

IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:	)	
	)	Chapter 11
	)	
ION GEOPHYSICAL CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 22-30987 (MI)
	)	
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL  
ORDERS AUTHORIZING THE DEBTORS TO (I) CONTINUE INSURANCE  
COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION  
OBLIGATIONS RELATED THERETO, (II) RENEW, AMEND, SUPPLEMENT,  
EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR THE TERMS OF  
THE PREMIUM FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER,  
AND (IV) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS**

**Emergency relief has been requested. A hearing will be conducted on this matter on April 13, 2022 at 1:30 p.m. (prevailing Central Time) in Courtroom 404, 4th floor, 515 Rusk Avenue, Houston, Texas 77002. You may participate in the hearing by audio and video connection.**

**Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Isgur's home page. The meeting code is "JudgeIsgur". Click the settings icon in the upper right corner and enter your name under the personal information setting.**

**Hearing appearances must be made electronically in advance. To make your appearance, click the "Electronic Appearance" link on Judge Isgur's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.**

**If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing, or file a written response prior to the hearing. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: ION Geophysical Corporation (6646); I/O Marine Systems, Inc. (3230); ION Exploration Products (U.S.A.), Inc. (1394); and GX Technology Corporation (0115). The location of the Debtors' service address is 4203 Yoakum Blvd., Suite 100, Houston, Texas 77006.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion (this “Motion”):

**Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and the “Final Order”): (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (iii) honor the terms of the Premium Finance Agreement (as defined herein) and pay premiums thereunder; and (iv) enter into new premium finance agreements in the ordinary course of business and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing approximately 25 days from the date hereof.

**Jurisdiction and Venue**

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363(b), 364(c), and 1107(a), and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy”

Code”), Bankruptcy Rule 6004, and rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Local Rules”).

### **Background**

5. ION Geophysical Corporation (together with its Debtor and non-debtor subsidiaries, collectively, “ION”) is an innovative, asset light global technology company that delivers data-driven decision-making offerings to offshore energy and maritime operations markets. Headquartered in Houston, Texas with regional offices around the world, ION operates through two key business segments—Exploration and Production Technology & Services (“EPTS”) and Operations Optimization (“OO”). Within the EPTS segment, ION creates digital data assets on a proprietary and multi-client basis and delivers services to help exploration and production companies improve decision-making, reduce risk, and maximize value. The OO segment develops mission-critical software and technology that enable operational control and optimization offshore. In that regard, ION provides survey design, command and control software systems and related services for marine towed and seabed operations and develops intelligent hardware and devices to optimize operations.

6. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description of the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Mike Morrison, Executive Vice President and Chief Financial Officer of ION Geophysical Corporation, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”),<sup>2</sup> filed contemporaneously with this Motion and incorporated by reference herein. The Debtors continue

---

<sup>2</sup> Capitalized terms used but not otherwise defined in this Motion have the meanings ascribed to them in the First Day Declaration

to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

### **The Debtors' Insurance Program**

#### **I. The Insurance Policies.**

7. In the ordinary course of business, the Debtors maintain approximately 36 insurance policies (collectively, the “Insurance Policies” and each individually, an “Insurance Policy”) that are administered by various third-party insurance carriers (collectively, the “Insurance Carriers”). The Insurance Policies provide coverage for, among other things, the Debtors’ property, general liability, automobile liability, marine equipment, employers’ liability, and directors’ and officers’ liability. The Insurance Policies are essential to the ongoing operation of the Debtors’ business. The aggregate annual premium for the Insurance Policies is approximately \$4,929,433, plus applicable taxes and surcharges. A schedule of the Insurance Policies is attached hereto as **Exhibit C**.<sup>3</sup> In addition to the Insurance Policies, the Debtors maintain workers’ compensation that is not reflected in **Exhibit C** and for which relief is not sought in this Motion.<sup>4</sup>

---

<sup>3</sup> The descriptions of the Insurance Policies set forth in this Motion are summary in nature. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this Motion. The Debtors request authority to honor obligations and renew all Insurance Policies, as applicable, regardless of whether the Debtors inadvertently fail to include a particular Insurance Policy on **Exhibit C**.

<sup>4</sup> In addition to the Insurance Policies listed on **Exhibit C**, the Debtors maintain numerous insurance policies with respect to, among other things, workers’ compensation, employee health, dental, disability, and life insurance benefits. These policies are described, and relief is requested with respect to such policies in the *Debtors’ Emergency Motion For Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief*, filed contemporaneously herewith.

8. Most of the Insurance Policies are generally one year in length and renew on October 1<sup>st</sup> of each year if not covered by the Premium Finance Agreement discussed below. Insurance premiums are typically prepaid on an annual basis, subject to the payment terms under each Insurance Policy. As of the Petition Date, the Debtors estimate that approximately \$471,166 in insurance premiums have accrued as of the Petition Date, of which \$121,540 is payable or will become payable in the first 21 days following the Petition Date. By this Motion, the Debtors seek authority to pay all prepetition amounts due and owing (if any) on account of the insurance premiums and to continue honoring all payment obligations under the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage thereunder.

9. Certain of the Insurance Policies require the Debtors to pay a per-incident deductible (collectively, the “Deductibles”). Generally, if a claim is made against the Insurance Policies, the Debtors’ applicable third-party administrator or insurance carrier will administer the claim and make payments in connection therewith. The Deductible, if any, is offset against such payments. As of the Petition Date, the Debtors do not believe that they owe any Deductibles. Out of an abundance of caution, however, the Debtors seek authority to honor any Deductible that may currently exist or otherwise arise under the Insurance Policies in the ordinary course of business.

10. The continuation of the Insurance Policies and entry into new insurance policies, if necessary, is essential to the preservation of the value of the Debtors’ business and operations. Moreover, in many instances, insurance coverage is required by the regulations, laws, credit agreements, and contracts that govern the Debtors’ commercial activities, including the requirement by the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors seek authorization to maintain and/or modify their existing Insurance

Policies, honor obligations related thereto, and enter into new insurance policies in the ordinary course of business and consistent with prepetition practices.

## **II. The Premium Finance Agreement.**

11. Most of the Insurance Policies are financed through a premium finance agreement with IPFS Corporation (“IPFS”), which is attached hereto as **Exhibit D** (as amended, modified, or supplemented from time to time, the “Premium Finance Agreement”). Pursuant to the Premium Finance Agreement, the Debtors are required to make monthly payments of approximately \$88,420 on the first of each month through and including July 1, 2022. Because the Premium Financing Agreement is an integral part of the Debtors’ insurance program and vital to their ability to finance and procure the Insurance Policies, the Debtors seek authority to honor any amounts owed in full to ensure uninterrupted coverage under their Insurance Policies.

12. To the extent that the Premium Finance Agreement expires during the course of these chapter 11 cases, the Debtors seek authority to renew the Premium Finance Agreement or enter into new premium finance agreements, without further Court approval. The Debtors respectfully submit that renewal of the Premium Finance Agreement falls squarely within the ordinary course of the Debtors’ business and, but for the potential constraints of section 364 of the Bankruptcy Code, the Debtors would not need the Court’s prior approval to renew the Premium Finance Agreement. To reduce the administrative burden, as well as to confirm their ability to satisfy one of their obligations of operating as debtors in possession, the Debtors seek the Court’s authority now to renew the Premium Finance Agreement when and as necessary in the Debtors’ business judgment.

## **III. The Debtors’ Insurance Brokers.**

13. The Debtors retain the services of USI Southwest, Inc. and Cobbs Allen Capital, LLC (d/b/a/ CAC Specialty) (together with USI Southwest, Inc., collectively, the “Brokers”). The

Brokers, among other things, (a) assist the Debtors in obtaining comprehensive insurance coverage in a cost-effective manner, (b) manage renewal data, (c) market the Insurance Policies, (d) provide all interactions with carriers including negotiating policy terms, provisions, and premiums, and (e) provide ongoing support throughout the policy periods. CAC Specialty collects commission payments for its services as part of the premiums paid on account of the Insurance Policies for directors' and officers' liability. For all other Insurance Policies, the Brokers do not collect any additional fees.

14. The Debtors do not believe they owe any other amounts to the Brokers on account of fees, commissions, or any other prepetition obligations. Out of an abundance of caution, however, the Debtors seek authority to honor any amounts owed to the Brokers to ensure uninterrupted coverage under the Insurance Policies.

### **Basis for Relief**

#### **I. Continuation of the Insurance Policies Is Required by the Bankruptcy Code and the U.S. Trustee Operating Guidelines.**

15. Section 1112(b)(4)(C) of the Bankruptcy Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). In addition, in many instances, the coverage provided under the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the *Region 7 Guidelines for Debtors-In-Possession* (the “U.S. Trustee Operating Guidelines”). The Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Operating Guidelines, that they maintain and continue to make all payments required under their Insurance Policies, including in connection with the Premium Finance Agreement, and have the authority to

supplement, amend, extend, renew, or replace their Insurance Policies as needed, in their business judgment, without further order of the Court.

**II. Maintaining, Renewing, Supplementing, and Entering into New Insurance Policies and Premium Finance Agreements Are Each Warranted.**

16. The Bankruptcy Code authorizes the Debtors to continue their prepetition practices with respect to their insurance policies (the “Insurance Program”), including maintaining, renewing, supplementing, and entering into the Insurance Policies and Premium Finance Agreement, as such practices are in the ordinary course of the Debtors’ business. Section 363(c)(1) of the Bankruptcy Code provides that a chapter 11 debtor in possession “may enter into transactions . . . [or] may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The Debtors continuation of the Insurance Program on a postpetition basis is consistent with their prepetition practices. Additionally, the Debtors believe that maintaining insurance policies and financing payments for such policies is standard practice in most industries. Accordingly, the Debtors are permitted to continue to comply with the Insurance Policies and to renew or obtain new insurance policies and premium finance agreements because such actions are in the ordinary course of the Debtors’ businesses.

17. Alternatively, to the extent any such practices fall outside of the ordinary course of business, the Court should authorize the Debtors to maintain, renew, or enter into new insurance policies and premium finance agreements on a postpetition basis, as such relief is in the Debtors’ sound business judgment. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b). Under section 363(b), courts require only that the debtor show that a sound business purpose justifies the proposed use of property. *See In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Phx. Steel*



*Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring a “good business reason” for use under section 363(b) of the Bankruptcy Code). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.”).

18. The nature of the Debtors’ business makes it essential for the Debtors to maintain their Insurance Program on an ongoing and uninterrupted basis. As set forth above, certain of the Debtors’ contracts require the Debtors to remain current with respect to certain of their primary Insurance Policies. Additionally, state and local laws require the Debtors to maintain insurance policies. Therefore, the Debtors must be able to continue their Insurance Policies without disruption to ensure their operations remain in compliance with various legal and contractual obligations.

19. Any interruption in insurance coverage would also expose the Debtors to a number of risks, including: (a) the possible incurrence of direct liability for the payment of claims that otherwise would have been covered by the Insurance Policies; (b) the possible incurrence of material costs and other losses that otherwise would have been reimbursed, such as attorneys’ fees for certain covered claims; (c) the possible inability to obtain similar types and levels of insurance coverage or premium financing on terms equally favorable as the present coverage; and (d) the possible incurrence of higher costs for re-establishing lapsed Insurance Policies or obtaining new insurance coverage.

20. The Debtors similarly believe that continuing to finance their Insurance Policies through a premium finance agreement on a postpetition basis is in the best interests of their estates. Such financing permits the Debtors to pay for Insurance Policies overtime rather than making large cash outlays at one time. This financing structure therefore allows the Debtors to effectively manage their cash to fund their business.

21. Finally, the continued retention of the Brokers allows the Debtors and their employees to focus on core operational matters. Accordingly, continuing to retain the Brokers' services allows the Debtors to focus on their operations, to the benefit of all stakeholders.

22. For the foregoing reasons, the Debtors respectfully submit that the Court should authorize the Debtors to continue their prepetition practices with respect to their Insurance Program, including maintaining, renewing, supplementing, and entering into new insurance policies and premium finance agreements in the ordinary course, as a sound exercise of their business judgment.

### **III. The Debtors Should Be Authorized to Pay All Prepetition Obligations Owed Under the Premium Finance Agreement, the Insurance Policies, and to the Brokers.**

23. Courts in the Fifth Circuit have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept."); *Armstrong World Indus., Inc. v. James A. Phillips, Inc., (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983) (affirming bankruptcy court order authorizing payments by debtor in possession to prepetition creditors because payments were essential to the debtor in possession's survival). In

doing so, these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

24. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.”) *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *CoServ, L.L.C.*, 273 B.R. at 497).

25. Moreover, under section 105(a) of the Bankruptcy Code, “the Court may 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 Court’s power under section 105(a) to authorize payment of prepetition obligations is popularly referred to as the “necessity of payment” rule (also referred to as the “doctrine of necessity”) and has long been recognized as precedent within the Fifth Circuit. *See In re CoServ L.L.C.*, 273 B.R. at 492-93.

26. The rationale for the necessity of payment rule—the rehabilitation of a debtor in reorganization cases—is the paramount policy and goal of chapter 11. *See id.* at 497 (finding that, where claims require satisfaction for the debtor in possession to perform its obligations, the bankruptcy court is able to use section 105 of the Bankruptcy Code to authorize satisfaction of prepetition claims in aid of preservation or enhancement of the estate); *see also In re Scotia Development, LLC*, 2007 WL 2788840 at \*1 (Bankr. S.D. Tex. Sep. 21, 2007); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may

seriously damage a debtor's business); 2 Collier on Bankruptcy, 105,02[4] [a] (16th ed. rev. 2015) (discussing cases in which courts have relied on the "doctrine of necessity" or the "necessity of payment" rule to pay prepetition claims immediately).

27. Paying obligations under the Insurance Policies and the Premium Finance Agreement and any outstanding fees owed to the Brokers is warranted. As described above, maintaining the Insurance Policies is necessary to preserve the value of the Debtors' assets, thereby ensuring the adequate protection of the Debtors' property for any party in interest, and to minimize exposure to risk. Honoring the Premium Finance Agreement is necessary to maintaining the Insurance Policies, as failure to make the payments required under the Premium Finance Agreement can trigger cancellation of many of those Insurance Policies. Moreover, making such Premium Finance Agreement payments is critical to the Debtors' ability to finance future premiums. In addition, paying any fees owed to the Brokers will ensure that the Brokers will be available to assist the Debtors in procuring additional necessary insurance throughout the course of these chapter 11 cases.

28. As described above, maintaining the Insurance Policies enables the Debtors to avoid the incurrence of possibly significant liabilities and therefore represents a sound exercise of their business judgement. The Insurance Policies protect the Debtors and other parties in interest from losses caused by casualty, natural disaster, fraud, or other unforeseen events. In fact, in some instances, maintenance of insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee Operating Guidelines. Accordingly, it is necessary for the Debtors to pay their prepetition insurance premiums, obligations owed under the Premium Finance Agreement, and fees to the Brokers to ensure that the Debtors are able to renew, supplement, or purchase insurance coverage on a postpetition basis.

**IV. The Debtors Should be Authorized to Honor and Renew the Premium Finance Agreement.**

29. The Debtors respectfully submit that continuation of the Premium Finance Agreement and authorization for entry into new premium finance agreements is necessary and appropriate and may be authorized under section 363 as set forth above. In addition, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interest of the estate. *See, e.g., In re Ames Dept. Stores, Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (stating that with respect to postpetition credit, courts “permit debtors in possession to exercise their basic business judgment consistent with their fiduciary duties”); *In re Simasko Prod. Co.*, 47 B.R. 444, 448–49 (D. Colo. 1985) (authorizing interim financing agreement where debtor’s business judgment indicated financing was necessary and reasonable for benefit of estate). As discussed above, the Debtors believe that continuing to perform under the Premium Finance Agreement on a postpetition basis is in the best interests of their estates. Moreover, in light of their financial circumstances, alternative insurance premium finance companies may not be willing to provide insurance premium financing to the Debtors on attractive market terms on a postpetition basis unless the Debtors can demonstrate their ability to enter into such agreements. The Debtors therefore request authority to enter into postpetition premium finance agreements under sections 503(b)(1) and section 364(c) to the extent necessary to obtain such financings to fund the premiums for the Debtors’ Insurance Policies.

**Processing of Checks and Electronic Fund Transfers Should Be Authorized**

30. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and debtor in possession financing. Under the Debtors’

existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. The Debtors do not believe that checks or wire transfer requests, other than those relating to authorized payments, will be honored inadvertently. The Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

**Emergency Consideration**

31. Pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days of the commencement of a chapter 11 case “to the extent that relief is necessary to avoid immediate and irreparable harm” and Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors’ operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases could severely disrupt the Debtors’ operations at this critical juncture and jeopardize the Debtors’ restructuring. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

32. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

### **Reservation of Rights**

33. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the 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' or any other party in interest's rights to subsequently dispute such claim.

### **Notice**

34. The Debtors will provide notice of this Motion to: (a) the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the

Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition revolving credit facility and counsel thereto; (d) the indenture trustee for the Debtors' 8.00% secured second priority notes and counsel thereto; (e) the indenture trustee for the Debtors' 9.125% unsecured notes; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) the state attorneys general for states in which the Debtors conduct business; (j) the Insurance Carriers; (k) IPFS; (l) the Brokers; and (m) any party that has requested notice 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.

*[Remainder of page intentionally left blank]*



WHEREFORE, the Debtors request entry of the Interim Order and Final Order granting the relief requested herein and such other relief the Court deems appropriate under the circumstances.

Dated: April 12, 2022  
Houston, Texas

**WINSTON & STRAWN LLP**

/s/ Katherine A. Preston

Katherine A. Preston (TX Bar No. 24088255)  
800 Capitol St., Suite 2400  
Houston, Texas 77002  
Telephone: (713) 651-2600  
Facsimile: (713) 651-2700  
Email: kpreston@winston.com

and

Timothy W. Walsh (*pro hac vice* pending)  
200 Park Avenue  
New York, New York 10166  
Telephone: (212) 294-6700  
Facsimile: (212) 294-4700  
E-mail: twwalsh@winston.com

and

Daniel J. McGuire (*pro hac vice* pending)  
35 W. Wacker Drive  
Chicago, Illinois 60601-9703  
Telephone: (312) 558-3733  
Facsimile: (312) 558-5700  
Email: dmcguire@winston.com

*Proposed Counsel to the Debtors and Debtors in Possession*

**Certificate of Accuracy**

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Local Rule 9013-1(i).

/s/ Katherine A. Preston

Katherine A. Preston

**Certificate of Service**

I certify that on April 12, 2022, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Katherine A. Preston

Katherine A. Preston

**EXHIBIT A**

**Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

---

In re:

ION GEOPHYSICAL CORPORATION, *et al.*,<sup>1</sup>

Debtors.

---

)  
) Chapter 11  
)  
) Case No. 22-30987 (MI)  
)  
) (Joint Administration Requested)  
)  
) **Re: Docket No. \_\_\_\_\_**

**INTERIM ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE  
INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY  
PREPETITION OBLIGATIONS RELATED THERETO, (II) RENEW, AMEND,  
SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR  
THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY  
PREMIUMS THEREUNDER, AND (IV) ENTER INTO NEW PREMIUM FINANCING  
AGREEMENTS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (iii) honor the terms of the Premium Financing Agreement and pay premiums thereunder; and (iv) enter into new premium financing agreements in the ordinary course of business, (b) granting related relief, and (c) scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: ION Geophysical Corporation (6646); I/O Marine Systems, Inc. (3230); ION Exploration Products (U.S.A.), Inc. (1394); and GX Technology Corporation (0115). The location of the Debtors’ service address is 4203 Yoakum Blvd., Suite 100, Houston, Texas 77006.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2022, at \_\_\_\_:\_\_\_\_.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on \_\_\_\_\_, 2022. If no objection to entry of the Final Order on the Motion is received timely, this Court may enter such Final Order without need for the Final Hearing.
3. The Debtors are authorized, but not directed, on an interim basis to:
  - a. (i) continue the Insurance Policies identified on Exhibit C to the Motion and pay any undisputed prepetition or postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases, and (ii) enter into, renew, amend, supplement, extend, and/or purchase insurance policies to the extent that the Debtors determine

that such action is in the best interest of their estates in accordance with the ordinary course of business; and

- b. (i) honor the terms of the Premium Finance Agreement identified in Exhibit D to the Motion and pay premiums thereunder and (ii) enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business; *provided, however*, the Debtors will notify the U.S. Trustee, the ad hoc group of secured lenders, the ad hoc group of secured lenders, and any statutory committee appointed in these chapter 11 cases if Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease existing insurance coverage or change insurance carriers, enter into any new premium financing agreements, or obtain additional insurance coverage.

4. Notwithstanding anything to the contrary in the Premium Financing Agreement, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Premium Financing Agreement.

5. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Interim Order, including the following information: (a) the names of the payee; (b) the purpose, date and amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; and (d) the Debtor or Debtors that made the payment. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, the ad hoc group of secured lenders, and any statutory committee appointed in these chapter 11 cases every 30 days on the 15th of each month (or if such day is not a business day, on the next business day thereafter) beginning in May 2022, which matrix or schedule shall include information for the prior month.

6. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Policies are owed.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized

to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

9. 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 the relief granted herein.

10. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due prior to the date of the Final Hearing.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Houston, Texas

Dated: \_\_\_\_\_, 2022

---

UNITED STATES BANKRUPTCY JUDGE



**EXHIBIT B**

**Final Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:  ION GEOPHYSICAL CORPORATION, <i>et al.</i> , <sup>1</sup>  <div style="text-align: right;">Debtors.</div>	) ) ) ) ) ) )	Chapter 11  Case No. 22-30987 (MI)  (Joint Administration Requested)  <b>Re: Docket No. _____</b>
---	---------------------------------	---

**FINAL ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE  
INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY  
PREPETITION OBLIGATIONS RELATED THERETO, (II) RENEW, AMEND,  
SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR  
THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY  
PREMIUMS THEREUNDER, AND (IV) ENTER INTO NEW PREMIUM FINANCING  
AGREEMENTS**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (iii) honor the terms of the Premium Financing Agreement and pay premiums thereunder; and (iv) enter into new premium financing agreements in the ordinary course of business, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: ION Geophysical Corporation (6646); I/O Marine Systems, Inc. (3230); ION Exploration Products (U.S.A.), Inc. (1394); and GX Technology Corporation (0115). The location of the Debtors’ service address is 4203 Yoakum Blvd., Suite 100, Houston, Texas 77006.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to:
  - a. (i) continue the Insurance Policies identified on Exhibit C to the Motion and pay any undisputed prepetition or postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases, and (ii) enter into, renew, amend, supplement, extend, and/or purchase insurance policies to the extent that the Debtors determine that such action is in the best interest of their estates in accordance with the ordinary course of business; and
  - b. (i) honor the terms of the Premium Finance Agreement identified in Exhibit D to the Motion and pay premiums thereunder and (ii) enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.
3. Notwithstanding anything to the contrary in the Premium Financing Agreement, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Premium Financing Agreement.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

5. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. 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 the relief granted herein.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Houston, Texas

Dated: \_\_\_\_\_, 2022

---

UNITED STATES BANKRUPTCY JUDGE

**Exhibit C**

**Schedule of Insurance Policies**

Policy Coverage	Effective Date	Expiration Date	Insurance Carrier	Policy Number	Annual Premium
Business Travel Accident	10/01/21	10/01/22	ACE American Insurance Company	ADDN14304435	\$14,636
Crime	10/01/21	10/01/22	Federal Insurance Company	82483322	\$28,000
Cyber – Digitech E&O	9/30/21	9/30/22	ACE American Insurance Company	D94888323	\$134,326
Excess Cyber (5M x 5M)	9/30/21	9/30/22	Greenwich Insurance Company	MTE903970502	\$114,175
XS Social Engineering	10/01/21	10/01/22	Beazley (Syndicate 2623/623 Lloyds)	W24CE1200301	\$5,500
Director & Officers (D&O)	10/01/21	10/01/22	U.S Specialty Insurance Company	34MGU21A52933	\$284,700
Excess D&O (5M x 5M)	10/01/21	10/01/22	Wesco Insurance Company	EUW187999801	\$257,250
Excess D&O (5M x 10M)	10/01/21	10/01/22	Associated Industries Insurance Co	ANV157681A	\$229,588
Excess D&O (5M x 15M)	10/01/21	10/01/22	Endurance American Insurance Company	DOX30000794303	\$200,000
Excess D&O (5M x 20M) Side A	10/01/21	10/01/22	National Union Fire Insurance Company of Pittsburgh, PA	017012889	\$155,500
Excess D&O (5M x 25M) Side A	10/01/21	10/01/22	Axis Insurance Company	P00100042721402	\$123,120
Employment Practices	10/01/21	10/01/22	Federal Insurance Company	68036055	\$35,000
Fiduciary Liability	10/01/21	10/01/22	National Union Fire Insurance Company of Pittsburgh, PA	017010991	\$25,125
Marine Cargo / Stock	10/01/21	10/01/22	Lloyds Underwriters London	CG2101822	\$131,156
Marine Equipment	10/01/21	10/01/22	Lloyds Underwriters London	RA2100016	\$132,873
Charters Legal Liability	10/01/21	10/01/22	Lloyds Underwriters London	RL2100146	\$20,000
Non-Owned Aviation	10/01/21	10/01/22	Starr Indemnity & Liability Company	100022641406	\$10,000
Property	10/01/21	10/01/22	Zurich American Insurance Company	PPR106466304	\$306,519
Terrorism	10/01/21	10/01/22	Lloyds Underwriters London	TE2100490	\$6,479
Foreign Package	10/01/21	10/01/22	ACE American Insurance Company	PHFD38690115003	\$50,973
Foreign General Liability – Canada	10/01/21	10/01/22	Chubb Insurance Co. of Canada	36062128	\$1,000
Foreign General Liability – China	10/01/21	10/01/22	Chubb Insurance Company Limited	9C408271	\$2,897
Foreign General Liability – Russia	10/01/21	10/01/22	Chubb Insurance Company	RUCANA09887121	\$1,000
Foreign Package – Brazil	10/01/21	10/01/22	Zurich Minas Brasil Seguros S/A	01189188887000000	\$3,935
Foreign Employers Liability / Work Comp (UK)	10/01/21	10/01/22	Chubb European Group SE	UKCAND19219	\$3,278
Umbrella Liability	10/01/21	10/01/22	Travelers Indemnity Company of CT	CUP0P653518	\$86,100
Automobile Liability	10/01/21	10/01/22	Travelers Indemnity Company of CT	BA0P647235	\$27,530
General Liability	10/01/21	10/01/22	Travelers Indemnity Company of CT	6600P652792	\$15,775
Trade	10/01/21	10/01/22	Euler Hermes North America Insurance Company	5129316	\$101,720
Kidnap & Ransom	10/01/21	10/01/22	U.S. Specialty Insurance Company	U72185794	\$5,388
D&O Tail	1/14/21	10/01/22	Texas Marine HCC, AM Trust, ANV, Sompo, AGI, AXIS	Pending	\$2,410,070
<b>Total USD</b>					<b>\$4,923,433</b>





**Exhibit D**

**Premium Finance Agreement**

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$916,933.91</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$183,386.78</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$733,547.13</b>

<b>AGENT</b> (Name & Place of business) USI SOUTHWEST INC  9811 KATY FREEWAY SUITE 500  HOUSTON, TX 77024 (713)490-4600 FAX: (484)652-5122	<b>INSURED</b> (Name & Residence or business) ION GEOPHYSICAL CORPORATION 2105 CITYWEST BLVD STE 100  HOUSTON, TX 77042  ion.ap@iongeo.com
---	---

Commercial

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**  
Additional Policies Scheduled on Page 3

Quote Number: 17238235

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.  4.000%	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.  \$12,385.38	<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.  \$733,547.13	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled  \$745,932.51
--	---	---	---

**YOUR PAYMENT SCHEDULE WILL BE**

<b>Number Of Payments</b> 9	<b>Amount Of Payments</b> \$82,881.39	<b>When Payments Are Due</b> Beginning: MONTHLY 11/01/2021
--------------------------------	--	--

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

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

**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.


**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	10/01/2021	ZURICH AMERICAN INSURANCE CO ZURICH NORTH AMERICA	PROPERTY	0.000%	12	345,568.00 Fee: 13,610.00
Broker Fee:						\$0.00
TOTAL:						\$916,933.91

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

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

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



Signature of Insured or Authorized Agent

9/29/21

DATE

*Brian Ratliff*

Signature of Agent

9/29/2021

DATE

**4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective upon the earlier of (a) the date when written acceptance is mailed to the insured by Lender and (b) three working days following Lender's receipt of a properly signed and completed Agreement unless such Agreement has been returned by Lender to the agent/broker within such period. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$30.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Texas will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

#### AGENT/BROKER REPRESENTATIONS

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

AGENT

(Name & Place of business)

USI SOUTHWEST INC

9811 KATY FREEWAY SUITE 500

HOUSTON,TX 77024

(713)490-4600 FAX: (484)652-5122

INSURED

(Name & Residence or business)

ION GEOPHYSICAL CORPORATION

2105 CITYWEST BLVD STE 100

HOUSTON, TX 77042

ion.ap@iongeo.com

Account #: _____		SCHEDULE OF POLICIES (continued)			Quote Number: 17238235	
POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
ADDN14304435	10/01/2021	ACE AMERICAN INSURANCE CO	ACCIDENT & HEALTH	0.000%	12	14,636.00
PENDING	10/01/2021	STARR INDEMNITY & LIABILITY CO STARR COMPANIES	AVIATION	0.000%	12	10,000.00
PENDING	10/01/2021	ACE AMERICAN INSURANCE CO	FOREIGN PACKAGE	25.00%	12	48,023.00
PENDING	10/01/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	STOCK THROUGHPU T	25.00%	12	125,000.00 Tax: 6,156.25
PENDING	10/01/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	TERRORISM	0.000%	12	6,125.00 Tax: 301.66
PENDING	10/01/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	EXCESS LIABILITY	0.000%	12	5,500.00
PENDING	10/01/2021	NATIONAL UNION FIRE INS CO OF PITTS RISK SPECIALISTS CO INS AGENCY INC	FIDUCIARY	0.000%	12	25,125.00
PENDING	10/01/2021	FEDERAL INSURANCE CO	EMP PRAC LIABILITY	0.000%	12	35,000.00
PENDING	10/01/2021	FEDERAL INSURANCE CO	CRIME	0.000%	12	28,000.00
PENDING	09/30/2021	ACE AMERICAN INSURANCE CO	CYBER LIABILITY	0.000%	12	134,326.00
PENDING	09/30/2021	GREENWICH INSURANCE CO	EXCESS E&O	25.00%	12	114,175.00
PENDING	10/01/2021	U.S. SPECIALTY INSURANCE CO TOKIO MARINE MANAGEMENT INC	KIDNAP	0.000%	12	5,388.00
					Broker Fee:	\$0.00
					TOTAL:	\$916,933.91

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$46,667.00</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$9,333.40</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$37,333.60</b>

<b>AGENT</b> (Name & Place of business) USI SOUTHWEST INC  9811 KATY FREEWAY SUITE 500  HOUSTON, TX 77024 (713)490-4600 FAX: (484)652-5122	<b>INSURED</b> (Name & Residence or business) ION GEOPHYSICAL CORPORATION 2105 CITYWEST BLVD STE 100  HOUSTON, TX 77042  ion.ap@iongeo.com
---	---

Commercial

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**

AP Quote Number: 17605350(Acct:  
B91650)

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.  4.000%	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.  \$562.16	<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.  \$37,333.60	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled  \$37,895.76
--	--	--	--

**YOUR PAYMENT SCHEDULE WILL BE**

<b>Number Of Payments</b>  8	<b>Amount Of Payments</b>  \$4,736.97	<b>When Payments Are Due</b>  <b>Beginning:</b>	<b>MONTHLY</b> 11/30/2021
------------------------------------	---	---	------------------------------

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

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

**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
RA2100016	10/17/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	EQUIPMENT	0.000%	12	46,667.00
Broker Fee:						\$0.00
TOTAL:						\$46,667.00

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

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

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

\_\_\_\_\_  
Signature of Insured or Authorized Agent

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
DATE



Insured and Lender further agree that **3. POLICY EFFECTIVE DATE:** The first of the following dates shall apply to each policy: the date on which Lender made payment to the insurer for the financed policy, whichever is earlier.

**4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective upon the earlier of (a) the date when written acceptance is mailed to the insured by Lender and (b) three working days following Lender's receipt of a properly signed and completed Agreement unless such Agreement has been returned by Lender to the agent/broker within such period. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a

waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7.**

**CANCELLATION CHARGES:** If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8.**

**INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$30.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10.**

**ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a

salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Texas will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

#### AGENT/BROKER REPRESENTATIONS

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

2900 N LOOP WEST  
SUITE 1150  
HOUSTON, TX 77092  
(877)687-9824 FAX: (832)308-7925  
CUSTOMER SERVICE: (800)247-6129

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$22,950.00</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$4,600.48</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$18,349.52</b>

**AGENT**  
(Name & Place of business)  
USI SOUTHWEST INC  
  
9811 KATY FREEWAY SUITE500  
  
HOUSTON, TX 77024  
(713)490-4600 FAX: (484)652-5122

**INSURED**  
(Name & Residence or business)  
ION GEOPHYSICAL CORPORATION  
2105 CITYWEST BLVD STE 100  
  
HOUSTON, TX 77042  
  
ion.ap@iongeo.com

Commercial

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**  
Additional Policies Scheduled on Page 3

AP Quote Number: 18021134(Acct:  
B91650)

<b>ANNUAL PERCENTAGE RATE</b>	<b>FINANCE CHARGE</b>	<b>AMOUNT FINANCED</b>	<b>TOTAL OF PAYMENTS</b>
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled
4.000%	\$245.49	\$18,349.52	\$18,595.01

**YOUR PAYMENT SCHEDULE WILL BE**

<b>Number Of Payments</b>	<b>Amount Of Payments</b>	<b>When Payments Are Due</b>
7	\$2,656.43	<b>Beginning:</b> MONTHLY 12/30/2021

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

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

**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's. See the terms below and on the next page for additional information about nonpayment, default and penalties.

<b>POLICY PREFIX AND NUMBER</b>	<b>EFFECTIVE DATE OF POLICY</b>	<b>SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT</b>	<b>COVERAGE</b>	<b>MINIMUM EARNED PERCENT</b>	<b>POL TERM</b>	<b>PREMIUM</b>
PHFD38690115003	10/01/2021	ACE AMERICAN INSURANCE CO	FOREIGN PACKAGE	0.000%	12	2,950.00
Broker Fee:						\$0.00
<b>TOTAL:</b>						<b>\$22,950.00</b>

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

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

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



Signature of Insured or Authorized Agent

12/15/2021

DATE

Signature of Agent

DATE

Insured and Lender further agree that **3. POLICY EFFECTIVE DATES:** The first of the following dates shall apply to each Policy effective date or the date on which Lender made payment to the insurer for the financed policy, whichever is earlier.

**4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective upon the earlier of (a) the date when written acceptance is mailed to the insured by Lender and (b) three working days following Lender's receipt of a properly signed and completed Agreement unless such Agreement has been returned by Lender to the agent/broker within such period. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a

waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7.**

**CANCELLATION CHARGES:** If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8.**

**INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$30.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10.**

**ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or

through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a

salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium

finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Texas will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

#### AGENT/BROKER REPRESENTATIONS

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



**AGENT**

(Name &amp; Place of business)

USI SOUTHWEST INC

9811 KATY FREEWAY SUITE500

HOUSTON, TX 77024

(713)490-4600 FAX: (484)652-5122

**INSURED**

(Name &amp; Residence or business)

ION GEOPHYSICAL CORPORATION

2105 CITYWEST BLVD STE 100

HOUSTON, TX 77042

ion.ap@iongeo.com

Account #: \_\_\_\_\_

**SCHEDULE OF POLICIES**

(continued)

AP Quote Number: 18021134(Acct:  
B91650)

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
A028612021	10/01/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	LIABILITY	0.000%	12	20,000.00

Broker Fee: \$0.00

TOTAL: \$22,950.00

2900 N LOOP WEST  
SUITE 1150  
HOUSTON, TX 77092  
(877)687-9824 FAX: (832)308-7925  
CUSTOMER SERVICE: (800)247-6129

<b>A</b>	<b>CASH PRICE (TOTAL PREMIUMS)</b>	<b>\$43,102.90</b>
<b>B</b>	<b>CASH DOWN PAYMENT</b>	<b>\$8,541.16</b>
<b>C</b>	<b>PRINCIPAL BALANCE (A MINUS B)</b>	<b>\$34,561.74</b>

<b>AGENT</b> (Name & Place of business) USI SOUTHWEST INC  9811 KATY FREEWAY SUITE500  HOUSTON, TX 77024 (713)490-4600 FAX: (484)652-5122	<b>INSURED</b> (Name & Residence or business) ION GEOPHYSICAL CORPORATION 2105 CITYWEST BLVD STE 100  HOUSTON, TX 77042  rebecca.sacco@iongeo.com
--	--

Commercial

Account #: \_\_\_\_\_

**LOAN DISCLOSURE**

AP Quote Number: 19018207(Acct:  
B91650)

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.  4.000%	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you.  \$288.50	<b>AMOUNT FINANCED</b> The amount of credit provided to you or on your behalf.  \$34,561.74	<b>TOTAL OF PAYMENTS</b> The amount you will have paid after you have made all payments as scheduled  \$34,850.24
--	--	--	--

**YOUR PAYMENT SCHEDULE WILL BE**

<b>Number Of Payments</b>  4	<b>Amount Of Payments</b>  \$8,712.56	<b>When Payments Are Due</b>  <b>Beginning:</b> MONTHLY 03/30/2022
------------------------------------	---	---

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

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

**Late Charges:** A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

**Prepayment:** If you pay your account off early, you may be entitled to a refund of a portion of the finance charge in accordance with Rule of 78's. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
RA2100016	10/17/2021	LLOYD'S LONDON - CERTAIN UNDERWRITE	EQUIPMENT	0.000%	12	38,889.25 Tax: 4,213.65
Broker Fee:						\$0.00
<b>TOTAL:</b>						<b>\$43,102.90</b>

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

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

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

No Signature Needed

No Signature Needed

Signature of Insured or Authorized Agent

DATE

Signature of Agent

DATE

Insured and Lender further agree that **3. POLICY EFFECTIVE DATES:** The first of the following dates shall apply to each Policy effective date or the date on which Lender made payment to the insurer for the financed policy, whichever is earlier.

**4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective upon the earlier of (a) the date when written acceptance is mailed to the insured by Lender and (b) three working days following Lender's receipt of a properly signed and completed Agreement unless such Agreement has been returned by Lender to the agent/broker within such period. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$30.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Texas will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

#### AGENT/BROKER REPRESENTATIONS

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