees that LENDER is not liable to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER. This provision is not permitted in KY.

13. GOVERNING LAW. This Agreement is governed by and interpreted under the laws of the state where the Insured resides, except for conflict of laws principles thereof. If any court finds any part of this Agreement to be invalid, such finding shall not affect the remaining provisions of this Agreement.

14. WARRANTY OF ACCURACY. The Insured represents and warrants that to the best of its knowledge (i) the insurance policies listed in the Schedule of Policies are in full force and effect and that the Insured has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees, (ii) that unless disclosed on Page 1, none of the policies listed in the Schedule of Policies are for personal, family or household purposes, (iii) the Cash Down Payment and any past due payments have been paid in full to the agent in cash or other immediately available funds, (iv) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading, (v) no proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, (vi) the Insured has no indebtedness to the insurers issuing the listed policies and none of those insurers have asserted any claims for payment against the Insured, and (vii) there is no term or provision in any listed policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of such policies.

15. ADDITIONAL PREMIUMS. Funds paid by LENDER shall be applied to the premium amounts listed in this Agreement and Insured shall be responsible for any additional premiums or other sums. Insured, or Agent/Broker, may request that LENDER finance additional policies and/or additional premium during the term of this Agreement, and if LENDER agrees, this Agreement shall be deemed amended accordingly. Should LENDER assign an account number to further extensions of credit, then a) this Agreement and loan documents identified by the assigned account number(s) shall be deemed to comprise a single and indivisible loan transaction, b) Insured shall irrevocably appoint LENDER as its attorney in fact in connection with additional amount financed, c) default under any component of the transaction shall constitute a default under the entire transaction, and d) unearned premium relating to any component of the transaction may be collected and applied to the entire loan transaction balance.

16. AUDIT AND REPORTING FORM POLICIES. If any financed policies are auditable, reporting form policies or subject to retrospective rating, the Insured agrees to fully comply with all audits and pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by LENDER and retained by the insurance company.

17. CORRECTIONS. LENDER may insert the names of the insurance companies and policy numbers, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement (not applicable in KY or VA).

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(1) The Insured has received a copy of this Agreement and has authorized this transaction, the Insured's signature is genuine and the cash down payment has been received from the Insured, (2) the listed policies are in full force and effect, and the information contained in the Schedule of Policies including the premium amount is correct, except for assigned risk policies where the actual premium amount may be unknown at this time, (3) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (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 previously disclosed in writing to LENDER, 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) with proper notice, and the unearned premiums will be computed on the standard short rate or pro rata table except as previously disclosed in writing to LENDER, (6) to the best of the undersigned's knowledge and belief, 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 violations of these Representations and Warranties or from errors, omissions, or inaccuracies of Agent or Broker in preparing this Agreement, (8) to pay all reasonable attorney fees, court costs, and other collection costs incurred by LENDER in recovering amounts due from the Agent or Broker in connection with any breach of these Agent or Broker Representations and Warranties, (9) to indemnify LENDER for any and all losses LENDER incurs as a result of any error committed by the Agent or Broker in completing or failing to complete any portion of this Agreement, and (10) to hold in trust for LENDER any payments made or credited to the insured through or to the undersigned directly or indirectly, actually or constructively by the insurance companies or LENDER and to pay the monies as well as the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness of the Insured.

NC License #482. CA License #1850. VA License #PF146. California Borrowers: **FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA**