

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,  
IN AND FOR LEON COUNTY, FLORIDA**

State of Florida, ex rel., the  
DEPARTMENT OF FINANCIAL SERVICES of  
The State of Florida,

Relator,

vs.

CASE NO: \_\_\_\_\_

PHYSICIANS UNITED PLAN, INC.,

Respondent,

**PETITION FOR ORDER APPOINTING THE FLORIDA DEPARTMENT OF  
FINANCIAL SERVICES AS RECEIVER FOR PURPOSES OF IMMEDIATE  
REHABILITATION AND AUTOMATIC LIQUIDATION EFFECTIVE JULY 1, 2014,  
INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation, (hereinafter the "DEPARTMENT") hereby petitions this Court pursuant to Sections 631.031 and 631.061, Florida Statutes, for a consent order of immediate rehabilitation, with an automatic liquidation date of 12:01 a.m. on July 1, 2014, for PHYSICIANS UNITED PLAN, INC. (hereinafter the "RESPONDENT"). In support of its petition, the DEPARTMENT states:

1. This Court has jurisdiction pursuant to Section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.

2. The RESPONDENT is a Florida corporation authorized to transact business as a health maintenance organization in the State of Florida since July 29, 2005. The RESPONDENT's principal place of business is located at 8427 Southpark Circle, Suite 500, Orlando, Florida 32819.

3. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

4. Sections 631.031 and 631.061, Florida Statutes, authorize the DEPARTMENT to petition this Court for an order directing it to liquidate a domestic insurer upon the existence of any of the grounds specified in Section 631.051, Florida Statutes, or if such an insurer is or is about to become insolvent. Further, Section 631.025, Florida Statutes, authorizes the DEPARTMENT to initiate delinquency proceedings against any insurer if the statutory grounds for receivership are present as to that insurer.

5. Pursuant to Section 631.031(1), Florida Statutes, by letter dated June 3, 2014, Kevin McCarty, Commissioner of the Office of Insurance Regulation, advised Florida's Chief Financial Officer, Jeff Atwater that the Office of Insurance Regulation (hereinafter the "OFFICE") concluded grounds existed for the initiation of delinquency proceedings against RESPONDENT. A copy of the letter is attached as EXHIBIT A.

6. On April 16, 2014, RESPONDENT consented to the appointment of the DEPARTMENT as Receiver for the purposes of rehabilitation or liquidation pursuant to Sections 631.051(1), 631.051(11) and 631.061, Florida Statutes. A copy of the Stipulation and Consent to Receivership or Liquidation signed by RESPONDENT is attached as EXHIBIT B.

7. Sections 631.051(11) and 631.061, Florida Statutes, authorize the DEPARTMENT to petition this Court for an order directing it to rehabilitate or liquidate a domestic insurer upon the ground that the insurer has consented to such an order through the majority of its directors, stockholders, members or subscribers.

8. In addition to the consent pursuant to Section 631.051(11), Florida Statutes, the DEPARTMENT has learned from the OFFICE that the RESPONDENT is insolvent as that term is defined in Section 631.011(14), Florida Statutes. The basis for this determination is described by the OFFICE in EXHIBIT A and summarized as follows:

a. The RESPONDENT has participated in a sale/leaseback arrangement that collateralized assets of the RESPONDENT. The OFFICE has deemed that these collateralized assets of the RESPONDENT, in the amount of \$28,919,463, are encumbered and non-admitted since they are not available for the payment of losses and claims.

b. The OFFICE has reviewed the RESPONDENT's receivables totaling \$45,805,675. This total includes \$34,570,244 in risk-sharing receivables due from medical providers. The RESPONDENT has not collected these risk-sharing receivables in a manner acceptable to the OFFICE. Therefore, the OFFICE believes that the risk-sharing receivables in the amount of \$34,570,244 should be non-admitted as an asset of the RESPONDENT.

c. On April 16, 2014, the RESPONDENT, through a majority of its directors, stockholders, members, or subscribers, executed a *Consent to Order of Rehabilitation or Liquidation*, see EXHIBIT B. In paragraph 2, the "...RESPONDENT admits that unless a capital infusion of thirty million U.S. Dollars (\$30,000,000) is contributed to the surplus by 12:00 pm Tuesday, June 3, 2014, grounds exist for the appointment of the Department of Financial Services, Division of Rehabilitation and Liquidation...as Receiver of RESPONDENT for the purpose of Rehabilitation or Liquidation..." No such infusion has occurred. On June 3, 2014, the RESPONDENT represented to the OFFICE that no transaction to make an infusion was forthcoming.

d. On May 27, 2014, the OFFICE received the RESPONDENT's April 30, 2014 monthly financial statement. The RESPONDENT reported net admitted assets of \$92,465,690 and total liabilities of \$105,339,885. Additionally, the RESPONDENT reported a deficit of \$12,934,195. The RESPONDENT is clearly insolvent.

9. Further grounds for receivership exist pursuant to Section 631.051(3), Florida Statutes, that the RESPONDENT is in such condition as to render its further transaction of a health maintenance organization presently or prospectively hazardous to its members, creditors, stockholders, or the public.

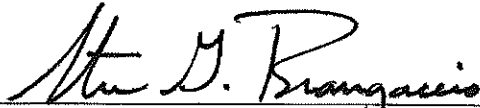
10. Therefore, the DEPARTMENT requests, pursuant to Sections 631.051 and 631.061, Florida Statutes, the entry of an Order Appointing the DEPARTMENT as Receiver for purposes of immediate rehabilitation, with an automatic liquidation date of 12:01 a.m. on July 1, 2014.

11. Accordingly it is in the best interests of the RESPONDENT, its creditors and members that the relief requested in the petition be granted.

12. The DEPARTMENT advises that it is working with the Centers for Medicare and Medicaid Services (hereinafter "CMS") to address issues surrounding the RESPONDENT's participation in the Medicare program, primarily addressing the orderly movement of RESPONDENT's members to solvent plans within the Medicare program or to traditional Medicare.

**WHEREFORE**, the Florida Department of Financial Services respectfully petitions this Court to appoint the DEPARTMENT as Receiver for the purposes of immediate rehabilitation, with an automatic liquidation date of 12:01 a.m. on July 1, 2014, as proposed in the recommended Order attached as EXHIBIT C.

SUBMITTED on this 5<sup>th</sup> day of June, 2014.



STEVEN G. BRANGACCIO

Senior Attorney

Florida Bar No.: 71773

[Steven.Brangaccio@myfloridacfo.com](mailto:Steven.Brangaccio@myfloridacfo.com)

JENNIFER FERRIS

Senior Attorney

Florida Bar No.: 58576

[Jennifer.Ferris@myfloridacfo.com](mailto:Jennifer.Ferris@myfloridacfo.com)

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

2020 Capital Circle, S.E., Suite 310

Tallahassee, FL 32301

Telephone: (850) 413-4445

Facsimile: (850) 413-3990



## OFFICE OF INSURANCE REGULATION

**KEVIN M. MCCARTY**  
COMMISSIONER

**FINANCIAL SERVICES  
COMMISSION**

**RICK SCOTT**  
GOVERNOR

**JEFF ATWATER**  
CHIEF FINANCIAL OFFICER

**PAM BONDI**  
ATTORNEY GENERAL

**ADAM PUTNAM**  
COMMISSIONER OF  
AGRICULTURE

June 3, 2014

The Honorable Jeff Atwater  
Chief Financial Officer  
Department of Financial Services  
The Capitol, PL-11  
Tallahassee, FL 32399

Re: Physicians United Plan, Inc.

Dear Chief Financial Officer Atwater:

Please be advised that the Office of Insurance Regulation (hereinafter referred to as the "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631, Florida Statutes, against Physicians United Plan, Inc. (hereinafter referred to as "PUP"). PUP is a Florida corporation authorized to transact business as a health maintenance organization (hereinafter referred to as "HMO") in the State of Florida, and is authorized to sell Medicare HMO products. As specified in Sections 631.051 and 631.061, Florida Statutes, the grounds that allow a petition for an order, appointing the Department of Financial Services (hereinafter referred to as the "Department") as receiver and directing it to rehabilitate or liquidate the business of a domestic insurer, include the following, if such entity:

- Is impaired or insolvent;

The Office finds for the reasons set forth in the attached documents that Physicians United Plan, Inc. has insufficient assets to pay all outstanding obligations and therefore, is insolvent.

- Is found by the Office to be in such condition or is using or has been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, creditors, stockholders, or the public.

...

KEVIN M. MCCARTY • COMMISSIONER  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334  
WEBSITE: WWW.FLOIR.COM • EMAIL: KEVIN.MCCARTY@FLOIR.COM

Affirmative Action / Equal Opportunity Employer

PHYSICIANS UNITED PLAN, INC.  
CASE NO.: 2014-CA-00  
EXHIBIT A

The Honorable Jeff Atwater  
June 3, 2014  
Page 2

PUP's insolvency poses a serious danger to the financial safety of the policyholders, subscribers, claimants, creditors and citizens of the State of Florida.

- PUP has consented to such an order through a majority of its directors, stockholders, members, or subscribers.

PUP executed Consent to Order of Receivership effective June 3, 2014.

The Office has determined that PUP is currently insolvent. As such, I am advising you of that determination so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation. The following documents are attached in support of such determination:

Exhibit A - Affidavit of Carolyn Morgan, Director Life & Health Financial Oversight, with Exhibits

Exhibit B - Executed Consent to Appointment of Receiver

As always, the Office stands ready to provide any additional information or assistance the Department needs in order for this matter to proceed as expeditiously as possible. Thank you for your attention to this matter.

Sincerely,



Kevin M. McCarty  
Commissioner

cc: John Hale, Acting General Counsel  
Department of Financial Services

Sha'Ron James, Division Director  
Division of Rehabilitation and Liquidation  
Department of Financial Services

### AFFIDAVIT OF CAROLYN MORGAN

BEFORE ME, the undersigned authority, personally appeared Carolyn Morgan, Director of Life & Health Financial Oversight for the Office of Insurance Regulation, who after being duly sworn, deposes and says:

1. I, Carolyn Morgan, am over the age of eighteen (18), sui juris, and I am competent to testify to and have personal knowledge of the facts contained herein.

2. I, Carolyn Morgan, currently hold the position of Director with the Life & Health Financial Oversight business unit of the Florida Office of Insurance Regulation (hereinafter referred to as the "OFFICE"). I graduated from Florida State University in 2007 with a Bachelor of Science degree in Accounting. I have been employed by the OFFICE since June 2004.

3. Physicians United Plan, Inc. (hereinafter referred to as "PUP") was licensed on July 29, 2005 as a State of Florida domestic health maintenance organization, pursuant to Part I of Chapter 641, Florida Statutes, and is subject to the regulation of the OFFICE pursuant to the Florida Insurance Code.

4. The OFFICE has determined that grounds exist for the Department of Financial Services (hereinafter referred to as the "DEPARTMENT") to petition for an order, under Section 631.051, Florida Statutes, directing the DEPARTMENT to initiate delinquency proceedings against PUP. The basis for this determination is summarized as follows:

(a) On April 14, 2014, the OFFICE began an onsite investigation into sale/leaseback arrangements that had recently been discovered and not disclosed between PUP and Pacific Western Equipment Finance (hereinafter referred to as "Pacific Western"), a division of Pacific Western Bank. Risk-sharing receivables reported as admitted assets on the December 31, 2013 monthly financial statement, filed with the OFFICE on January 27, 2014, included collateralized assets noted on Lease Schedule No. 009 (attached as Exhibit 1). Other sale/leaseback arrangements associated with Master Lease MEF0979 (attached as Exhibit 2) with collateralized assets were discovered during the investigation by the OFFICE.

(b) On April 25, 2014 the OFFICE received PUP's March 31, 2014 monthly financial statement (attached as Exhibit 3). PUP reported on page 2, line 5, cash, cash equivalents and short-term investments totaling \$33,937,534. This amount includes approximately \$29,842,968 in encumbered assets related to the sale/leaseback arrangements with Pacific Western. On April 16, 2014, PUP received default notices (attached as Exhibit 4) from Pacific Western related to the sale/leaseback arrangements. Pacific Western collected \$28,919,463 (after varied payments), which is the aggregate





amount of assets collateralized under the sale/leaseback arrangements. Pursuant to Section 641.35(1)(b)(h), Florida Statutes, the OFFICE has deemed the encumbered assets of \$28,919,463 as non-admitted assets since they are not available for the payment of losses and claims.

(b) PUP also reported on the March 31, 2014 monthly financial statement, page 2, line 24, health care and other amounts receivables totaling \$45,805,675. This amount includes approximately \$34,570,244 in risk-sharing receivables due from medical providers. Pursuant to Statement of Statutory Accounting Principles (hereinafter referred to as "SSAP"), No. 84, paragraph 20(d), regarding risk sharing receivables, "Evaluation of the collectability of risk sharing receivables shall be made quarterly. If in accordance with SSAP No. 5R, it is probable the balance is uncollectible, any uncollectible receivable shall be written off and charged to income in the period the determination is made." Pursuant to SSAP No. 5R, "probable" is defined as "The future event or events are likely to occur." PUP has represented to the OFFICE that the amounts due from medical providers under the risk sharing agreements have not been collected in the manner provided for by the guidance given in SSAP No. 84, therefore, the risk sharing receivable amount of \$34,570,244 should also be non-admitted as an asset.

(c) PUP reported on its March 31, 2014 monthly financial statement total assets of \$110,724,998 and a total capital and surplus of \$14,540,090. The OFFICE has determined PUP's total assets and total capital and surplus to be overstated by approximately \$63,489,707, which is the total of \$28,919,463 in encumbered assets and \$34,570,244 in uncollected risk sharing receivables. PUP's adjusted surplus at March 31, 2014 is approximately - \$48,949,617, rendering the company insolvent.

(d) On April 16, 2014, PUP, through a majority of its directors, stockholders, members, or subscribers, executed a Consent to Order of Rehabilitation or Liquidation (attached as Exhibit 5), which states: "Respondent admits that unless a capital infusion of thirty million U.S. Dollars (\$30,000,000) is contributed to the surplus by 12:00 pm Tuesday, June 3, 2014, grounds exist for the appointment of the Department of Financial Services, Division of Rehabilitation and Liquidation (herein after referred to as the ("DEPARTMENT")), as Receiver of RESPONDMENT for the purpose of Rehabilitation or Liquidation pursuant to Sections 631.051(1) and 631.061(1), Florida Statutes." The amount referenced in the above mentioned Consent to Order of Rehabilitation or Liquidation represents the amount known to the OFFICE at the time of execution by PUP in order to bring PUP into compliance with statutory requirements.

(e) On May 8, 2014, PUP notified the OFFICE that they had signed an agreement, contingent upon the due diligence review, that would result in the infusion of capital required by the deadline indicated in the above referenced Consent to Order of Rehabilitation or Liquidation.

---

(f) On May 27, 2014, the OFFICE received PUP's April 30, 2014 monthly financial statement (attached as Exhibit 6). PUP reported on page 1, line 28, net admitted assets of \$92,465,690 and on page 2, line 24, total liabilities of \$105,339,885. The total capital and surplus, therefore reported by PUP on page 2, line 33, is a deficit of \$12,934,195. PUP, through the filing of their April 30, 2014 financial statement, has admitted that they are insolvent.

(g) On June 3, 2014, it was represented to the OFFICE by PUP that they have been unable to finalize a transaction that would result in the infusion of the amount required by the Consent to Order of Rehabilitation or Liquidation, and they would be unable to correct the current insolvency now identified by the OFFICE, therefore triggering the Consent to Order of Rehabilitation or Liquidation.

5. Based on the above findings, the Office has determined that Physicians United Plan, Inc. is in an unsound financial condition and has insufficient capital to assure prompt payment of losses of claims in this state in the future. Thus, grounds for issuing an Order for entry into receivership exist under Sections 631.051(1), 631.051(3), and 631.051(11), Florida Statutes.

FURTHER AFFIANT SAYETH NOT.

Carolyn Morgan  
Carolyn Morgan, Director  
Life & Health Financial Oversight  
Office of Insurance Regulation

STATE OF Florida  
COUNTY OF Leon

The foregoing instrument was acknowledged before me this 3rd day of June 2014,  
by Carolyn Morgan as Director of Life & Health Solvency  
(name of person) (type of authority)  
..... e.g. officer, trustee attorney in fact)  
for DLE  
(company name)

Debra L. Seymour  
(Signature of Notary)  
DEBRA L. SEYMOUR  
MY COMMISSION # FF-008803  
EXPIRES AUGUST 3, 2017  
(Print Name of Notary) (Notary Seal)

Personally Known ☒ OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_

**NOTICE AND ACKNOWLEDGMENT OF ASSIGNMENT**

This Notice and Acknowledgment of Assignment shall replace and supersede the previously signed Notice and Acknowledgment of Assignment dated December 17, 2013.

December 24, 2013

**PHYSICIANS UNITED PLAN, INC.**  
8427 SOUTHPARK CIRCLE, SUITE 500  
ORLANDO, FLORIDA 32819

Re: Lease Schedule No. 009 dated December 13, 2013 (the "Lease") to Master Lease Agreement No. MEF0979 dated as of September 26, 2011, including any amendments thereto, (collectively, the "Agreement") between **PACIFIC WESTERN EQUIPMENT FINANCE**, a division of **PACIFIC WESTERN BANK** as lessor ("Lessor") and **PHYSICIANS UNITED PLAN, INC.** as lessee (the "Lessee")  
Property Leased: Management Service Organization Risk Receivables.  
Commencement Date of Lease: January 1, 2014

Gentlemen:

Notice is hereby given that the Lessor has collaterally assigned and granted a security interest in, the Lease and all rents and other sums due and to become due thereunder, and the equipment leased thereunder (collectively, the "Property") to **MB FINANCIAL BANK, N.A.**, Attn: Loan Servicing, 7<sup>th</sup> Floor, 6111 North River Road, Rosemont, IL 60018 ("Lender"), as security for a loan made or to be made by Lender to Lessor.

Lessee is hereby directed, and by signature below, consents to such assignment and grant of security interest to Lender, and commencing May 1, 2014 (the "Rent Assignment Date") agrees to pay directly to Lender at its address shown above, until Lender instructs Lessee otherwise in writing, all rents and other payments including, without limitation, all rentals, stipulated loss (or casualty) value payments, termination payments, applicable late charges, attorneys' fees and expenses of collection and enforcement of the Lease, and all other sums due and to become due under the Lease (collectively, the "Payments").

Lessee, by signature below, certifies and confirms to Lender, and agrees as follows:

1. As of the Rent Assignment Date, the following rents remain due under the Lease and Lessee agrees to pay all such rents directly to Lender on their respective due dates: Fifty-five (55) equal monthly rent payments of \$203,300.00 each (exclusive of taxes), commencing on May 1, 2014, and continuing on the first day of each month thereafter, ending with the payment due on November 1, 2018.
2. That the aforesaid rentals are the firm, fixed rentals due under the Lease and are not subject to any adjustment.
3. That Lessee's obligation to make the Payments to Lender is and shall remain absolute and unconditional, and Lessee will pay directly to Lender all Payments without regard to, and shall not assert against Lender, any claim, defense, counterclaim, recoupment, reduction, setoff or right to cancel or terminate the Lease which Lessee may have against Lessor or any other party. Nothing herein shall be deemed to relieve Lessor of any of its obligations to Lessee under the Lease. Lessee hereby expressly waives any right it may have to terminate the Lease prior to the expiration of the initial term thereof which expires on November 1, 2018.
4. That the Property is in the Lessee's possession at the address specified in the Lease, and that the Property has been fully and finally accepted by duly authorized representatives of Lessee as the Property under the Lease.
5. Lessee warrants and represents to the Lender that true and complete copies of the Lease and Agreement are attached hereto as Exhibit A and that they represent the sole agreements between Lessor and Lessee respecting the Property, the rentals and all other payments due and to become due under the Lease.



6. That the Lease is in full force and effect, that Lessee will not modify or consent to any modification of the terms of the Lease without the prior written consent of the Lender, and that any such modification shall be ineffective without Lender's prior written consent, which shall not be unreasonably withheld.

7. That neither the Lessee nor, to Lessee's knowledge, Lessor, has breached the Lease in any respect and that all Payments due under the Lease have been and will continue to be paid in strict accordance with the terms of the Lease and this Notice.

8. That all representations and duties of Lessor intended to induce Lessee to enter in the Lease whether required by the Lease or otherwise have been fulfilled.

9. Lessee acknowledges that Lender has not assumed, nor shall it be responsible for the performance of, any of the obligations, of Lessor, or any other party under the terms of the Lease.

10. That Lessee has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the Lease, the Payments, or the Property.

11. Lessee confirms to Lender that no sublease, assignment or transfer by Lessee shall in any manner impair, diminish or relieve the Lessee of its primary obligations under the Lease, including its obligation to make all Payments directly to Lender, the terms of the Lease notwithstanding.

12. Lessee agrees that Lender is entitled to the benefits of each and every right accorded Lessor in the Lease, including, without limitation, remedies, inspection rights, indemnity rights, right to give consent, right to receive casualty loss payments and payment of costs and expenses incurred in exercising rights and remedies under the Lease, and the right to receive notices and other documents required to be furnished under the Lease.

13. Lessee acknowledges and confirms that the Lease was executed in counterparts, and Lessee further acknowledges notice from Lessor that the Lender has received the only executed original counterpart marked "ORIGINAL", and that said original is the only counterpart of the Lease constituting "chattel paper" under the Uniform Commercial Code and sufficient to transfer the Lessor's rights in the Lease and Payments.

14. Lessor and Lessee agree that no rights or remedies set forth in Article 2A of the Uniform Commercial Code shall be conferred upon either the Lessor or the Lessee as against each other (or the Lender) unless expressly granted in the Lease.

15. Lessee hereby authorizes Lessor to file a UCC financing statement against the Lessee in the state of Lessee's formation describing the Property and Lease, and Lessor further acknowledges that Lessor will assign such UCC financing statement to the Lender.

16. Lessee hereby irrevocably agrees that in the event of any conflict between the terms of this Notice and the terms of the Lease or the Agreement or any other document, the terms of this Notice and Acknowledgment of Assignment (this "Notice") shall govern and control any such conflict.

LESSOR:

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

*Cathy Lawrence*

BY: Cathy Lawrence  
TITLE: Vice President

LESSOR:

PACIFIC WESTERN EQUIPMENT FINANCE, a  
division of PACIFIC WESTERN BANK

*Cathy Lawrence*

BY: Cathy Lawrence  
TITLE: Vice President

Lessee hereby acknowledges and certifies that the above-described terms, conditions and representations are accurate and true, that Lessee will make the Payments herein stipulated directly to Lender, and that it is duly authorized and empowered to execute and deliver this Notice. Lessee further acknowledges that the Lender is materially relying on all the terms and provisions of this Notice in agreeing to discount for Lessor the remaining rents payable under the Lease.

LESSEE:

PHYSICIANS UNITED PLAN, INC.

BY:   
Imtiaz Sattaur  
TITLE: President & CEO

ACKNOWLEDGED:

MB FINANCIAL BANK, N.A., LENDER

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

Lessee hereby acknowledges and certifies that the above-described terms, conditions and representations are accurate and true, that Lessee will make the Payments herein stipulated directly to Lender, and that it is duly authorized and empowered to execute and deliver this Notice. Lessee further acknowledges that the Lender is materially relying on all the terms and provisions of this Notice in agreeing to discount for Lessor the remaining rents payable under the Lease.

**LESSEE:**

**PHYSICIANS UNITED PLAN, INC.**

BY:  \_\_\_\_\_

TITLE: **President & CEO**

**ACKNOWLEDGED:**

**MB FINANCIAL BANK, N.A., LENDER**

BY:  \_\_\_\_\_

TITLE:  \_\_\_\_\_

**LEASE SCHEDULE NO. 009**

This Lease Schedule No. 009 dated December 13, 2013 (the "Schedule") between **PACIFIC WESTERN EQUIPMENT FINANCE**, a division of **PACIFIC WESTERN BANK** ("Lessor") and **PHYSICIANS UNITED PLAN, INC.** ("Lessee"): (i) incorporates by reference the terms and conditions of Master Lease Agreement No. MEV0979 dated September 26, 2011, including any amendments thereto (collectively, the "Master Lease"); Exhibit A to the Acceptance Certificate (the "Property Description"), and Exhibit B to this Schedule (the "Casualty Loss Schedule"); (ii) constitutes a separate lease between Lessor and Lessee; and (iii) is referenced herein as the "Lease". All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease.

1. **Property:** A portion of the Management Services Organization Receivables ("MSO Receivables") (risk sharing receivables, as defined in SSAP No. 84, greater than ninety (90) days in arrears in the course of collection as referenced in Lessee's Statutory Statement of Assets as "Health care and other amounts receivable"). Although Lessor retains title to the Property, Lessee shall have the right to collect and retain MSO Receivables so long as the remaining amount due to Lessee from all MSO Receivables is equal to or greater than the amount due under the Lease. Lessor's portion of MSO Receivables is limited to \$10,000,000.00 of these MSO Receivables. The initial \$15,000,000.00 of MSO Receivables has been assigned to First National Bank of St. Louis.
2. **Property Location:** Records maintained at 8427 Southpark Circle, Suite 500, Orlando, Florida 32819. Lessee's execution and delivery of this Schedule shall constitute its offer to lease the property described herein upon the terms and conditions set forth herein. Lessor's execution of this Schedule in Utah and delivery to Lessee shall constitute its acceptance of the lease. The Lease shall be deemed made in Utah.
3. **Acceptance Date:** As specified in the Acceptance Certificate.
4. **Initial Period:** Sixty (60) months starting on the Commencement Date.
5. **Monthly Rental:** \$203,300.00 plus applicable sales/use and associated property tax.
6. **Deposit:** \$203,300.00 applied to the last Monthly Rental, plus applicable sales/use tax.
7. **Total Cost:** \$10,000,000.00
8. **Lease Rate Factor:** .02033
9. **Cash Security Deposit; Additional Event of Default:** In connection with Lessee's execution and delivery of this Schedule, Lessee agrees to deliver to Lessor a cash security deposit in an amount equal to one hundred percent (100%) of the Lessor's Total Cost of Property (the "Security Deposit"). Upon Lessee's request, the cash may be converted into one or more Certificates of Deposit which shall be held in an account at Wells Fargo Bank, N.A. Lessee grants to Lessor a security interest in the Security Deposit to secure all of Lessee's obligations (including without limitation, all payment obligations) under the Lease. The rights and remedies of Lessor with regard to this security interest are set forth in a Security Agreement (the "Security Agreement") executed as of or after the date of this Schedule. The Security Agreement shall be construed in connection with the Lease. Upon the occurrence of an Event of Default under the Lease, Lessor may exercise its rights and remedies under the Lease and/or the Security Agreement, including without limitation, foreclosure and application of the Security Deposit against Lessor's remedies under the Lease and/or the Security Agreement. Lessee agrees to execute a Deposit Account Control Agreement relating to the Security Agreement.

10. Entire Agreement: For purposes of this Schedule only, Section 20(a) of the Master Lease is hereby modified to include the Security Agreement executed in connection herewith as an additional document which, together with other documents described in that section, shall comprise the entire understanding and agreement between the parties with regard to the subject matter thereof.
11. End of Initial Period: For purposes of this Schedule only, provided no Event of Default has occurred under the Lease and Lessee has made all Initial Period payments due under the Lease, at the end of the Initial Period of this Schedule, and provided all taxes and other amounts due under the Lease, including but not limited to sales and use tax, property tax, late charges, and any and all other sums due are paid, all of Lessor's right, title and interest in the Property shall transfer to Lessee. Lessee's notification to Lessor pursuant to Section 14 of the Master Lease is not required.
12. Financial Statements: In addition to the financial statement requirements set forth in Section 20(g) of the Master Lease, Lessee shall provide to Lessor on a quarterly basis, together with delivery of the financial statements, the quarterly risk-based capital calculation including the authorized control level of risk-based capital as established by the NAIC Industry Regulatory Information System.
13. Additional Event of Default: Lessee acknowledges and agrees that Lessor has not provided any accounting, legal, or regulatory advice with regard to the Lease structure or its tax/accounting treatment. The occurrence of any adverse ruling that affects the accounting/regulatory treatment of the Lease or a material adverse change in Lessee's surplus or financial condition, as reasonably determined by Lessor, shall constitute an additional Event of Default under Section 16 of the Master Lease.
14. Master Lease Terms and Conditions: Except as otherwise provided herein, all other terms and conditions of the Master Lease shall continue in full force and effect without change.

LESSOR:

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

BY: Cathy Lawrence

Cathy Lawrence

TITLE: Vice President

LESSEE:

PHYSICIANS UNITED PLAN, INC.

BY: [Signature]

TITLE: President & CEO

ORIGINAL



AMENDMENT NO. 1  
TO  
LEASE SCHEDULE NO. 009

Reference is made to Lease Schedule No. 009 dated December 13, 2013, (the "Schedule") between PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK (the "Lessor") and PHYSICIANS UNITED PLAN, INC. (the "Lessee") which incorporates by reference the terms and conditions of Master Lease Agreement No. MEF0979 dated September 26, 2011, including any amendments thereto, (collectively, the "Master Lease"). The Schedule and the Master Lease are referred to herein collectively as the "Lease". Pursuant to the Lease, Lessor has agreed to purchase and lease to Lessee Property specified in the Lease. All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease.

The Schedule shall be amended effective the date hereof as follows:

In Section 9, delete the phrase "Wells Fargo Bank, N.A." and replace it with "MB Financial Bank, N.A.".

All other terms and conditions of the Lease shall remain in full force and effect without change.

Dated: December 26, 2013

LESSOR:

PACIFIC WESTERN EQUIPMENT FINANCE,  
division of PACIFIC WESTERN BANK

BY:



TITLE: Vice President

LESSEE:

PHYSICIANS UNITED PLAN, INC. a

BY:



TITLE: President & CEO

EXHIBIT B  
CASUALTY LOSS SCHEDULE  
DATED DECEMBER 13, 2013  
TO  
LEASE SCHEDULE NO. 009  
TO  
MASTER LEASE NO. MEF0979

ORIGINAL

The Casualty Loss Value for each item of lost or damaged Property shall be determined by multiplying the Original cost to Lessor of such item by the Casualty Loss Percentage indicated below which corresponds to the month of the Lease after the Commencement Date in which the last Monthly Rental payment was made. In the event of a total loss or destruction, the Casualty Loss Value for all lost or damaged Property shall be equal to the dollar amount listed under the Total Casualty Loss Value indicated below which corresponds to the month of the Lease after the Commencement Date in which the last Monthly Rental payment was made. If a partial or total loss occurs at any time prior to the Commencement Date of the Lease, then the Casualty Loss Value shall be equal to the percentage or the dollar amount, as the case may be, corresponding to payment number "0" (or for an amount equal to 105% of the total amount funded if that amount is different than the Total Casualty Loss Value corresponding to payment number "0").

In the event of default under the Lease, Lessor may, in addition to all other remedies available to it under the Lease, recover the dollar amount listed under the Total Casualty Loss Value indicated below as of the Monthly Rental payment date immediately preceding the date of the default.

AFTER PAYMENT NUMBER	TOTAL CASUALTY LOSS VALUE	CASUALTY LOSS PERCENTAGE	AFTER PAYMENT NUMBER	TOTAL CASUALTY LOSS VALUE	CASUALTY LOSS PERCENTAGE
0	\$10,500,000	105.00%	31	\$5,987,371	59.67%
1	\$10,418,642	104.19%	32	\$5,790,106	57.90%
2	\$10,278,167	102.78%	33	\$5,612,067	56.12%
3	\$10,136,840	101.37%	34	\$5,433,232	54.33%
4	\$9,994,660	99.95%	35	\$5,253,637	52.54%
5	\$9,851,623	98.52%	36	\$5,073,278	50.73%
6	\$9,707,470	98.17%	37	\$4,892,112	48.92%
7	\$9,562,274	96.69%	38	\$4,710,155	47.10%
8	\$9,420,247	95.20%	39	\$4,549,763	45.50%
9	\$9,279,382	93.70%	40	\$4,364,419	43.64%
10	\$9,139,677	92.20%	41	\$4,178,342	41.78%
11	\$9,000,126	90.68%	42	\$3,991,331	39.92%
12	\$8,915,724	89.16%	43	\$3,803,982	38.04%
13	\$8,762,466	87.62%	44	\$3,620,839	36.30%
14	\$8,602,987	86.03%	45	\$3,439,350	34.39%
15	\$8,534,838	85.35%	46	\$3,246,190	32.48%
16	\$8,375,906	83.76%	47	\$3,056,354	30.56%
17	\$8,216,129	82.16%	48	\$2,863,842	28.64%
18	\$8,055,522	80.56%	49	\$2,678,284	26.78%
19	\$7,894,080	78.94%	50	\$2,483,322	24.83%
20	\$7,731,799	77.32%	51	\$2,287,752	22.88%
21	\$7,563,067	76.33%	52	\$2,091,573	20.92%
22	\$7,466,250	74.66%	53	\$1,898,540	18.99%
23	\$7,258,635	72.59%	54	\$1,700,359	17.00%
24	\$7,130,219	71.30%	55	\$1,501,643	15.02%
25	\$6,960,998	69.61%	56	\$1,302,392	13.02%
26	\$6,790,968	67.91%	57	\$1,109,900	11.10%
27	\$6,620,126	66.20%	58	\$906,600	9.07%
28	\$6,448,467	64.48%	59	\$703,300	7.03%
29	\$6,319,595	63.20%	60	\$500,000	5.00%
30	\$6,143,866	61.44%			

and thereafter

LESSOR:

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

BY:

Cathy Lawrence  
TITLE: Vice President

LESSEE:

PHYSICIANS UNITED PLAN, INC.

BY:

President & CEO

#### ASSIGNMENT

Reference is made to Lease Schedule No. 009 dated December 13, 2013, (the "Schedule") between PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK (the "Lessor") and PHYSICIANS UNITED PLAN, INC. (the "Lessee") which incorporates by reference the terms and conditions of Master Lease Agreement No. MEP0979 dated September 26, 2011, including any amendments thereto (collectively, the "Master Lease"). The Schedule and the Master Lease are referred to herein collectively as the "Lease". Lessor agreed to purchase and lease to Lessee certain Property consisting of a portion of the Management Service Organization Receivables ("MSO Receivables") (risk sharing receivables, as defined in SSAP No. 84, greater than ninety (90) days in arrears in the course of collection as referenced in Lessee's Statutory Statement of Assets as "Health care and other amounts receivable") (collectively the "Property"). Although Lessor retains title to the Property, Lessee shall have the right to collect and retain MSO Receivables so long as the remaining amount due to Lessee from all MSO Receivables is equal to or greater than the amount due under the Lease. Lessor's portion of MSO Receivables is limited to \$10,000,000.00 of these MSO Receivables. The initial \$15,000,000.00 of MSO Receivables has been assigned to First National Bank of St. Louis. All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease.

For good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Lessee hereby assigns all of its right, title and interest in the Property free and clear of all liens and encumbrances of any kind or description to Lessor.
2. Lessee hereby assigns and sets over to Lessor all of Lessee's ownership and control of the Property, including without limitation: (a) the right to purchase Lessee's interests in the Property; (b) the right to control use of the Property; and (c) all claims and rights with respect to the Property for the purpose of leasing the Property to Lessee.
3. Lessor shall have no obligation to pay any sums to Lessee until: (a) Lessee has signed and delivered a form of Acceptance Certificate acceptable to Lessor; (b) Lessee has signed and delivered all Lease documentation required by Lessor; (c) Lessor has received UCC searches performed against Lessee showing no security interest, lien or other encumbrance on the Property; (d) Lessor has received partial releases, if applicable, of any UCC liens or encumbrances; and (e) Lessor has received evidence of Lessee's ownership, and/or any other documentation reasonably required by Lessor, all in form acceptable to Lessor.
4. Lessee represents and warrants to Lessor that:
  - a. There is no action, suit or proceeding pending or threatened against or affecting Lessee before or by any court, administrative agency or other governmental authority which brings into question the validity of the transaction contemplated by this Assignment or which might materially impair the ability of Lessee to perform its obligations under this Assignment or the transaction contemplated hereby.
  - b. Neither the execution and delivery by the Lessee of this Assignment, nor the compliance by the Lessee with the provisions hereof, conflicts with or results in a breach of any of the provisions of the organizational documents of Lessee, or of any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority,

or of any agreement or other instrument to which the Lessee is a party or by which it is bound, or constitutes or will constitute a default under any thereof.

c. The transaction contemplated by this Assignment complies with all applicable federal and state laws, rules and regulations applicable to Lessee.

d. No consent, approval or authorization of or by any court, administrative agency or other governmental authority is required in connection with the execution, delivery or performance by Lessee of, or the consummation by Lessee of the transaction contemplated by, this Assignment.

Lessee is transferring to Lessor good title to the Property, free and clear of all liens and encumbrances of any kind or description and records relating to the Property are at the time of closing and will continue to be located at Lessee's premises identified on the Acceptance Certificate.

5. In the event any of Lessee's representations made hereunder should be false or misleading in any material respect, or in the event Lessee should breach any of its warranties or obligations under this Assignment, Lessor shall be entitled to exercise all rights and remedies available to it at law or in equity together with all of its rights and remedies under the Lease, in Lessor's discretion as if they were set forth in this Assignment, and for purposes hereof all such rights and remedies shall be incorporated herein by reference.

6. The prevailing party in any action to enforce this Assignment shall be entitled to costs and fees (including attorneys' fees and expert witness fees) incurred in connection with such action.

7. Lessee and Lessor agree that this Assignment shall inure to the benefit of and shall be binding upon Lessee, Lessor and their respective successors and assigns. Any assignment by Lessor shall not require Lessee's prior written approval. Lessee shall not assign any interest in this Assignment without Lessor's prior written consent.

8. This Assignment is being executed in the State of Utah and shall be construed in accordance with the laws of the State of Utah.

IN WITNESS THEREOF, the parties have each caused this Assignment to be signed by their duly authorized representatives.

Dated: December 13, 2013

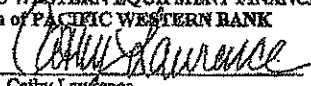
LESSOR:

LESSEE:

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

PHYSICIANS UNITED PLAN, INC.

BY:

  
Cathy Lawrence

BY:

  
President + CEO

TITLE: Vice President

TITLE: President + CEO

## SECURITY AGREEMENT

This Security Agreement dated December 13, 2013 (the "Security Agreement") is made between PHYSICIANS UNITED PLAN, INC. ("Debtor"), a corporation organized in the state of Florida with its chief executive office located at 8427 Southpark Circle, Suite 500, Orlando, Florida 32819 and PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK, ("Secured Party"), with its chief executive office located at 6975 South Union Park Center, Suite 200, Cottonwood Heights, Utah 84047.

### RECITALS:

WHEREAS, Secured Party and Debtor have entered into Lease Schedule No. 009 dated December 13, 2013 (the "Schedule") to Master Lease Agreement No. MEP0979 dated September 26, 2011, including any amendments thereto (collectively, the "Master Lease"). The Schedule and the Master Lease are referred to herein collectively as the "Lease";

WHEREAS, as a condition to Secured Party's execution and performance of the Lease and to secure Debtor's payment and performance of all of its obligations under the Lease, Debtor is required to provide Secured Party with a security interest in acceptable Collateral, as defined below; and

WHEREAS, Debtor is willing to grant to Secured Party, and Secured Party is willing to accept, a security interest in the Collateral in accordance with this Security Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Definitions. All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease, or as defined below.

"Account" means that deposit account, within the meaning of Section 8-501 of the Uniform Commercial Code, identified as Account No. \_\_\_\_\_ at Wells Fargo Bank, N.A. in the name of Debtor.

"Collateral" means cash and/or Certificates of Deposit, in the total amount of Ten Million and 00/100 Dollars (\$10,000,000.00) held in the above-described Account, together with all renewals thereof and all replacements, substitutions, or proceeds of any of the foregoing, and together with any and all instruments, investment property, demand accounts and general intangibles (as defined in Article 9 of the Uniform Commercial Code) related to any of the foregoing.

Securities Intermediary: Wells Fargo Bank, N.A.

"Secured Obligations" means all obligations, liabilities, and indebtedness which Debtor may now have or may hereafter have to Secured Party under the Lease, including any modifications, extensions and renewals thereof, all other sums, indebtedness and liabilities, due or to become due, now or hereafter at any time owed or contracted by Debtor to Secured Party under the Lease, and all costs and expenses of and incidental to collection of any of the foregoing obligations, including reasonable attorney's fees and costs.

2. Pledge, Assignment and Security Interest. As security for the prompt, complete and unconditional payment and performance in full of all of the Secured Obligations, Debtor hereby assigns,

pledges, delivers and conveys the Collateral to Secured Party and Debtor hereby grants to Secured Party a first priority and sole security interest in the Collateral. Secured Party, Debtor, and the Securities Intermediary have entered into an Deposit Account Control Agreement (Access Restricted Immediately) dated Dec. 27, 2013 (the "Deposit Account Control Agreement"), to establish Secured Party's control of the Collateral.

3. Additional Events of Default. An event of default herein shall include all of the Events of Default set forth in the Lease, any default provisions set forth herein and the following events:

- i. Debtor's Risk-Based Capital (RBC) ratio falls below the minimum 200% of the Authorized Control Level (measured on a quarterly basis) as established by the NAIC Insurance Regulatory Information System or Debtor fails to provide Secured Party with the quarterly RBC calculations as required under the Schedule; or
- ii. Debtor receives notice of or becomes subject to a state Insurance Commissioner's order requiring rehabilitation, liquidation, or any other form of direct supervision; or
- iii. Any violation of law or governmental rule, regulation, or order relating to the execution, delivery and performance by Lessee of the Lease, and Debtor does not cure the violation within ten (10) days of receipt of notice from Secured Party.

4. Application of Collateral. Unless expressly set forth herein, Debtor shall not have any rights or powers as to the Collateral or any part thereof.

- (a) If an Event of Default occurs with respect to any Secured Obligations or any agreements relating to the Secured Obligations, then Secured Party shall have all the rights, powers and remedies as provided by the agreements relating to the Secured Obligations (including, but not limited to, the Deposit Account Control Agreement and the Lease) and Secured Party shall have all of the following rights, powers and remedies: (i) to appropriate and realize upon all or part of the Collateral; (ii) to sell or otherwise dispose of all or part of the Collateral for such price and upon such terms as Secured Party may deem appropriate, for cash or credit, free of any claims, rights, title, ownership or equity of Debtor; (iii) to apply the proceeds of any such sale or disposition (net of all costs and expenses of any kind, including reasonable attorney's fees and costs, incurred in connection with said sale or disposition or the enforcement of this Security Agreement and the Secured Obligations) to the payment, in whole or part, of the Secured Obligations in such order as Secured Party, in its sole discretion, may elect; and (iv) to exercise all rights, powers and remedies of a secured party under any applicable law, including, without limitation, the Uniform Commercial Code.
- (b) If all Secured Obligations are paid and performed in full, then Secured Party will promptly release its claims on and security interest in the Collateral.

5. Restrictions on Withdrawals or Transfers. Secured Party shall only give the Securities Intermediary its written consent for Debtor's withdrawal or transfer of financial assets: (i) on a quarterly basis beginning July 1, 2014; (ii) provided the Debtor is not in default under the Lease or with respect to any of the Secured Obligations; (iii) provided the remaining balance of financial assets in the Account will, after such withdrawal or transfer, equal or exceed the outstanding amount Debtor owes the Secured Party as part of the Secured Obligations which shall include rental payments and any taxes, fees, costs and late fees; and (iv) provided the Debtor has given Secured Party a written request to withdraw or transfer financial assets. After Secured Party has determined that all of the conditions stated above have been satisfied and within five (5) business days of receiving the Debtor's written request, Secured Party will give the Securities Intermediary its written consent

for Debtor's withdrawal or transfer of financial assets. Withdrawals shall only occur after Debtor's compliance with all terms and conditions of this Security Agreement, the Lease, and Secured Party's receipt of all payments and other monies (including all outstanding taxes, fees, costs and late fees) which are due.

6. Renewal or Replacement of Certificates of Deposit. Debtor hereby represents, warrants and covenants to Secured Party that it shall instruct and direct the Securities Intermediary to either (i) issue an automatic renewal of each Initial Certificate of Deposit which comprise the Collateral immediately upon its maturity and renewals of any previously renewed Certificates of Deposit, or (ii) replace each maturing Certificate of Deposit which comprise the Collateral with another Certificate of Deposit on or before the maturity of such expiring Certificate of Deposit; provided, that each such renewed or replacement Certificate of Deposit shall: (a) be for an amount equal to the value of the expiring Certificate of Deposit; (b) be registered in the name of Debtor, and endorsed to Securities Intermediary or registered in the name of Securities Intermediary, and (c) be subject to Secured Party's first priority and sole security interest.

7. Representations, Warranties and Covenants as to Collateral. So long as any Secured Obligations remain outstanding, Debtor represents, warrants and covenants that: (i) Debtor is and shall remain the sole owner of the Collateral with full rights and power to pledge and grant a security interest in it to Secured Party as set forth in this Security Agreement; (ii) the Collateral is and shall remain free and clear of any lien, encumbrance, security interest, pledge or other claim, except for Secured Party's rights and interest as set forth herein; no part of the Collateral has been withdrawn, cancelled or redeemed and there is no pending application or request to do so; and (iii) other than Debtor's assignment, pledge and conveyance to Secured Party as set forth in this Security Agreement, Debtor shall not sell, assign, transfer, pledge, withdraw, cancel, redeem or seek repayment of all or part of the Collateral.

8. Authorization to Securities Intermediary and Perfection by Control. So long as any Secured Obligations remain outstanding, Debtor irrevocably authorizes and directs the Securities Intermediary, and has so authorized and directed the Securities Intermediary in the Deposit Account Control Agreement, to pay any and all sums relating to the Collateral solely to Secured Party, unless expressly set forth herein. Debtor shall cooperate with Secured Party in obtaining control with respect to the Collateral. Debtor, Secured Party, and Securities Intermediary, where the Account is maintained, have agreed in an authenticated record that Securities Intermediary will comply with instructions originated by the Secured Party directing disposition of the funds in the Account without further consent by the Debtor. Debtor authorizes Secured Party to become Securities Intermediary's customer with respect to the Account.

9. Disclaimer. Debtor has agreed to place the Collateral with the Securities Intermediary pursuant to its own due diligence investigation of the Securities Intermediary and based on its own judgment regarding the Securities Intermediary. Secured Party has not made, and Debtor expressly waives, any representation or warranty by Secured Party, either express or implied, as to the Collateral or the Securities Intermediary.

10. Income and Profits. Debtor agrees that all income, earnings and profits with respect to the Collateral shall be reported for local, state and federal income tax purposes as attributable to Debtor and not Secured Party. Debtor hereby instructs and authorizes any person authorized to report income distributions, to issue IRS form 1099 indicating Debtor as the recipient of such income, earnings and profits.

11. Right of Secured Party to Deal. Debtor hereby grants to Secured Party full power and authority, in its uncontrolled discretion and without notice to Debtor, to deal in any manner with any agreement evidencing the Secured Obligations, including, but without limiting the generality of the foregoing, the following powers:

- i. with the consent of Debtor, to modify, supplement or otherwise change the terms of any Secured Obligations, to grant any extension, renewal or any other waiver or indulgence, and to effect any release, compromise or settlement with respect to any of the Secured Obligations;

- ii. to waive or enter into any agreement of forbearance with respect to any of the Secured Obligations, or the Collateral at any time held by Secured Party, and to change the terms of any such waiver or agreement of forbearance; and
- iii. to demand payment or accelerate the maturity of any of the Secured Obligations in accordance with the terms thereof.

12. No Right of Exoneration. Debtor hereby waives, releases and discharges any right of exoneration with respect to any of the Secured Obligations and also any right at law, in equity or by statute to require Secured Party to pursue or otherwise avail itself of any rights or remedies which Secured Party has or may have against any other person with respect to payment of any of the Secured Obligations, or to pursue or exhaust any of Secured Party's rights or remedies with respect to any other security or collateral at any time held by Secured Party for the payment of any of the Secured Obligations.

13. Debtor's Rights of Reimbursement or Subrogation. Debtor shall have no right of reimbursement or subrogation with respect to any of the Secured Obligations unless and until Secured Party shall have received payment in full of all of the Secured Obligations.

14. Notices. All notices hereunder shall be deemed to have been sufficiently given or served, for all purposes hereof, when delivered personally or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the last known address of said party. When personally delivered, any notice shall be deemed given when actually received. Any mailed notice shall be deemed given when mailed. Any notice given pursuant to this paragraph shall be deemed reasonable and shall be effective regardless of whether actually received.

15. Indemnity and Expenses. Debtor shall indemnify Secured Party from any and all claims, losses and liabilities arising out of or resulting from this Security Agreement that are not due to the gross negligence or willful misconduct of Secured Party. Debtor shall, upon demand, pay or reimburse Secured Party, as the case may be, the amount of any and all out-of-pocket expenses, including reasonable fees (including reasonable attorneys' fees and expenses) which Secured Party may incur in connection with: (i) the administration of this Security Agreement; (ii) the custody, preservation, or the sale of, collections from, or other realization upon, the Collateral or any part thereof; (iii) the exercise or enforcement of any of the rights of Secured Party hereunder; (iv) the failure by Debtor to perform or observe any of the provisions hereof; or (v) any material misrepresentation made by Debtor in this Security Agreement or in any related agreement.

16. Authorization to File Financing Statements. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any financing statements (including continuations thereof and amendments thereto) that are consistent with the security interests and liens granted by this Security Agreement.

17. Representations and Warranties of Debtor. Debtor hereby represents and warrants to Secured Party, as of the date of this Security Agreement, that (i) it is duly organized, validly existing and in good standing under the laws of its organization, and has the power and authority to enter into, execute and deliver this Security Agreement and to perform and carry out the terms and provisions hereof; (ii) this Security Agreement has been duly and validly authorized, executed and delivered by Debtor and is valid and legally binding upon Debtor enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity; (iii) no consent or approval of, giving of notice to, registration with, or taking of any other action in respect of or by any state, Federal or other governmental



authority or agency or commission is required with respect to the execution or performance by Debtor of this Security Agreement; and (iv) neither the execution nor the delivery of this Security Agreement nor the transactions contemplated herein, nor compliance with the terms and conditions hereof, will contravene Debtor's organizational documents, or any provision of law, statute, rule or regulation to which Debtor is subject or any judgment, decree, order or permit applicable to it, or conflict with, or result in any breach of, or constitute a default under any agreement or other instrument to which Debtor is bound.

18. Miscellaneous. This Security Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of the state of Utah with exclusive jurisdiction in Third District Court, state of Utah. This Security Agreement may not be amended, modified or supplemented except by a written document signed by Secured Party and Debtor. This Security Agreement shall inure to the benefit of Secured Party and its successors and assigns and shall be binding on Debtor and Debtor's successors and assigns; provided that Debtor may not assign or transfer any of its rights or obligations under this Security Agreement without Secured Party's prior written consent. This Security Agreement is the final, complete and entire agreement of Debtor and Secured Party with regard to the transactions contemplated hereby and there are no oral or unwritten agreements or understandings affecting this Security Agreement or any transactions contemplated hereby. This Security Agreement may be executed in two or more counterparts, which when taken together, shall constitute one and the same agreement. Secured Party may assign or transfer its rights and obligations under this Security Agreement, without the consent of Debtor. In the event that any provision of this Security Agreement is found to be unenforceable in any legal proceeding, the remaining provisions shall remain in full force and effect.

19. Jury Waiver. Both parties expressly waive all rights to trial by jury in any action, proceeding or counterclaim arising out of, in connection with, or in any way related to this Security Agreement.

IN WITNESS WHEREOF, the parties executed this Security Agreement as of the date set forth above.

DEBTOR:

PHYSICIANS UNITED PLAN, INC.

BY: 

TITLE: President & CEO

SECURED PARTY:

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

BY: 

TITLE: Vice President

AMENDMENT NO. 1 TO SECURITY AGREEMENT

Reference is made to that Security Agreement dated December 13, 2013 (the "Security Agreement") between PHYSICIANS UNITED PLAN, INC. ("Debtor"), and PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK ("Secured Party").

RECITALS:

WHEREAS, Secured Party as lessor and Debtor as lessee have entered into Lease Schedule No. 009 dated December 13, 2013 (the "Schedule") to Master Lease Agreement No. MEF00979 dated September 26, 2011, including any amendments thereto (collectively, the "Master Lease"). The Schedule and the Master Lease are referred to herein collectively as the "Lease";

WHEREAS, the parties hereto agree that the Security Agreement shall be amended effective the date hereof by deleting and replacing the following sections:

Section 1. Definitions.

"Account" means that deposit account, within the meaning of Section 4-501 of the Uniform Commercial Code, identified as Account No. 8000582216 held at MB Financial Bank, N.A. in the name of Debtor.

"Securities Intermediary": MB Financial Bank, N.A.

Section 2. Pledge, Assignment and Security Interest. As security for the prompt, complete and unconditional payment and performance in full of all of the Secured Obligations, Debtor hereby assigns, pledges, delivers and conveys the Collateral to Secured Party and Debtor hereby grants to Secured Party a first priority and sole security interest in the Collateral. Secured Party, Debtor, and the Securities Intermediary have entered into an Account Control Agreement dated December 27, 2013 (the "Account Control Agreement"), to establish Secured Party's control of the Collateral.

Additionally, the defined term "Deposit Account Control Agreement" shall be deleted and replaced with "Account Control Agreement" whenever it may appear.

All other terms and conditions of the Security Agreement and Lease shall remain in full force and effect without change.

Dated: December 27, 2013

DEBTOR:

SECURED PARTY:

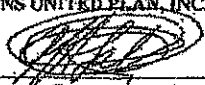
PHYSICIANS UNITED PLAN, INC. PACIFIC WESTERN EQUIPMENT FINANCE,  
division of PACIFIC WESTERN BANK


BY:

BY:

TITLE:

TITLE:

  
President of CPA

  
Vice President

ACCEPTANCE CERTIFICATE  
TO  
LEASE SCHEDULE NO. 009  
TO  
MASTER LEASE AGREEMENT NO. MEF0979

Reference is made to Lease Schedule No. 009 dated December 13, 2013 (the "Schedule") between PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK ("Lessor") and PHYSICIANS UNITED PLAN, INC. ("Lessee") which incorporates by reference the terms and conditions of Master Lease Agreement No. MEF0979 dated September 26, 2011, including any amendments thereto, (collectively, the "Master Lease"). The Schedule and the Master Lease are referenced herein as the "Lease". All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease.

1. **Property Condition:** Lessee represents that the Property described in Section 4 is hereby unconditionally and irrevocably accepted as Property for all purposes under the Lease, all on the Acceptance Date indicated in Section 3.
2. **Property Location:** Records relating to the Property shall be maintained at 8427 Southpark Circle, Suite 500, Orlando, FL 32819.
3. **Acceptance Date:** 12/31/2013
4. **Property:** A portion of the Management Service Organization Receivables ("MSO Receivables") (risk sharing receivables, as defined in SSAP No. 84, greater than ninety (90) days in arrears in the course of collection as referenced in Lessee's Statutory Statement of Assets as "Health care and other amounts receivable"). Although Lessor retains title to the Property, Lessee shall have the right to collect and retain MSO Receivables so long as the remaining amount due to Lessee from all MSO Receivables is equal to or greater than the amount due under the Lease. Lessor's portion of MSO Receivables is limited to \$10,000,000.00 of these MSO Receivables. The initial \$15,000,000.00 of MSO Receivables has been assigned to First National Bank of St. Louis.
5. **Disbursements:** Lessee hereby requests that Lessor disburse payment in the amount of \$10,000,000.00, covering the Total Cost of Property directly to Wells Fargo Bank, N.A. to be deposited in an account in the name of Lessee. The monies will be held as a Security Deposit as outlined in the Schedule and will be subject to Lessor's security interest and pledged by Lessee. Lessee acknowledges that the disbursement set forth above will be done at Lessee's sole direction and Lessee hereby waives any claim of insufficient consideration under the Lease resulting from this disbursement.

LESSOR:

PHYSICIANS UNITED PLAN, INC.

BY: 

TITLE: President & CEO



Trading permitted? ☐ Yes ☒ No

Withdrawals permitted? ☐ Yes ☒ No

#### ACCOUNT CONTROL AGREEMENT

This Agreement dated as of December 27, 2013 is made among PACIFIC WESTERN EQUIPMENT FINANCE, a division of PACIFIC WESTERN BANK ("Secured Party"), PHYSICIANS UNITED PLAN, INC. ("Debtor"), and MB FINANCIAL BANK, N.A. ("Securities Intermediary").

#### RECITALS:

A. Securities Intermediary has established securities account #8000582216 in the name of Debtor ("Account") pursuant to a customer agreement dated December 26, 2013 between Securities Intermediary and Debtor ("Customer Agreement").

B. Debtor granted Secured Party a security interest in the Account pursuant to a Security Agreement dated December 13, 2013, including any amendments thereto.

The parties agree as follows:

1. **The Account.** Securities Intermediary hereby represents and warrants to Secured Party and Debtor that (a) the Account is a securities account within the meaning of Section 8-501 of the Uniform Commercial Code and has been established solely in the name of Debtor as recited above, (b) Exhibit A annexed hereto is a complete and accurate statement of the Account and the financial assets carried therein and any free credit balance thereunder as of the date thereof, (c) Exhibit A does not reflect any (and none of the financial assets hereafter purchased and credited to the Account shall be) financial assets which are registered in the name of Debtor, payable to its/his/her order, or specially endorsed to Whim/her, which have not been endorsed to Securities Intermediary or in blank, (d) the security entitlements arising out of the financial assets now or hereafter carried in the Account and such free credit balance are valid and legally binding obligations of Securities Intermediary, and (e) except for the claims and interest of Secured Party and Debtor in the Account (subject to any claim in favor of Securities Intermediary permitted under Section 2), Securities Intermediary has no knowledge of any claim to or interest in the Account. Securities Intermediary will treat all property held by it in the Account as financial assets under Article 8 of the Uniform Commercial Code. Securities Intermediary shall have no obligation to ensure that financial assets are transferred to Securities Intermediary for deposit into the Account.

2. **Liens.** Securities Intermediary hereby acknowledges the security interest granted to Secured Party by Debtor. Securities Intermediary hereby confirms that the Account is a cash account and that it will not advance any margin or other credit to Debtor thereon, either directly by executing purchase orders in excess of any credit balance or money market mutual funds held in the Account, executing sell orders on securities not held in the Account or by allowing Debtor to trade in instruments such as options and commodities contracts that create similar obligations, nor hypothecate any securities carried in the Account. Securities Intermediary hereby confirms that the Debtor has no check writing privileges or line

of credit or credit card privileges under the Account and that no such privileges shall be provided Debtor under the Account as long as this Agreement is in effect. Securities Intermediary hereby waives and releases all liens, encumbrances, claims and rights of setoff it may have against the Account or any financial asset carried in the Account or any credit balance in the Account and agrees that, except for payment of its customary fees and commissions pursuant to the Customer Agreement, it will not assert any such lien, security interest, encumbrance claim or right against the Account or any financial asset carried in the Account or any credit balance in the Account. Securities Intermediary covenants and agrees that it will not enter into an account control agreement with a third party with respect to the Account or otherwise agree with any third party that Securities Intermediary will comply with entitlement orders concerning the Account originated by such third party without the prior written consent of Secured Party and Debtor. Securities Intermediary will endeavor in good faith to promptly notify Secured Party and Debtor if any person asserts any lien, security interest, encumbrance or adverse claim against the Account or in any financial asset carried therein.

3. **Control and Trading.** Securities Intermediary covenants and agrees that it will comply with entitlement orders originated by an Authorized Officer of Secured Party concerning the Account at any time without further consent by Debtor. Debtor consents to the Securities Intermediary's Agreement in the preceding sentence that Securities Intermediary will follow all entitlement orders originated by the Secured Party without further consent of the Debtor.

Neither Debtor nor Securities Intermediary may make trades of financial assets held in the Account without the prior written consent of Secured Party.

"Authorized Officer of Secured Party" shall mean Cathy Lawrence the Vice President of Secured Party, or any other Vice President or more senior officer of Secured Party.

4. **No Withdrawals.** Notwithstanding the provisions of Section 3 above, Securities Intermediary shall neither accept nor comply with any entitlement order from Debtor withdrawing any financial assets from the Account or directing the transfer of any financial assets held in the Account to any other account maintained at Securities Intermediary or any other entity other than Secured Party nor deliver any such financial assets to Debtor nor pay any free credit balance or other amount owing from Securities Intermediary to Debtor with respect to the Account without the prior written consent of Secured Party.

5. **Duties of Securities Intermediary.** Except to the extent that it permits trading or a withdrawal or payment in violation of Sections 3 or 4 or advances margin or other credit to Debtor in violation of Section 2, Securities Intermediary shall have no responsibility or liability to Secured Party for making trades of financial assets held in the Account at the direction of Debtor or Debtor's authorized representatives, including any investment adviser, or for complying with entitlement orders concerning the Account from Debtor, or Debtor's authorized representatives, including any investment adviser. Securities Intermediary shall have no responsibility or liability to Debtor for complying with entitlement orders concerning the Account originated by Secured Party. Securities Intermediary shall have no responsibility or liability to Secured Party with respect to increases or decreases in the value of the Account or increases or decreases in the market value of any asset held therein. Securities Intermediary shall have no duty to investigate or make any determination as to whether Secured Party is entitled or has been authorized to give any Notice of Exclusive Control, as to whether Secured Party has provided a copy thereof to any investment adviser, or as to whether a default exists under any agreement between Debtor and Secured Party, and Securities Intermediary shall comply with a Notice of Exclusive Control even if it believes that no such default exists. This Agreement does not create any obligation or duty of Securities Intermediary other than those expressly set forth herein.

6. **Indemnification of Securities Intermediary.** Debtor hereby indemnifies and holds harmless Securities Intermediary, its affiliates and their respective directors, officers, agents and employees against any and all claims, causes of action, liabilities, lawsuits, demands and damages, including without limitation, any and all court costs and reasonable attorneys' fees, in any way related to or arising out of or in connection with this Agreement or any action taken or not taken pursuant hereto, except to the extent caused by Securities Intermediary's breach of its obligations hereunder.

Secured Party hereby indemnifies and holds harmless Securities Intermediary, its affiliates and their respective directors, officers, agents and employees against any and all claims, causes of action, liabilities, lawsuits, demands and damages, including without limitation, any and all court costs and reasonable attorney's fees in any way related to or arising out of or in connection with any entitlement order originated by Secured Party under this Agreement or the failure to comply with entitlement orders issued by Debtor or any authorized representative of Debtor after receipt by Securities Intermediary of a Notice of Exclusive Control; provided, however, Secured Party shall have no liability under this paragraph to the extent any such claims, causes of action, liabilities, lawsuits, demands or damages are found by a court or arbitration panel of competent jurisdiction by final, non-appealable judgment to be the direct result of the gross negligence or willful misconduct of Securities Intermediary, its affiliates, and their respective directors, officers, agents and employees.

7. **Duplicate Statements and Notices.** Securities Intermediary will send copies of all statements, confirmations, notices of claims and other correspondence concerning the Account simultaneously to each of Debtor and Secured Party at the addresses set forth below.

8. **Tax Reporting.** All items of income, gain, expense, and loss recognized in the Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of Debtor.

9. **Customer Agreement and Securities Intermediary's Jurisdiction.** In the event of a conflict between this Agreement and any other agreement between the Securities Intermediary and the Debtor, the terms of this Agreement will prevail. Regardless of any provision in such agreement, the state of Illinois shall be deemed to be Securities Intermediary's location for the purposes of this Agreement and the perfection and priority of Secured Party's security interest in the Account.

10. **Termination.** The rights and powers granted herein to Secured Party have been granted in order to perfect its security interest in the Account, are powers coupled with an interest and will neither be affected by the death, dissolution or bankruptcy of Debtor nor by the lapse of time. The obligations of Securities Intermediary under Sections 2, 3, 4, and 5 above shall continue to effect until the security interest of Secured Party in the Account has been terminated and Secured Party has notified Securities Intermediary of such termination in writing. Upon receipt of such notice the obligations of Securities Intermediary under Sections 2, 3, 4 and 5 above with respect to the operation and maintenance of the Account after the receipt of such notice shall terminate. Secured Party shall have no further right to originate entitlement orders concerning the Account, and Securities Intermediary may take such steps as Debtor may request to vest full ownership and control of Account in Debtor, including, but not limited to, transferring all of the financial assets and credit balances in the Account to another securities account in the name of Debtor or his designee.

11. **This Agreement.** This Agreement, the schedules and exhibits hereto and the agreements and instruments required to be executed and delivered hereunder set forth the entire agreement of the parties with respect to the subject matter hereof and supersede and discharge all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter and negotiations. There are no oral conditions precedent to the effectiveness of this Agreement.

12. **Amendments.** No amendment, modification or termination of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by the party to be charged.

13. **Successors.** The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives.

14. **Severability.** If any term or provision set forth in this Agreement shall be invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provisions to persons or circumstances, other than those to which it is held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

15. **Notices.** Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or if sent by facsimile or other electronic means and upon electronic confirmation of receipt by the recipient thereof or, if sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth next to such parties' name at the heading of this Agreement, upon signed receipt. Any party may change its address for notices in the manner set forth above.

16. **Rules of Construction.** In this Agreement, words in the singular number include the plural, and in the plural include the singular; words of the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender may refer to any gender and the word "or" is disjunctive, but not exclusive. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit or describe the scope or intent of the provisions of this Agreement.

17. **Choice of Law.** The parties hereto agree that certain material events, occurrences and transactions relating to this Agreement bear a reasonable relationship to the state of Illinois. The validity, terms, performance and enforcement of this Agreement shall be governed by those laws of the state of Illinois which are applicable to agreements which are negotiated, executed, delivered and performed solely in the state of Illinois.

18. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

19. **JURY WAIVER. THE PARTIES HERETO ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT OR THE INDEBTEDNESS.**

20. **Uniform Commercial Code.** Except as otherwise provided in this Agreement, all terms in this Agreement have the meanings assigned to them in Article 9 (or, absent definition in Article 9, in any other Article) of the Uniform Commercial Code, as those meanings may be amended, revised or replaced from time to time. . Notwithstanding the foregoing, the parties intend that the terms used herein which are defined in the Uniform Commercial Code have, at all times, the broadest and most inclusive



meanings possible. Accordingly, if the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more broadly or inclusively than the Uniform Commercial Code in effect on the date of this Agreement, then such term, as used herein, shall be given such broadened meaning. If the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more narrowly, or less inclusively, than the Uniform Commercial Code in effect on the date of this Agreement, such amendment or holding shall be disregarded in defining terms used in this Agreement.

(the remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties executed this Agreement as of the date set forth above.

Addresses:

6975 Union Park Center, Suite 200  
Cottonwood Heights, UT 84047

Attention: Michelle Larson  
Facsimile No.: 801-566-0482

PACIFIC WESTERN EQUIPMENT FINANCE,  
a division of PACIFIC WESTERN BANK

By: 

Its: Vice President

PHYSICIANS UNITED PLAN, INC.

8427 Southpark Circle, Suite 500  
Orlando, FL 32819

Attention: Imiliaz Sattaur  
Facsimile No.: \_\_\_\_\_

By: 

Its: President & CEO

MB FINANCIAL BANK, N.A.

6111 North River Road  
Rosemont, IL 60018

Attention: \_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

By: 

Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties executed this Agreement as of the date set forth above.  
**PACIFIC WESTERN EQUIPMENT FINANCE,**  
a division of PACIFIC WESTERN BANK

Addresses:

6975 Union Park Center, Suite 200  
Cottonwood Heights, UT 84047  
By: \_\_\_\_\_  
Its: Attention: Michelle Larson  
Facsimile No.: 801-566-0482

**PHYSICIANS UNITED PLAN, INC.**

8427 Southpark Circle, Suite 500  
Orlando, FL 32819

By:   
Its: Imtiaz Sattaur  
President & CEO

Attention: Imtiaz Sattaur  
Facsimile No.: \_\_\_\_\_

**MB FINANCIAL BANK, N.A.**

6111 North River Road  
Rosemont, IL 60018

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_



# Marquette Equipment Finance, LLC

A Subsidiary of Meridian Bank, N.A.

LESSEE: PHYSICIANS UNITED PLAN, INC.

LESSOR: MARQUETTE EQUIPMENT FINANCE, LLC

## MASTER LEASE AGREEMENT NO. MRF0979

This Master Lease Agreement, together with its definition exhibit, Exhibit "A", attached hereto and made a part hereof by reference, is made on September 25, 2011 between Lessor, with its principal office at 6975 Union Park Center, Suite 200, Midvale, Utah 84047, and Lessee, a corporation organized in the state of Florida, with its chief executive office located at 9102 South Park Center Loop, Suite 200, Orlando, Florida 32819.

Capitalized terms not defined herein shall have the meanings ascribed to them in Exhibit "A" or in the Schedule.

### 1. LEASE

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor the equipment described in any schedule or schedules and identified by Lessee and Lessee's organization in its schedule or schedules, as amended, to Lessee. Lessee shall maintain the equipment in good condition and shall be responsible for the maintenance and repair of the equipment. Lessee shall be responsible for the maintenance and repair of the equipment. Lessee shall be responsible for the maintenance and repair of the equipment.

### 2. CONDITIONS PRECEDENT

Lessee's obligations under each Schedule are conditioned upon Lessor's receipt of and determination that the following are satisfactory to Lessor: (a) that Lessee is in the jurisdiction of Lessor's organization and in each jurisdiction in which the Property and/or Lessee's chief executive office are located and has executed at the U. S. Copyright office, if applicable; (b) UCC financing statements, fixture filings, real property notices, and all other filings and recordings, full of which Lessee authorizes Lessor to file; (c) a certified copy of Lessee's organizational documents; and (d) certificates of good standing from the jurisdiction of Lessee's organization and evidence of Lessee's organizational number.

Lessee Schedules under this Master Lease have been approved by Lessor based on financial statements, agreements, materials and/or other information and data relating to Lessee's financial, operational and/or business affairs and Lessee certifies that such information is true and correct.

### 3. TERM OF LEASE

The term of any Lease, as to all Property designated on the applicable Schedule, shall commence on the Acceptance Date for such Property, and shall continue for an initial period ending that number of months from the Commencement Date as specified in the Schedule. Thereafter, Lessee shall have three options provided in Section 14 of this Master Lease Agreement.

### 4. RENT AND PAYMENT

Lessee shall pay to Lessor the rent for the Property, as determined in the Schedule, in accordance with the terms of the Schedule. Lessee shall pay the rent to Lessor in the form of a check or money order payable to the order of Lessor. Lessee shall pay the rent to Lessor in the form of a check or money order payable to the order of Lessor. Lessee shall pay the rent to Lessor in the form of a check or money order payable to the order of Lessor.

MVF 02/02/04 MRF0979

DEDUCT ANY AMOUNT OR DAMAGES FROM OR REDUCE ANY MONTHLY RENTAL OR OTHER PAYMENT DUE FOR ANY REASON. THIS LEASE IS NON-CANCELABLE FOR THE ENTIRE TERM OF THE INITIAL PERIOD AND ANY EXTENSION PERIODS.

If any rental or other payment due under any Lease shall be unpaid after its due date, Lessee will pay on demand, as a late charge, but not as interest, the greater of twenty-five dollars (\$25.00) or five percent (5%) of any such unpaid amount but in no event to exceed maximum lawful charges.

### 5. TAXES AND FEES

Lessee shall pay to Lessor all taxes, fees, assessments and charges paid, payable or required to be collected by Lessor, however designated, which are levied or based on the Monthly Rental or other payment due under the Lease, or on the possession, use, operation, lease, rental, sale, purchase, control or value of the Property, including without limitation, registration and license fees and assessments, recycling fees, appraisal fees, state and local privilege or excise taxes, documentary stamp taxes or assessments, sales and use taxes, personal and other property taxes, and taxes or charges based on gross revenue, but excluding taxes based on Lessee's net income. Lessee shall promptly remit to Lessor all taxes in advance of their payment due date. Lessee shall pay all penalties and interest resulting from its failure to timely remit all taxes to Lessor. Lessee also agrees to pay to Lessor all servicing and administrative costs associated with processing and paying various fees, sales and property taxes. Lessor shall file all required sales and use tax and personal property tax returns and reports concerning the Property with all applicable governmental agencies.

### 6. USE, ALTERATIONS AND ATTACHMENTS

(a) Lessee shall use the Property in accordance with the terms of the Schedule. Lessee shall not use the Property for any purpose other than that specified in the Schedule. Lessee shall not use the Property for any purpose other than that specified in the Schedule. Lessee shall not use the Property for any purpose other than that specified in the Schedule.

(b) Lessee shall at all times keep the Property in its sole possession and control and, if the Property includes Software (whether embodied in the Property or not), refrain from copying, transferring, importing, or conveying any Software, Derivative Works or Data generated from the Software use to a third party without Lessor's prior written consent. The Property shall not be moved from the location stated in the Schedule without the prior written consent of Lessor.

(c) Lessee shall cause the Property to be installed, used, operated and, as the termination of the Lease, if applicable, removed (i) in accordance with any applicable manufacturer's manuals or instructions; (ii) by competent and duly qualified personnel only; and (iii) in accordance with applicable governmental regulations.

(d) Lessee may not make alterations or attachments to the Property without first obtaining the written consent of Lessor. Any such alterations or attachments shall be made at Lessee's expense and shall not interfere with the normal and satisfactory operation or maintenance of the Property. The manufacturer may



Lesser's sole discretion, upon demand. Lesser may also, in its sole discretion, require Lesser to provide a copy of the service and maintenance history for each item of Property showing the performance of all regular service and maintenance checks pursuant to manufacturer recommendations and showing no unimpaired damage or failure of any system.

(c) The Property consists solely of personal property and not fixtures. The Property is nonmovable from and is not subject to the provisions on which the Property is located. The Property is and shall remain personal property during the term of this Lease notwithstanding that any portion thereof may in any manner become affixed, attached to or located on real property or any building or improvement thereon. Lessor shall not affix or attach any of the Property to any real property in any manner which would change its nature from that of personal property to real property or to a fixture or portion same as a fixture. Lessor shall not permit the Property to become an accession to other goods or a fixture or part of any real property. Lessor will obtain and deliver to Lessor a lien waiver in a form satisfactory to Lessor, from all persons not a party hereto who might claim an interest, lien or other claim in the Property.

[illegible]

(g) Lessee shall comply with all applicable laws, regulations, requirements, rules and orders, all manufacturers' instructions and warranty requirements, and with the conditions and requirements of all policies of insurance with respect to the Property and the Lease.

(b) The Property is leased solely for commercial or business purposes.

## 7. MAINTENANCE AND REPAIRS: RETURN OF PROPERTY.

Q33. During the investigation, did you have any information that the person referred to as "Lester" was involved in any criminal activity, or was involved in any other activities that would be of interest to the FBI?

A33. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q34. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A34. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q35. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A35. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q36. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A36. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q37. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A37. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q38. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A38. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q39. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A39. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

Q40. Did you have any information that Lester was involved in any other activities that would be of interest to the FBI?

A40. Yes, I did. I was told that Lester was involved in a number of activities, including the sale of stolen goods, and that he was involved in a number of other activities that would be of interest to the FBI.

(b) During the construction of each Lease, if applicable, Lessee shall, at its own expense, enter into and maintain in force a contract with the manufacturer or other qualified maintenance organization reasonably satisfactory to Lessor for maintenance of each item of Property that requires such a contract. Such contract as to each item shall commence upon the earlier of the Authorization date, if applicable, or the Acquisition Date. Lessee shall furnish Lessor with a copy of such contract in

[illegible][illegible]

(c) Should the Property become subject to recall, Lessor shall, at its sole expense, make any and all arrangements necessary to assure that the recall is honored by way of repair, modification, replacement or other remedy suggested by the manufacturer or designator. Lessor shall provide Lessee with copies of any recall notices and also verification that the recall has been honored.

(f) Lessee will, at its own cost and expense, cause the Property to be kept insured at all times with the Identification Lessee serial number therefor as specified in the applicable Schedule to this Master Lease, and affix and maintain on the Property a painted serial number of Lessee's plates bearing any legally required markings in order to protect the title to the Property and the rights of Lessor under the Lease. Lessee will not place the Property in operation or exercise any control or dominion over the same until the markings have been placed thereon.

## 2. OWNERSHIP AND INSPECTION

(9) The Property shall at all times be the property of Lessor or its assigns, and Lessor shall have no right, title or interest therein except as to the use thereof subject to the terms and conditions of the Lease. The purpose of the foregoing is to ensure that Lessor retains all ownership and control of the Property. Lessor transfers to Lessee all of Lessor's right, title and interest in the Property, including all ownership interest in and to the Property free and clear of all liens, security interests and encumbrances. Lessor may assist (or require Lessee to assist) any third parties to the Property (indicating Lessor's ownership), and Lessor shall not permit their removal or concealment. Lessee shall not permit the names of any person or entity other than Lessor or its assigns to be placed on the Property as a designation that might be interpreted as a claim of ownership or security interest.

Enclafst 

Lessor shall notify Lessee within ten (10) days of the actual date of the Casualty; Lessor will notify Lessee of its election of other options (a), (b), (c) or (d), as set forth above, within five (5) days of receipt of Lessor's notice. Lessee will then fully perform the repair, replacement or payment (as elected by Lessor) within sixty (60) days of the date of the Casualty.

[illegible][illegible]

License shall indemnify and hold Lessor harmless from and against any and all claims, (including without limitation negligence, tort and strict liability), damages, judgments, suits, counterclaims and legal proceedings, and any and all costs and

expenses in connection therewith (including attorney fees incurred by Lessor and Lessee), Lessor's internal costs either in enforcing this indemnity or in defending against such claims), arising out of or in any manner connected with or resulting from the Lease, the Property, or use of the Property, including, without limitation the manufacture, purchase, financing, ownership, ordering, installation, selection, assignment, rejection, non-delivery, transportation, delivery, possession, use, operation, maintenance, condition, lease, return, storage or disposition thereof, including without limitation (a) claims for injury to or death of persons and for damage to property; (b) claims relating to patents, copyright, or trademark infringement; (c) claims relating to tortious or other offenses in the Property whether or not discoverable by Lessee; (d) claims for wrongful, illegal, negligent or improper use or misuse by Lessee; and (e) claims related to any interruptions of service, loss of business or consequential damages. Lessee agrees to give Lessor prompt notice of any such claim or liability. For purposes of this paragraph and any other, the term "Lessor" shall include Lessee, its successors and assigns, shareholders, members, owners, partners, directors, officers, representatives and agents, and the providers of this paragraph shall survive completion of any Lease with respect to events occurring prior thereto.

An "Event of Default" shall occur under any Lease if:

(b) Lessee attempts to or does, remove, sell, assign, transfer, encumber, repled or part with possession of any one or more items of the Property or any interest under any lease, or copy, transfer, reproduce or convey any Software, or any Derivative Works or Data generated by the Property use, if applicable, except as expressly permitted herein, or permits a judgment or other claim to become a lien upon any or all of Lessee's assets or upon the Property.

(d) any loss, damage, or destruction to the Property occurs and Lessee fails to timely repair, replace or make payment as required in Section 12 hereof;

(f) Lessee or any guarantor, shall to observe or perform any of its covenants and obligations required to be observed or performed under the Lease or guaranty and each failure constitutes an event for ten (10) days after occurrence thereof, except that the ten (10) day cure period shall not apply and an Event of Default shall occur immediately upon Lessee's failure to maintain insurance;

(g) Lessee or any guarantor, breaches any of its representations or warranties made under any Lease or guaranty, or if any such representations or warranties are false or misleading or become false or misleading in any material respect;

(h) Leave. Any guarantor, shall (i) be designated as a guarantor, or a bankrup, or cause, or unable, or unable, to pay its debts as they mature, or make a general assignment for the benefit of creditors or enter into a composition or arrangement with creditors; (ii) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of a substantial part of its property, or authorize such application or consent, or proceedings seeking such appointment shall be instituted against it without such authorization, consent or application and shall continue undisturbed for a period of sixty (60) days; (iii) authorize or file a voluntary petition in bankruptcy or apply for or consent to the application of any bankruptcy, reorganization in bankruptcy, arrangement,

30/04/2019

readjustment of debt, insolvency, dissolution, reorganization or other similar law of any jurisdiction, or authorize such application or consent; or proceedings to such end shall be instituted against it without such authorization, application or consent and such proceedings instituted against it shall continue undisturbed for a period of sixty (60) days.

(j) Lessee or any guarantor shall suffer a material adverse change in its financial condition after the date hereof as determined by Lessor pursuant to its credit review policy and procedures, or there shall occur a material change in ownership of the outstanding stock of Lessee or a substantial change in control of its board of directors.

(k) Lessee is in default under any Lease, or agreement associated with Lessee, or Lessee fails to sign or otherwise authenticate and deliver to Lessor any document or record requested by Lessor in connection with any Lease associated with Lessee; or Lessee fails to do any thing determined by Lessor to be necessary or desirable to effectuate the transaction contemplated by any Lease executed with Lessee; or Lessee fails to protect Lessor's rights and interests in any Lease and the Property; or Lessee fails to provide financial statements to Lessor as provided in Section 20(g) hereof; or Lessee is in default of any obligation or agreement with any person or entity other than Lessor which obligation or agreement arises independently of any Lease;

(l) If Property that includes Software, Lessee breaches any License, maintenance or other agreement for Software, or Lessee fails to pay when due all servicing fees, maintenance fees, service fees, update and upgrade costs, modification costs, and all other costs and expenses relating to the License and Software and fails to maintain the License in effect during the term of the Lease, or if Lessee fails to return to Lessor (or destroy as applicable) any Software, Derivative Works, or Data as provided in Section 7(c) of this Master Lease Agreement;

(m) Lessee fails to promptly execute or otherwise authenticate and deliver to Lessor or its assigns any document or record, as applicable, required under the terms of this Master Lease Agreement;

(n) Lessee or any guarantor shall have terminated or changed its existence as a legal entity, consolidated with, merged into, or conveyed or leased substantially all of its assets to any person or entity, unless: (A) such person or entity consents and delivers to Lessor an agreement satisfactory in form and substance to Lessor, in its sole discretion, concerning such person's or entity's effective assignment, and its agreement to pay, perform, comply with and otherwise be liable for, in a debt and punctual manner, all of Lessee's obligations having previously arisen, or then or thereafter arising, under the Lease, together with any and all documents, agreements, instruments, certificates, opinions and filings requested by Lessor; (B) Lessor is satisfied as to the creditworthiness of such person's or entity's continuance to other standard criteria then used by Lessor for such purposes; and (C) Lessee has provided no less than thirty (30) days prior written notice of such occurrence to Lessor or its assigns.

(o) Lessee in good faith believes the Property to be in danger of misuse, abuse or confiscation or to be in any other way threatened, or believes in good faith for any other reason that the prospect of payment or performance has become impaired, or if Lessee takes any action, makes any representation, or fails to do any thing requested by Lessor, at any time before or after the execution of this Master Lease Agreement, the result of which causes Lessor, in good faith, to believe that the prospect of Lessee's payment or performance under the Lease is impaired, or otherwise causes Lessor to feel insecure in funding or continuing to fund the Lease or any Schedule.

(p) For Property that includes Software, Lessee enters into, renegotiates, renews or enters any agreement or arrangement with the Software Vendor for Software or services described in any Lease without Lessor's prior consent.

## 12. REMEDIES.

Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, with or without giving notice to Lessee and with or without consulting the Lessee, elect any one or more of the following:

(a) enforce this Master Lease Agreement according to its terms;

(b) advance funds on Lessee's behalf to cure the Event of Default, whereupon Lessee shall immediately reimburse Lessor therefor, together with late charges accrued hereon;

(c) refuse to deliver the Property to Lessee;

(d) upon notice to Lessee, refuse to fund any schedule(s) pursuant to the Lease;

(e) upon notice to Lessee, cancel this Master Lease Agreement and any or all Schedules executed pursuant thereto;

(f) require additional collateral to secure the Lease;

(g) if Lessor determines, in its sole discretion, not to take possession of the Property, Lessor shall continue to be the owner of the Property and may, but is not obligated to, dispose of the Property by sale or otherwise, all of which determinations may be made by Lessee in its sole discretion and for its own account;

(h) accelerate all obligations due and payable under any Lease and declare immediately due and payable all amounts due or to become due hereunder for the full term of the Lease or Leases (including any renewal or purchase options which Lessee has contracted to pay);

(i) with or without terminating the Lease, and without satisfying its right herein to repossess, recover, or sell the Property, recover the Casualty Loss Value of the Property together with all secured but unpaid late charges, interest, sums, penalties, and any and all other sums due and owing under the Schedule as of the next payment date immediately preceding the date of default;

(j) without notice to Lessee, repossess the Property wherever found, with or without legal process, and for this purpose Lessee grants to Lessor and/or its agents or assigns the right to enter upon any premises of or under the control or jurisdiction of Lessee or any agent of Lessee, without liability for suit, action or other proceeding by Lessee (any damages occasioned by such repossession being hereby expressly waived by Lessee), and remove the Property therefrom; Lessee further agrees on demand, to assemble any or all of the Property and make it available to Lessor at a place to be designated by Lessor, all at Lessee's expense;

(k) in its sole discretion, sell, re-lease or otherwise dispose of any or all of the Property securing such Lease, whether or not in Lessee's possession, in a commercially reasonable manner at public or private sale with notice to Lessee (the notice agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale), and apply the net proceeds of any such disposition, after deducting all costs incurred by Lessor in connection with such default to the obligations of Lessee hereunder and under such Schedule, or proposed to relate any or all of the Property in full or partial satisfaction, as the case may be, with Lessee remaining liable for any deficiency. The sale, re-lease, or other disposition may, at Lessor's sole option, be conducted at Lessee's premises. Lessee may at its sole discretion recover from Lessee liquidated damages for the loss of a bargain and not as a penalty an amount equal to the Lessor's Damages;

(l) if Lessee breaches any of its obligations under Section 7(f) of this Master Lease Agreement with regard to Software, Lessee shall be liable to Lessor for additional damages in an amount equal to the original price paid by Lessee for the Software, and in addition, at Lessor's option, Lessor shall be entitled to injunctive relief;

(m) exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law;

(n) a cancellation hereunder shall occur only upon notice by Lessee and only as to such items of Property as Lessor specifically elects to cancel and this Lease shall continue in full force and effect as to the remaining items, if any;

(o) (i) by notice to Lessee, declare any license agreement with respect to Software terminated, in which event the right and license of Lessee to use the Software shall immediately terminate, and Lessee shall thereupon cease all use of the Software and return all copies thereof to Lessor or original licensor; (ii) have access to and disable the Software by any means deemed necessary by Lessor, for which purposes Lessee hereby expressly consents to such access and disablement, premises to take no action that would prevent or interfere with Lessor's ability to perform such access and disablement, and waives and releases any and all claims that it may have;



1045

24. GENERAL.

[illegible]

(c) Time is of the essence. Provisions Severable. Time is of the essence with respect to any Lease. The provisions contained in any agreement shall be deemed to be independent and severable. The invalidity or partial invalidity of any one provision or portion of the Lease under the laws of any jurisdiction shall not affect the validity or enforceability of any other provisions of the Lease. The captions and headings set forth herein are for convenience of reference only and shall not define or limit any of the terms hereof.

(c) Notices, Notices or demands required to be given herein shall be in writing and addressed to the other party at the address herein or such other address provided by written notice hereunder and shall be effective (i) upon the next business day if sent by guaranteed overnight express service (such as Federal Express), (ii) on the same day if personally delivered, or (iii) three days after mailing if sent by certified or registered U.S. mail, notices mailed.

[illegible]

(c) **Bidding After Survivability.** The provisions of each Lease shall have to the benefit of and shall bind Lessor and Lessee and their respective permitted successors and assigns. All representations, warranties, covenants and indemnities of Lessor made or agreed to in the Lease or in any certificates delivered in connection therewith shall survive the expiration, termination or cancellation of the Lease for any reason.

(f) Acceptance Certificate. If Lessor fails to sign and deliver an Acceptance Certificate, then except as otherwise provided in Section (4)(n) hereof, the Acceptance Date shall be a date determined by Lessor which shall be no sooner than the date Lessor receives substantially all of the Property.

(g) Financial Statements. Lessee shall provide to Lessor a copy of its annual audited financial statements within ninety (90) days after its fiscal year end, and a copy of its quarterly unaudited financial statements within forty-five (45) days after the end of each fiscal quarter.

(h) **Security Interest.** The parties acknowledge and agree that this is a "lease" and title to the leased Property for Lessee's interest in the Property (if the Property is Software) is vested in the Lessor. In the event a court of competent jurisdiction or other governing authority shall determine that the Lessee is not a "true lessee" but that the Lessee is intended as security or that Lessor (or its assignee) does not hold legal title to or is not the owner of the Property, the following shall apply:

(f) Effective the execution date of the Lease, Lessor, as debtor, grants a security interest to Lessor, as secured party, in the Property (or Lessor's interest in the Property if the Property is Software), including but not limited to equipment and other personal property, general intangibles, and if included as Property, Software and Lessor's license rights and other rights to use the Software (whether the Software is embodied or otherwise), and accessories thereto, and any Software warranties and manuals, License, renewals, attachments, replacements, parts, substitutions, upgrades, modifications, customizations, additions, refunds, related, contingencies, and all rights and services related therein, and proceeds of any of the foregoing, to secure all duties and obligations of Lessee under any Lease or other agreement with Lessor. The Lease shall be deemed to be a security agreement with Lessor having granted to Lessor a security interest in the Property, and the Property shall ensure all duties and obligations of Lessee under any Lease or other agreement with Lessor. With regard to any security interests created hereunder in any of the Property, Lessor certifies that it agrees that Lessor shall have all of the rights, privileges and remedies of a secured party under the Utah Uniform Commercial Code.

(2) Lessor authorizes Lessor to file financing statements and new records describing the Property and to take any and all action necessary to perfect Lessor's interest in the Property. Lessor agrees to execute any further documents, and to make any further actions, reasonably requested by Lessor to evidence or perfect the security interest granted under this subpart of the Lease, to maintain the first priority of the security interests, or to effectuate the rights granted to Lessor under this subpart of the Lease. Lessor shall not file any corrective or termination statement with respect to any UCC financing statements recorded by or for the benefit of Lessor with respect to the Property without Lessor's prior written consent.

(f) **Change in Lessee's Name, Address and Jurisdiction.** Lessee shall not change its name, chief executive office address, or jurisdiction of organization from that set forth above, unless it shall have given Lessor or its assignee no less than thirty (30) days prior written notice.

(7) Covenant of Quiet Possession. Lessor agrees that so long as no event of Default has occurred and is continuing, Lessee shall be entitled to quietly possess the Property subject to and in accordance with the terms and conditions of this Master Lease Agreement.

(k) **Lessor's Right to Foreclose for Lessee.** If Lessee fails to perform or comply with any of its agreements contained herein, Lessor may perform or comply with such agreements and the amount of any payments and expenses of Lessor incurred in connection with such performance or compliance (including attorney fees), together with interest thereon at the Lessor of the rate of eighteen percent (18%) per annum, or the highest rate permitted by law shall be deemed additional rent payable by Lessee upon demand.

g) Further Assurance: Financing Statements. Lessor will cooperate with Lessee in protecting Lessee's interests in the Property, the Lease and the Instruments due under the Lease, including, without limitation, the execution for the authentication, and delivery of Uniform Commercial Code statements, records and filings, amendments and copyright registration documents with respect to proprietary Software (if applicable), and other documents requested by Lessee. Lessor will promptly execute, or otherwise authenticate, and deliver to Lessee such further documents, instruments, assurances and other records, and file such further action as Lessee may reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessee under this Lease. Lessee hereby authorizes Lessee to file UCC-1 financing statements, future filings, real property notices, and all other filings and recordings, as may be deemed necessary by Lessee. Lessor hereby authorizes and/or ratifies the filing of any UCC-1 financing statements by Lessee before or after the execution of this Lease. Lessee shall pay all costs of filing any financing amendment, continuation and termination statements with respect to the Property and Lease, including without limitation, any intangibles tax, documentary stamp tax or other similar taxes or charges relating thereto and all costs of UCC or other lien searches and of obtaining and filing any full or partial third-party releases deemed necessary or advisable by Lessee. Lessee will do whatever may be

In the event the Property is in the possession of a third party, Lessor will join with Lessee in notifying the third party of Lessor's interest in the Property and obtaining an acknowledgment from the third party that the third party is holding the Property for the benefit of Lessor.

[illegible]

(2) Amendment and Modification. This Lease may not be amended or modified except by a written amendment signed by a duly authorized representative of each party, but no such amendment or modification needs further consideration to be binding. Notwithstanding the foregoing, Lessee authorizes Lessor to amend any Schedule to identify more accurately the Property (including, without limitation, supplying serial numbers or other identifying data), and such amendment shall be binding on Lessor and Lessee unless Lessee objects thereto in writing within ten (10) days after receiving notice of the amendment from Lessor.

(e) **Joint and Several Liability.** In the event two or more parties execute this Master Lease Agreement as Lessors, each party shall be jointly and severally

By their signatures below, Lessor and Lessee agree to be bound by all of the provisions in this Hostess Lease Agreement, whether each page of this agreement is initialed or not, and by the definitions listed on Exhibit "A" attached hereto.

**LESSOR:**

MARQUETTE EQUIPMENT FINANCE, LLC

BY:

**TITLE:** Cathy Lawrence  
Vice President

liable for all Lessee representations, warranties, and obligations (including without limitation, payment obligations) under this Master Lease Agreement or under any Schedule or other document executed in connection herewith. Any and all representations, agreements, or actions by said Lessee shall be binding on all other Lessees.

(g) **Unauthorized Distribution of Lease Documents Prohibited.** Lessor agrees that it will not, through any of its actions or omissions, cause any document, or any portion of any document, associated with any Lease to be delivered, disseminated, or otherwise fall into the possession of anyone not employed by Lessee on a full time basis, without the written consent of Lessor. Lessee further acknowledges that any such unauthorized delivery or dissemination could cause Lessor to suffer irreparable economic harm.

(g) **Counterparts, Cloned Pages.** This Lease may be executed in any number of counterparts and by different parties hereto, three or more counterparts, each of which, when taken or otherwise authenticated and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument; provided, however, that to the extent that this Lease and/or the Schedule(s) would constitute chattel papers, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest hereof or therein may be created or perfected through the transfer or possession of this Lease in and of itself without the transfer or possession or control, as applicable, of the original counterpart of such Schedule(s) identified as the document or record (as applicable) marked "Original", and all other counterparts shall be marked "Duplicate Original" or "Counterpart".

## 21. ASSIGNMENT BY LASER

LESSOR MAY NOT ASSIGN ANY LEASE OR ANY OF ITS RIGHTS HEREUNDER OR SUBLEASE THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. NO PERMITTED ASSIGNMENT OR SUBLEASE SHALL RELIEVE LESSEE OF ANY OF ITS OBLIGATIONS HEREUNDER.

Subject to the terms of this Lease, this Lease and each Schedule inure to the benefit of, and are binding upon, the successors and assigns of Lessee, and, without limiting the foregoing, shall bind all persons who become bound as a "new debtor" (as defined in the Uniform Commercial Code) to this Lease and any Schedule.

**LESSEE:**

PHYSICIANS UNITED PLAN, INC.

BY:

**TITLE:**

EXHIBIT "A"

TO MASTER LEASE AGREEMENT NO.M EF0979

DEFINITIONS

"Property"	Goods and other property, Software, Derivative Works and Data (whether embedded therein or otherwise), together with all modifications, customizations, enhancements, attachments, replacements, parts, substitutions, additions, repairs, accessories and accessories, incorporated therein and/or affixed thereto, related warranties, rebates, licenses and reserves, maintenance, freight, installation and servicing costs and all other related costs described in any Schedule created and delivered by Lessor and Lessee in connection with this Master Lease Agreement.
"Schedule"	Any Lease Schedule to be created and delivered by Lessor and Lessee in connection with this Master Lease Agreement, which Schedule describes data applicable to the Schedule.
"Acceptance Certificate"	Any acceptance certificate, permit or form, signed by the Lessee in connection with a Schedule and this Master Lease Agreement.
"Master Progress Funding Agreement"	An agreement under which (i) Lessee accepts items of Property by signing an Authorization, (ii) Lessor agrees to purchase and issue of Property, and (iii) Lessor agrees to pay service charges, all prior to the Acceptance Date of the Schedule.
"Lease"	A Schedule, incorporating the terms of this Master Lease Agreement, together with the related Master Progress Funding Agreement, if any, Casualty Loss Schedule, Acceptance Certificate, UCC financing statements and all other supporting documentation related thereto.
"Acceptance Date"	Except as otherwise provided in Section 4(b) of the Master Lease Agreement, Acceptance Date means, as to the Property designated on any Schedule, the date Lessee accepts the Property as set forth in any Acceptance Certificate signed by the Lessee which is acceptable to Lessor.
"Commencement Date"	As to the Property designated on any Schedule, where the Acceptance Date for such Schedule falls on the first day of a calendar quarter, that date, and, in any other case, the first day of the calendar quarter following the calendar quarter in which such Acceptance Date falls.
"Software"	Software means any computer program, whether or not embedded in goods, including storage and/or memory systems where the software is kept unless specified otherwise in a Schedule, and any supporting information provided in connection with this Master Lease Agreement and/or any Schedule relating to the program, including all documentation, later versions, updates, upgrades and modifications.
"Derivative Works"	A work, based upon the physical modification of the Software source code, which uses, modifies, revises or changes the Software program in any way to create a new or customized program or translates the Software program into another computer language.
"Data"	A representation of facts, concepts, or instructions in a formalized manner suitable for communication, interpretation, or processing, including representations such as characters or analog quantities to which meaning is or might be assigned.
"Licensor"	Licensor entered into with the owner/vendor/licensor of the Software.
"Recertification"	The process of obtaining maintenance certificate or qualification letters which are necessary for the manufacturer to accept the Property under normal maintenance at its then standard rates.
"Lessor's Assignee"	An entity to which Lessor has assigned or transferred its rights and interests in the Lease or Property, either partially, outright or as security for any loan to Lessor.
"Underwriting"	Lessor's assignment or transfer of its rights and interests in the Lease and Property to Lessor's Assignee.
"Casualty Loss Schedule"	Schedule of Casualty Loss Values relating to a specific Schedule under this Master Lease Agreement.
"Software Vendor"	The person (whether an entity or individual) who creates and/or distributes Software to the Lessee.
"Lessor's Damages"	Casualty Loss Value together with costs, expenses, attorney's fees, interest, and any determinable indemnity owed by Lessee to Lessor.

## ASSETS

	Current Statement Date			Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	78,715		78,715	78,715
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....14,968,185), cash equivalents (\$.....1,506,973) and short-term investments (\$.....15,462,358).....	33,937,534		33,937,534	35,197,233
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	34,018,249	0	34,018,249	35,275,948
13. Title plans less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	14,764		14,764	4,913
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	101,375		101,375	440,884
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....	27,497,899		27,497,899	14,808,759
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	(63,988)
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	1,479,937		1,479,937	1,479,937
18.1 Current federal and foreign income tax recoverable and interest thereon.....	403,732		403,732	403,732
18.2 Net deferred tax asset.....	5,386,457	4,331,225	1,055,232	1,055,232
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	728,298	587,189	331,099	319,787
21. Furniture and equipment, including health care delivery assets (\$.....0).....	197,686	197,686	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....45,805,875) and other amounts receivable.....	48,185,463	380,788	45,805,675	43,188,789
25. Aggregate write-ins for other than invested assets.....	1,827,584	1,818,328	9,256	57,090
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	117,850,204	7,125,206	110,724,998	97,070,843
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	117,850,204	7,125,206	110,724,998	97,070,843

## DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	1,222,166	1,222,166	0	
2502. Security Deposits.....	585,182	585,182	0	
2503. Misc AR.....	9,236		9,236	57,090
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,827,584	1,818,328	9,256	57,090



Statement as of March 31, 2014 of the

## PHYSICIANS UNITED PLAN, INC.

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	82,421,662		82,421,662	72,459,427
2. Accrued medical incentive pool and bonus amounts.....	4,221,532		4,221,532	4,944,580
3. Unpaid claims adjustment expenses.....	722,897		722,897	239,401
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	2,475,350		2,475,350	2,524,514
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	6,343,477		6,343,477	5,147,004
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Reimbursements and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	96,184,908	0	96,184,908	85,314,826
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	874,000	0
26. Common capital stock.....	XXX	XXX	16	16
27. Preferred capital stock.....	XXX	XXX	74,570	74,670
28. Gross paid in and contributed surplus.....	XXX	XXX	8,775,671	8,775,671
29. Surplus notes.....	XXX	XXX	18,050,060	18,050,060
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(14,254,267)	(16,135,440)
32. Less treasury stock, at cost:				
32.1 .....0,000 shares common (value included in Line 28 \$.....0).....	XXX	XXX		
32.2 .....0,000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	14,540,080	11,764,617
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	116,724,988	97,079,843

## DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501. Special Surplus for 2014 ACA Fee.....	XXX	XXX	874,000	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	874,000	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX	149,890	101,222	433,086
2. Net premium income (including \$.....0 non-health premium income).....	XXX	122,233,260	80,858,925	374,878,411
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX			
5. Risk revenue.....	XXX			
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	122,233,260	80,858,925	374,878,411
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		40,438,743	28,155,229	130,288,219
10. Other professional services.....		5,110,873	2,167,055	10,022,171
11. Outside referrals.....		2,988,333	3,095,390	12,882,085
12. Emergency room and out-of-area.....		20,640,155	21,687,388	85,496,614
13. Prescription drugs.....		18,540,428	12,341,454	53,181,832
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		4,234,046	6,435,468	4,944,364
16. Subtotal (Lines 9 to 15).....	0	100,062,375	73,862,963	305,815,285
<b>Less:</b>				
17. Net reinsurance recoveries.....		(177,004)	188,439	1,088,579
18. Total hospital and medical (Lines 16 minus 17).....	0	100,239,380	73,674,524	305,746,716
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....4,506,521 cost containment expenses.....		5,832,684	2,961,492	12,540,340
21. General administrative expenses.....		14,317,501	8,984,407	51,691,006
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	0	121,499,575	85,520,423	370,178,871
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	743,885	5,238,502	4,789,540
25. Net investment income earned.....		43,015	50,315	140,374
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....				
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	43,015	50,315	140,374
28. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0) (amount charged off \$.....0).....				
29. Aggregate write-ins for other income or expenses.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 29).....	XXX	786,700	5,288,817	4,939,914
31. Federal and foreign income taxes incurred.....	XXX			62,355
32. Net income (loss) (Lines 30 minus 31).....	XXX	786,700	5,288,817	4,877,559

## DETAILS OF WRITE-INS

0601.....	XXX			
0602.....	XXX			
0603.....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0	0
0701.....	XXX			
0702.....	XXX			
0703.....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401.....				
1402.....				
1403.....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901.....				
2902.....				
2903.....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0	0	0

Statement as of March 31, 2014 of the

**PHYSICIANS UNITED PLAN, INC.**

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>			
	<b>1</b> Current Year In Date	<b>2</b> Prior Year To Date	<b>3</b> Prior Year Ended December 31
35. Capital and surplus prior reporting year.....	11,764,917	7,833,609	7,833,609
36. Net income or (loss) from Line 32.....	786,700	5,286,917	4,877,656
37. Change in valuation basis of aggregate policy and claim reserves.....			
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
39. Change in net unrealized foreign exchange capital gain or (loss).....			
40. Change in net deferred income tax.....			(1,281,875)
41. Change in nonadmitted assets.....	1,088,473	(710,525)	530,788
42. Change in unauthorized and certified reinsurance.....			
43. Change in treasury stock.....			
44. Change in surplus notes.....			
45. Cumulative effect of changes in accounting principles.....			
46. Capital changes:			
46.1 Paid in.....			4,857
46.2 Transferred from surplus (Stock Dividend).....			
46.3 Transferred to surplus.....			
47. Surplus adjustments:			
47.1 Paid in.....			
47.2 Transferred to capital (Stock Dividend).....			
47.3 Transferred from capital.....			
48. Dividends to stockholders.....			
49. Aggregate write-ins (or gains or (losses)) in surplus.....	0	0	0
50. Net change in capital and surplus (Lines 34 to 47).....	2,776,173	4,576,292	4,131,308
51. Capital and surplus end of reporting period (Line 33 plus 48).....	14,540,090	12,211,901	11,764,917

**DETAILS OF WRITE-INS**

4701. Correction of Prior Year Non-admitted asset.....			
4702.....			
4703.....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0



## CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance	109,864,638	82,893,263	367,892,625
2. Net investment income	33,163	54,198	148,413
3. Miscellaneous income			
4. Total (Lines 1 through 3)	110,017,799	83,047,462	367,960,638
5. Benefit and loss related payments	82,344,624	72,847,849	284,645,627
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	19,570,226	14,591,405	85,031,979
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		160,033	589,986
10. Total (Lines 5 through 9)	111,914,750	87,339,254	380,267,904
11. Net cash from operations (Line 4 minus Line 10)	(1,896,951)	(4,291,792)	7,693,034
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			758,314
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	758,314
13. Cost of investments acquired (long-term only):			
13.1 Bonds		973	79,986
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	973	79,986
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	(973)	678,328
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			4,857
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	637,252	(675,656)	479,722
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	637,252	(675,656)	484,579
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(1,259,699)	(4,968,621)	8,843,941
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	35,197,233	26,353,292	28,363,292
19.2 End of period (Line 18 plus Line 19.1)	33,937,534	21,384,671	35,197,233
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001			

Statement as of March 31, 2014 of the PHYSICIANS UNITED PLAN, INC.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	2 Comprehensive (Hospital & Medical)	3 Group	4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVII Medicare	9 Title XIX Medicaid	10 Other
Total Members at End of:										
1. Prior Year	38,884							38,884		
2. First Quarter	48,916							48,916		
3. Second Quarter										
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	148,890							148,890		
Total Member Ambulatory Encounters for Period:										
7. Physician	174,841							174,841		
8. Non-Physician	47,865							47,865		
9. Total	222,706	0	0	0	0	0	0	222,706	0	0
10. Hospital Patient Days Incurred	18,408							18,408		
11. Number of Inpatient Admissions	3,914							3,914		
12. Health Premiums Written (a)	122,233,260							122,233,260		
13. Life Premiums Incurred	0							0		
14. Property/Casualty Premiums Written	0							0		
15. Health Premiums Earned	122,233,260							122,233,260		
16. Property/Casualty Premiums Earned	0							0		
17. Amount Paid for Provision of Health Care Services	60,100,151							60,100,151		
18. Amount Incurred for Provision of Health Care Services	100,092,376							100,092,376		

(a) For health premiums written: Amount of Medicare Title XVII exempt from state taxes or fees \$... 122,233,260.



VIA FEDERAL EXPRESS and EMAIL

April 22, 2014

Mr. Aaron Henry  
Physicians United Plan, Inc.  
9102 South Park Center Loop, Suite 200  
Orlando, Florida 32819

Re: *Physicians United Plan, Inc. ("Lessee" or "PUP"), Pacific Western Equipment Finance, a division of Pacific Western Bank ("Lessor" or "PWEF"), First National Bank of St. Louis as assignee of Lease Schedule No. 02B, 003, 04B, 04D, 007, and 008 of the following Lease ("FNBSL"), and MB Financial Bank, N.A. as assignee of Lease Schedule No. 009 of the following Lease ("MB Financial").*

*Lease Schedule No. 001, 02B, 003, 04B, 04D, 005, 06A, 06B, 007, 008, and 009 (collectively, the "Schedule" or "Schedules"), which Schedules incorporate by reference the terms and conditions of Master Lease Agreement No. MEF0979, dated September 26, 2011, including any and all amendments thereto (collectively, the "Master Lease"). The Schedules and the Master Lease are referred to herein collectively as the "Lease".*

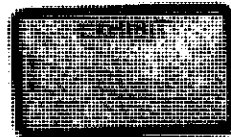
*All capitalized terms used herein but not defined herein shall have the same meanings ascribed to them in the Lease*

Dear Mr. Henry:

We are in receipt of your email dated April 18, 2014. In your email you request a final accounting of the Lease.

1) The Casualty Loss Value amounts (as per the Casualty Loss Schedules for each of the numbered schedules) as of April 16, 2014 are:

a. Lease Schedule No. 001	\$221,087 (after 31 payments)
b. Lease Schedule No. 02B	\$1,065,543 (after 27 payments)
c. Lease Schedule No. 003	\$262,014 (after 17 payments)
d. Lease Schedule No. 04B	\$547,521 (after 17 payments)
e. Lease Schedule No. 04D	\$770,392 (after 11 payments)
f. Lease Schedule No. 005	\$1,541,491 (after 11 payments)
g. Lease Schedule No. 06A	\$733,830 (after 11 payments)
h. Lease Schedule No. 06B	\$2,248,668 (after 4 payments)
i. Lease Schedule No. 007	\$6,534,147 (after 7 payments)



j. Lease Schedule No. 008	\$4,997,330 (after 4 payments)
k. Lease Schedule No. 009	\$9,994,660 (after 4 payments)

TOTAL: \$28,916,683.00

2) The Total Amount Collected from the collateral was:

- a. PWEF collected \$5,064,496.97 from Wells Fargo Collateral Account Numbers 1157813914, 2640474462 and 5082578252.
- b. FNBSL collected \$14,778,201.99 from Deposit Account Number 002212034.
- c. MB Financial collected \$10,000,000.00 from Securities Account Number 8000582216.

TOTAL: \$29,842,698.96

3) Applicable taxes are zero.

4) MB Financial's attorneys' fees are \$2,780.00.

Applying the Total Amount Collected from the collateral against the total amount owed under the Lease's eleven Casualty Loss Schedules plus attorneys' fees, leaves a positive balance of Nine Hundred Twenty-Six Thousand, Fifteen Dollars and 96/100 (\$923,235.96). This balance will be refunded to PUP via wire by PWEF in the amount of \$319,420.97, via wire by FNBSL in the amount of \$601,254.99, and via wire by MB Financial in the amount of \$2,560.00.

Should you have any questions, please feel free to contact Michelle Larsen at (801) 566-9201.

Sincerely,

  
James L. Christensen  
President



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER

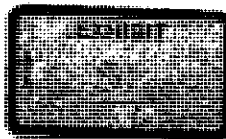
CONSENT TO ORDER OF REHABILITATION OR LIQUIDATION

IT IS HEREBY agreed as follows:

1. PHYSICIANS UNITED PLAN, INC., (hereinafter referred to as "RESPONDENT"), is a Florida corporation authorized to transact business as a health maintenance organization in the State of Florida.

2. Through the Resolution of the Directors of RESPONDENT, attached hereto as Exhibit "A," RESPONDENT admits that unless a capital infusion of thirty million U.S. Dollars (\$30,000,000) is contributed to the surplus by 12:00 pm Tuesday, June 3, 2014, grounds exist for the appointment of the Department of Financial Services, Division of Rehabilitation and Liquidation (herein after referred to as the "DEPARTMENT"), as Receiver of RESPONDENT for the purpose of Rehabilitation or Liquidation pursuant to Sections 631.051(1) and 631.061(1), Florida Statutes.

3. Upon the non-occurrence of the capitalization requirement in paragraph two (2) above and pursuant to Section 631.051(1) and 631.061(1), Florida Statutes, RESPONDENT consents to the entry of an Order, on Tuesday, June 3, 2014, appointing the DEPARTMENT as Receiver and acknowledges that the DEPARTMENT may apply to the Court for an Order of Rehabilitation or Liquidation, at the sole discretion of the DEPARTMENT. RESPONDENT further agrees that the DEPARTMENT shall have the sole discretion to determine whether



RESPONDENT shall be placed into rehabilitation or liquidation. In the event that the DEPARTMENT initially obtains an Order appointing it as Receiver of RESPONDENT for purposes of Rehabilitation, the RESPONDENT further consents to the DEPARTMENT obtaining a subsequent Order appointing the DEPARTMENT as Receiver for the purposes of Liquidation, should the DEPARTMENT, at any time and in its sole discretion, determine that Rehabilitation of Respondent is not feasible.

4. RESPONDENT expressly waives any right to notice, a hearing or further proceedings of any kind and to an appeal in the event that the DEPARTMENT determines that the Rehabilitation of the RESPONDENT is not feasible, and that Liquidation of RESPONDENT is necessary.

5. RESPONDENT acknowledges that it has executed this Consent to Order of Rehabilitation or Liquidation voluntarily and of its own accord, having had the opportunity to consult counsel of its choosing, and has not been threatened or coerced to execute this consent by the Department of Financial Services, Florida Office of Insurance Regulation, or any other individual or entity.

6. The RESPONDENT and its President, Imtiaz Haseeb Sattaur further agree that in the event it is deemed necessary by the DEPARTMENT in its sole discretion, Imtiaz Haseeb Sattaur will voluntarily make a personal appearance, without the necessity of service of a subpoena or any other type of process, in the Circuit Court in and for Leon County, Florida to offer sworn testimony regarding the execution of this Consent to Order of Rehabilitation or Liquidation.

7. This Consent to Order of Rehabilitation or Liquidation, including Exhibit A, are null and void upon RESPONDENT's capital infusion of thirty million U.S. Dollars (\$30,000,000) contributed to RESPONDENT's surplus on or before 12:00 pm on Tuesday, June

3, 2014. The deadlines set forth in this Consent to Order of Rehabilitation or Liquidation may be extended by the OFFICE in and/or the DEPARTMENT in their sole discretion

[Remainder of this Page Intentionally Left Blank]

By execution hereof PHYSICIANS UNITED PLAN, INC. consents to the appointment of DEPARTMENT OF FINANCIAL SERVICES as receiver for purposes of Rehabilitation or Liquidation, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind PHYSICIANS UNITED PLAN, INC. to the terms and conditions above.

Corporate Seal

PHYSICIANS UNITED PLAN, INC.

[Signature]  
Witness  
[Signature]  
Witness

By: [Signature]  
Imtiaz Haseeb Sanaur, President

Date: 4/16/14

By: [Signature]  
Dr. Sandeep Bajaj, Chairman

Date: 4/16/14

STATE OF Florida

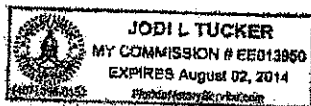
COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014

by Imtiaz Haseeb Sanaur  
(Name of Person)

Officer  
(Type of Authority - e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



[Signature]  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_



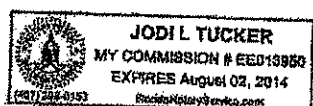
STATE OF Florida

COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014

by Dr. Sandeep Bajaj as Chairman  
(Name of Person) (Type of Authority - e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



Jodi L. Tucker  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

## RESOLUTION OF THE DIRECTORS OF PHYSICIANS UNITED PLAN, INC.


The undersigned, being the Directors of Physicians United Plan, Inc. (the "Company"), hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Directors of the Company:

RESOLVED, that the Board of Directors of the Company consent to the entry of an Order Appointing the Florida Department of Financial Services (the "Department") as Receiver for purposes of Rehabilitation if the Company does not obtain a capital infusion in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, to capitalize the Company. The Board of Directors of the Company acknowledges that upon the non-occurrence of capitalization required in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, the Company is insolvent within the meaning of Section 631.051(1), Florida Statutes. The Board of Directors of the Company further agree that the Department may subsequently submit an Order Appointing the Department as Receiver for Liquidation should the Department determine in its sole discretion that rehabilitation of the Company is no longer feasible.

FURTHER RESOLVED, that the President of the Company is hereby authorized to execute any and all consent agreements or other documents on behalf of Physicians United Plan, Inc. to obtain entry of an Order for Rehabilitation or Liquidation and is authorized to take any and all additional actions deemed necessary or appropriate by the Department to effectuate the foregoing or to comply with such an Order without further approval of the Directors and majority shareholders.

Dated this \_\_\_ day of April, 2014.

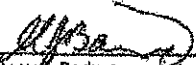
DIRECTORS OF PHYSICIANS UNITED PLAN, INC.

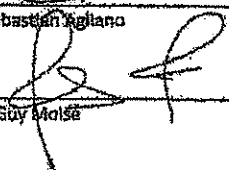
  
Dr. Sandeep Bajaj, Chairman

  
Kevin Patrick Enterlein

  
Dr. Rohini Bajaj

  
Dennis Sebastian Agilano

  
Michael Joseph Barino

  
Rudolph Guy Moise

  
Imtiaz Haseeb Sattaur

EXHIBIT A

## ASSETS

	Current Statement Data			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....			0	78,715
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....2,854,637), cash equivalents (\$.....1,507,097) and short-term investments (\$.....578,751).....	5,041,485		5,041,485	36,197,233
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,041,485	0	5,041,485	36,275,948
13. Title plants less \$.....0 charged off (for Title Insurance only).....			0	
14. Investment income due and accrued.....	10,748		10,748	4,913
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	204,984		204,984	440,884
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbillable premiums).....			0	
15.3 Accrued retrospective premiums.....	31,798,817		31,798,817	14,996,756
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	(63,996)
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	1,479,937		1,479,937	1,479,937
18.1 Current federal and foreign income tax recoverable and interest thereon.....	403,732		403,732	403,732
18.2 Net deferred tax asset.....	5,396,457	4,331,225	1,065,232	1,065,232
19. Guaranty funds receivable or on deposit.....				
20. Electronic data processing equipment and software.....	1,722,811	1,421,341	301,270	319,767
21. Furniture and equipment, including health care delivery assets (\$.....0).....	1,984,169	1,984,169	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....52,150,188) and other amounts receivable.....	78,853,945	26,503,777	52,150,168	43,166,768
25. Aggregate write-ins for other than invested assets.....	1,060,578	1,051,339	9,237	57,680
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	127,767,541	35,301,851	92,465,690	97,079,843
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	127,767,541	35,301,851	92,465,690	97,079,843

## DETAILS OF WRITE-INS

1101. _____			0	
1102. _____			0	
1103. _____			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	957,587	957,587	0	
2502. Security Deposits.....	83,782	83,782	0	
2503. Misc. AR.....	9,237		9,237	57,090
2599. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2599) (Line 25 above).....	1,060,578	1,051,339	9,237	57,090



Statement as of April 30, 2014 of the **PHYSICIANS UNITED PLAN, INC.**

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	93,165,549		93,165,549	72,459,427
2. Accrued medical incentive pool and bonus amounts.....	3,221,507		3,221,507	4,844,580
3. Unpaid claims adjustment expenses.....	799,249		799,249	235,401
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	2,475,350		2,475,350	2,524,514
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	5,738,230		5,738,230	5,147,004
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	
10.2 Not deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	105,399,885	0	105,399,885	85,314,926
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	1,185,000	0
26. Common capital stock.....	XXX	XXX	16	16
27. Preferred capital stock.....	XXX	XXX	74,670	74,670
28. Gross paid in and contributed surplus.....	XXX	XXX	9,775,671	9,775,671
29. Surplus notes.....	XXX	XXX	18,050,000	18,050,000
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(42,000,562)	(16,135,440)
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	(12,934,185)	11,754,917
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	92,465,699	97,070,843

### DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2308. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308) (Line 23 above).....	0	0	0	0
2501. Special Surplus for 2014 ACA Fee.....	XXX	XXX	1,185,000	
2502.				
2503.				

Statement as of April 30, 2014 of the

## PHYSICIANS UNITED PLAN, INC.

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX	189,884	208,788	433,986
2. Net premium income (including \$.....0 non-health premium income).....	XXX	163,012,438	190,858,215	374,878,411
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX			
5. Risk revenue.....	XXX			
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	163,012,438	190,858,215	374,878,411
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		53,842,809	56,197,291	130,238,219
10. Other professional services.....		4,141,739	5,095,081	10,022,171
11. Outside referrals.....		5,323,626	9,898,507	12,882,096
12. Emergency room and out-of-area.....		39,484,711	48,003,975	95,496,614
13. Prescription drugs.....		27,613,746	25,768,954	53,181,832
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		3,234,021	7,031,213	4,944,364
16. Subtotal (Lines 9 to 15).....	0	133,620,450	156,795,721	306,815,296
<b>Losses:</b>				
17. Net reinsurance recoveries.....		(177,004)	387,028	1,068,579
18. Total hospital and medical (Lines 16 minus 17).....	0	133,797,454	169,406,893	306,746,716
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....5,889,177 cost containment expenses.....		9,059,730	5,195,312	12,540,345
21. General administrative expenses.....		16,713,549	14,794,989	51,691,806
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	0	191,570,733	184,388,894	370,178,871
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	1,441,703	8,261,221	4,769,540
25. Net investment income earned.....		47,357	98,350	140,374
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....				
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	47,357	98,350	140,374
28. Net gain or (loss) from equities or premium balances charged off (amount recovered \$.....0) (amount charged off \$.....0).....				
29. Aggregate write-ins for other income or expenses.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 29).....	XXX	1,489,060	8,357,571	4,939,914
31. Federal and foreign income taxes incurred.....	XXX		215,000	62,356
32. Net income (loss) (Lines 30 minus 31).....	XXX	1,488,060	8,142,571	4,877,558

## DETAILS OF WRITE-INS

0601.....	XXX			
0602.....	XXX			
0603.....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0	0
0701.....	XXX			
0702.....	XXX			
0703.....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401.....				
1402.....				
1403.....				

Statement as of April 30, 2014 of the

**PHYSICIANS UNITED PLAN, INC.**

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	11,764,917	7,838,609	7,838,609
34. Net income or (loss) from Line 32.....	1,489,090	5,142,571	4,877,558
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			(1,281,876)
39. Change in nonadmitted assets.....	(26,188,172)	(127,774)	530,768
40. Change in unauthorized and certified reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			4,857
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(24,699,112)	5,014,797	4,131,308
49. Capital and surplus end of reporting period (Line 33 plus 48).....	(12,934,195)	13,648,406	11,764,917

**DETAILS OF WRITE-INS**

4701. Correction of Prior Year Non-admitted asset.....			
4702.....			
4703.....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0

Statement as of April 30, 2014 of the

**PHYSICIANS UNITED PLAN, INC.**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance	146,369,909	169,651,235	367,802,828
2. Net investment income	41,522	101,345	148,413
3. Miscellaneous income			
4. Total (Lines 1 through 3)	146,400,527	169,752,604	367,950,938
5. Benefit and loss related payments	148,826,208	160,038,656	294,645,927
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	26,822,295	28,684,410	55,031,979
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		375,000	589,956
10. Total (Lines 5 through 9)	175,248,413	189,278,966	360,267,864
11. Net cash from operations (Line 4 minus Line 10)	(28,847,886)	(19,526,362)	7,683,034
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	75,714	60,000	755,314
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	75,714	60,000	755,314
13. Cost of investments acquired (long-term only):			
13.1 Bonds		1,985	79,986
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	1,985	79,986
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	75,714	48,015	675,328
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			4,857
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(1,386,578)	125,400	479,722
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(1,386,578)	125,400	484,579
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(30,155,748)	(19,352,947)	8,643,841
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	35,197,233	26,353,282	26,353,282
19.2 End of period (Line 18 plus Line 19.1)	5,041,485	7,000,345	35,197,233

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.6001

Statement as of April 30, 2014 of the PHYSICIANS UNITED PLAN, INC.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	2 Comprehensive Hospital & Medical		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVII Medicare	9 Title XIX Medicaid	10 Other
		Individual	Group							
Total Members at End of:										
1. Prior Year	38,884							38,884		
2. First Quarter	48,976							48,976		
3. Second Quarter	49,080							49,080		
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	498,884							498,884		
Total Member Ambulatory Encounters for Period:										
7. Physician	242,100							242,100		
8. Non-Physician	65,300							65,300		
9. Total	308,400	0	0	0	0	0	0	308,400	0	0
10. Hospital Payers Days Incurred	22,000							22,000		
11. Number of Inpatient Admissions	3,967							3,967		
12. Health Premiums Written (A)	183,012,438							183,012,438		
13. Life Premiums Written	0							0		
14. Property/Casualty Premiums Written	0							0		
15. Health Premiums Earned	183,012,438							183,012,438		
16. Property/Casualty Premiums Earned	0							0		
17. Amount Paid for Provision of Health Care Services	112,914,328							112,914,328		
18. Amount Incurred for Provision of Health Care Services	133,820,451							133,820,451		

(A) For health premiums written: Amount of Medicare Title XVII exempt from state taxes or less \$... 183,012,438





OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER

CONSENT TO ORDER OF REHABILITATION OR LIQUIDATION

IT IS HEREBY agreed as follows:

1. PHYSICIANS UNITED PLAN, INC., (hereinafter referred to as "RESPONDENT"), is a Florida corporation authorized to transact business as a health maintenance organization in the State of Florida.

2. Through the Resolution of the Directors of RESPONDENT, attached hereto as Exhibit "A," RESPONDENT admits that unless a capital infusion of thirty million U.S. Dollars (\$30,000,000) is contributed to the surplus by 12:00 pm Tuesday, June 3, 2014, grounds exist for the appointment of the Department of Financial Services, Division of Rehabilitation and Liquidation (herein after referred to as the "DEPARTMENT"), as Receiver of RESPONDENT for the purpose of Rehabilitation or Liquidation pursuant to Sections 631.051(1) and 631.061(1), Florida Statutes.

3. Upon the non-occurrence of the capitalization requirement in paragraph two (2) above and pursuant to Section 631.051(1) and 631.061(1), Florida Statutes, RESPONDENT consents to the entry of an Order, on Tuesday, June 3, 2014, appointing the DEPARTMENT as Receiver and acknowledges that the DEPARTMENT may apply to the Court for an Order of Rehabilitation or Liquidation, at the sole discretion of the DEPARTMENT. RESPONDENT further agrees that the DEPARTMENT shall have the sole discretion to determine whether



RESPONDENT shall be placed into rehabilitation or liquidation. In the event that the DEPARTMENT initially obtains an Order appointing it as Receiver of RESPONDENT for purposes of Rehabilitation, the RESPONDENT further consents to the DEPARTMENT obtaining a subsequent Order appointing the DEPARTMENT as Receiver for the purposes of Liquidation, should the DEPARTMENT, at any time and in its sole discretion, determine that Rehabilitation of Respondent is not feasible.

4. RESPONDENT expressly waives any right to notice, a hearing or further proceedings of any kind and to an appeal in the event that the DEPARTMENT determines that the Rehabilitation of the RESPONDENT is not feasible, and that Liquidation of RESPONDENT is necessary.

5. RESPONDENT acknowledges that it has executed this Consent to Order of Rehabilitation or Liquidation voluntarily and of its own accord, having had the opportunity to consult counsel of its choosing, and has not been threatened or coerced to execute this consent by the Department of Financial Services, Florida Office of Insurance Regulation, or any other individual or entity.

6. The RESPONDENT and its President, Imtiaz Haseeb Sattar further agree that in the event it is deemed necessary by the DEPARTMENT in its sole discretion, Imtiaz Haseeb Sattar will voluntarily make a personal appearance, without the necessity of service of a subpoena or any other type of process, in the Circuit Court in and for Leon County, Florida to offer sworn testimony regarding the execution of this Consent to Order of Rehabilitation or Liquidation.

7. This Consent to Order of Rehabilitation or Liquidation, including Exhibit A, are null and void upon RESPONDENT's capital infusion of thirty million U.S. Dollars (\$30,000,000) contributed to RESPONDENT's surplus on or before 12:00 pm on Tuesday, June

3, 2014. The deadlines set forth in this Consent to Order of Rehabilitation or Liquidation may be extended by the OFFICE in and/or the DEPARTMENT in their sole discretion

[Remainder of this Page Intentionally Left Blank]

By execution hereof PHYSICIANS UNITED PLAN, INC. consents to the appointment of DEPARTMENT OF FINANCIAL SERVICES as receiver for purposes of Rehabilitation or Liquidation, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind PHYSICIANS UNITED PLAN, INC. to the terms and conditions above.

Corporate Seal

PHYSICIANS UNITED PLAN, INC.

[Signature]  
Witness  
[Signature]  
Witness

By: [Signature]  
Imtiaz Haseeb Sattar, President

Date: 4/16/14

By: [Signature]  
Dr. Sandeep Bhat, Chairman

Date: 4/16/14

STATE OF Florida

COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014

by Imtiaz Haseeb Sattar  
(Name of Person)

Officer  
(Type of Authority - e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



[Signature]  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

STATE OF Florida

COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014.

by Dr. Suresh Bajaj as  
(Name of Person)

Chairman  
(Type of Authority - e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



Jodi L. Tucker  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ☒ OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

## RESOLUTION OF THE DIRECTORS OF PHYSICIANS UNITED PLAN, INC.


The undersigned, being the Directors of Physicians United Plan, Inc. (the "Company"), hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Directors of the Company:

RESOLVED, that the Board of Directors of the Company consent to the entry of an Order Appointing the Florida Department of Financial Services (the "Department") as Receiver for purposes of Rehabilitation if the Company does not obtain a capital infusion in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, to capitalize the Company. The Board of Directors of the Company acknowledge that upon the non-occurrence of capitalization required in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, the Company is insolvent within the meaning of Section 631.051(1), Florida Statutes. The Board of Directors of the Company further agree that the Department may subsequently submit an Order Appointing the Department as Receiver for Liquidation should the Department determine in its sole discretion that rehabilitation of the Company is no longer feasible.


FURTHER RESOLVED, that the President of the Company is hereby authorized to execute any and all consent agreements or other documents on behalf of Physicians United Plan, Inc. to obtain entry of an Order for Rehabilitation or Liquidation and is authorized to take any and all additional actions deemed necessary or appropriate by the Department to effectuate the foregoing or to comply with such an Order without further approval of the Directors and majority shareholders.

Dated this \_\_\_ day of April, 2014.

DIRECTORS OF PHYSICIANS UNITED PLAN, INC.

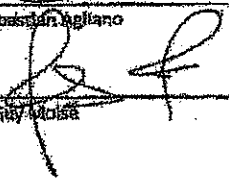
  
Dr. Sandeep Bajaj, Chairman

  
Kevin Patrick Enterlein

  
Dr. Rohini Bajaj

  
Dennis Sebastian Agliano

  
Michael Joseph Barino

  
Rudolph Guy Weiss

  
Imtiaz Haseeb Sattaur

EXHIBIT A



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER

CONSENT TO ORDER OF REHABILITATION OR LIQUIDATION

IT IS HEREBY agreed as follows:

1. PHYSICIANS UNITED PLAN, INC., (hereinafter referred to as "RESPONDENT"), is a Florida corporation authorized to transact business as a health maintenance organization in the State of Florida.
2. Through the Resolution of the Directors of RESPONDENT, attached hereto as Exhibit "A," RESPONDENT admits that unless a capital infusion of thirty million U.S. Dollars (\$30,000,000) is contributed to the surplus by 12:00 pm Tuesday, June 3, 2014, grounds exist for the appointment of the Department of Financial Services, Division of Rehabilitation and Liquidation (herein after referred to as the "DEPARTMENT"), as Receiver of RESPONDENT for the purpose of Rehabilitation or Liquidation pursuant to Sections 631.051(1) and 631.061(1), Florida Statutes.
3. Upon the non-occurrence of the capitalization requirement in paragraph two (2) above and pursuant to Section 631.051(1) and 631.061(1), Florida Statutes, RESPONDENT consents to the entry of an Order, on Tuesday, June 3, 2014, appointing the DEPARTMENT as Receiver and acknowledges that the DEPARTMENT may apply to the Court for an Order of Rehabilitation or Liquidation, at the sole discretion of the DEPARTMENT. RESPONDENT further agrees that the DEPARTMENT shall have the sole discretion to determine whether

RESPONDENT shall be placed into rehabilitation or liquidation. In the event that the DEPARTMENT initially obtains an Order appointing it as Receiver of RESPONDENT for purposes of Rehabilitation, the RESPONDENT further consents to the DEPARTMENT obtaining a subsequent Order appointing the DEPARTMENT as Receiver for the purposes of Liquidation, should the DEPARTMENT, at any time and in its sole discretion, determine that Rehabilitation of Respondent is not feasible.

4. RESPONDENT expressly waives any right to notice, a hearing or further proceedings of any kind and to an appeal in the event that the DEPARTMENT determines that the Rehabilitation of the RESPONDENT is not feasible, and that Liquidation of RESPONDENT is necessary.

5. RESPONDENT acknowledges that it has executed this Consent to Order of Rehabilitation or Liquidation voluntarily and of its own accord, having had the opportunity to consult counsel of its choosing, and has not been threatened or coerced to execute this consent by the Department of Financial Services, Florida Office of Insurance Regulation, or any other individual or entity.

6. The RESPONDENT and its President, Imtiaz Haseeb Sattaur further agree that in the event it is deemed necessary by the DEPARTMENT in its sole discretion, Imtiaz Haseeb Sattaur will voluntarily make a personal appearance, without the necessity of service of a subpoena or any other type of process, in the Circuit Court in and for Leon County, Florida to offer sworn testimony regarding the execution of this Consent to Order of Rehabilitation or Liquidation.

7. This Consent to Order of Rehabilitation or Liquidation, including Exhibit A, are null and void upon RESPONDENT's capital infusion of thirty million U.S. Dollars (\$30,000,000) contributed to RESPONDENT's surplus on or before 12:00 pm on Tuesday, June



3, 2014. The deadlines set forth in this Consent to Order of Rehabilitation or Liquidation may be extended by the OFFICE in and/or the DEPARTMENT in their sole discretion

**[Remainder of this Page Intentionally Left Blank]**

By execution hereof PHYSICIANS UNITED PLAN, INC. consents to the appointment of DEPARTMENT OF FINANCIAL SERVICES as receiver for purposes of Rehabilitation or Liquidation, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind PHYSICIANS UNITED PLAN, INC. to the terms and conditions above.

Corporate Seal

PHYSICIANS UNITED PLAN, INC.

[Signature]  
Witness  
[Signature]  
Witness

By: [Signature]  
Imtiaz Haseeb Sattaur, President

Date: 4/16/14

By: [Signature]  
Dr. Sandeep Bajaj, Chairman

Date: 4/16/14

STATE OF Florida

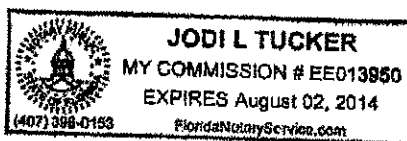
COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014

by Imtiaz Haseeb Sattaur  
(Name of Person)

Officer  
(Type of Authority -- e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



[Signature]  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

STATE OF Florida

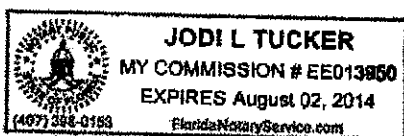
COUNTY OF Orange

The foregoing instrument was acknowledge before me this 16 day of April, 2014

by Dr. Sandeep Bajaj as  
(Name of Person)

Chairman  
(Type of Authority - e.g. officer, trustee, attorney-in-fact)

for PHYSICIANS UNITED PLAN, INC.  
(Company Name)



Jodi L. Tucker  
(Signature of the Notary)

Jodi L. Tucker  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

**RESOLUTION OF THE DIRECTORS OF PHYSICIANS UNITED PLAN, INC.**

The undersigned, being the Directors of Physicians United Plan, Inc. (the "Company"), hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Directors of the Company:

RESOLVED, that the Board of Directors of the Company consent to the entry of an Order Appointing the Florida Department of Financial Services (the "Department") as Receiver for purposes of Rehabilitation if the Company does not obtain a capital infusion in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, to capitalize the Company. The Board of Directors of the Company acknowledge that upon the non-occurrence of capitalization required in the amount of thirty million U.S. Dollars (\$30,000,000) by 12:00 pm June 3, 2014, the Company is insolvent within the meaning of Section 631.051(1), Florida Statutes. The Board of Directors of the Company further agree that the Department may subsequently submit an Order Appointing the Department as Receiver for Liquidation should the Department determine in its sole discretion that rehabilitation of the Company is no longer feasible.

FURTHER RESOLVED, that the President of the Company is hereby authorized to execute any and all consent agreements or other documents on behalf of Physicians United Plan, Inc. to obtain entry of an Order for Rehabilitation or Liquidation and is authorized to take any and all additional actions deemed necessary or appropriate by the Department to effectuate the foregoing or to comply with such an Order without further approval of the Directors and majority shareholders.

Dated this \_\_\_\_ day of April, 2014.

DIRECTORS OF PHYSICIANS UNITED PLAN, INC.

  
Dr. Sandeep Bajaj, Chairman

  
Kevin Patrick Enterlein

  
Dr. Rohini Bajaj

  
Dennis Sebastian Agliano

  
Michael Joseph Barimo

  
Rudolph Guy Molise

  
Imtiaz Haseeb Sattaur

EXHIBIT A

**IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT,  
IN AND FOR LEON COUNTY, FLORIDA**

State of Florida, ex rel., the  
DEPARTMENT OF FINANCIAL SERVICES of  
The State of Florida,

Relator,

vs.

CASE NO: \_\_\_\_\_

PHYSICIANS UNITED PLAN, INC.,

Respondent,

**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF  
FINANCIAL SERVICES AS RECEIVER FOR PURPOSES OF IMMEDIATE  
REHABILITATION AND AUTOMATIC LIQUIDATION EFFECTIVE JULY 1, 2014,  
INJUNCTION AND NOTICE OF AUTOMATIC STAY**

**THIS CAUSE** was considered on the Petition of the State of Florida, Department of Financial Services (hereinafter the "DEPARMTENT") for entry of an Order of Immediate Rehabilitation and Automatic Liquidation Effective July 1, 2014, of PHYSICIANS UNITED PLAN, INC., (hereinafter the "RESPONDENT"). The Court, having reviewed the pleadings of record, and otherwise being fully informed in the premises finds that:

1. This Court has jurisdiction pursuant to Section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.

2. The RESPONDENT is a Florida corporation authorized to transact business as a health maintenance organization in the State of Florida since July 29, 2005. The RESPONDENT's principal place of address is located at 8427 Southpark Circle, Suite 500, Orlando, Florida 32819.

3. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of

liquidating, rehabilitating, reorganizing, or conserving an insurer.

4. Sections 631.031 and 631.061(1), Florida Statutes, authorize the DEPARTMENT to petition this Court for an order directing it to liquidate a domestic insurer upon the existence of any grounds specified in Section 631.051, Florida Statutes, or if an insurer is or is about to become insolvent. Further, Section 631.025, Florida Statutes, authorizes the DEPARTMENT to initiate delinquency proceedings against any insurer if the statutory grounds are present as to that insurer.

5. Pursuant to Section 631.031(1), Florida Statutes, by letter dated June 3, 2014, Kevin McCarty, Commissioner of the Florida Office of Insurance Regulation (hereinafter the "OFFICE"), advised Florida's Chief Financial Officer, Jeff Atwater that the OFFICE concluded grounds existed for the initiation of delinquency proceedings against the RESPONDENT.

6. On April 16, 2014, the RESPONDENT consented to the appointment of the DEPARTMENT as Receiver for purposes of rehabilitation or liquidation pursuant to Sections 631.051(1), 631.051(11) and 631.061, Florida Statutes, and waived all rights to contest or appeal any further proceedings concerning same.

7. Sections 631.051(11) and 631.061, Florida Statutes, authorize the DEPARTMENT to petition this Court for an Order directing it to rehabilitate or liquidate a domestic insurer upon grounds that the insurer has consented to such an order through the majority of its directors, stockholders, members or subscribers.

8. In addition to the consent pursuant to Section 631.051(11), Florida Statutes, the RESPONDENT is insolvent within the meaning of 631.011(14), Florida Statutes. Accordingly, grounds exist pursuant to Sections 631.051(1), 631.051(3) and 631.061 for entry of an Order appointing the DEPARTMENT as Receiver for purposes of immediate rehabilitation and

providing for an automatic liquidation date of 12:01 a.m. EST on July 1, 2014.

9. Pursuant to Sections 631.051 and 631.061, Florida Statutes, and the RESPONDENT's consent to rehabilitation and liquidation, this Court finds that it is in the best interests of the RESPONDENT, its creditors and its members that the relief requested in the DEPARTMENT's Petition be granted.

**THEREFORE, IT IS ORDERED AND ADJUDGED** as follows:

10. The Department of Financial Services of the State of Florida shall be and is hereby appointed Receiver of the RESPONDENT for purposes of rehabilitation, effective immediately, and to liquidate the RESPONDENT effective 12:01 a.m. on July 1, 2014 without further order of this Court.

11. The Receiver shall be authorized and directed to:

A. Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located belonging to the RESPONDENT pursuant to Sections 631.111 and 631.141, Florida Statutes, including but not limited to: offices maintained by the RESPONDENT, rights of action, books, papers, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, wherever situate and however titled, whether in the possession of the RESPONDENT or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents or affiliates and all real property of the RESPONDENT, wherever situate, whether in the possession of the RESPONDENT or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents or affiliates or other persons.

B. Liquidate the assets of the RESPONDENT effective 12:01 a.m. EST on

July 1, 2014, including but not limited to, funds held by the RESPONDENT's agents, subagents, producing agents, brokers, solicitors, service representatives or others under agency contracts or otherwise which are due and unpaid to the RESPONDENT, including premiums, unearned commissions, agents' balances, agents' reserve funds, and subrogation recoveries.

C. Employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants, and such assistants as it deems necessary, purchase or lease personal or real property as it deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of the RESPONDENT in the possession of the Receiver or coming into its possession.

D. Reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

E. Not defend or accept service of process on legal actions wherein the RESPONDENT, the Receiver, or the insured is a party defendant, commenced either prior to or subsequent to the Order, without authorization of this Court; except, however, in actions where the RESPONDENT is a nominal party, as in certain foreclosure actions, and the action does not affect a claim against or adversely affect the assets of the RESPONDENT, the Receiver may file appropriate pleadings in its discretion.

F. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

G. Collect all debts which are economically feasible to collect which are due and owing to the RESPONDENT.



H. Deposit funds and maintain bank accounts in accordance with Section 631.221, Florida Statutes.

I. Take possession of all of the RESPONDENT's securities and certificates of deposit on deposit with the Chief Financial Officer of Florida or any similar official of any other state, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership.

J. Publish notice specifying the time and place fixed for the filing of claims with the Receiver once each week for three consecutive weeks in the Florida Administrative Weekly published by the Secretary of State, and at least once in the Florida Bar News and to publish notice by similar methods in all states where the RESPONDENT may have transacted business.

K. Negotiate and settle subrogation claims and final judgments without further order of this Court.

L. Sell any salvage recovered property without further order of this Court.

M. Coordinate the operation of the Receivership with any affected guaranty association. The Receiver may in its discretion, contract with the appropriate guaranty association to provide services as are necessary to carry out the purposes of Chapter 631.

N. Give notice of this proceeding to the RESPONDENT's agents pursuant to Section 631.341, Florida Statutes, and to its insureds, if any.

O. For purposes of this Order, the term "affiliate" shall be defined in accordance with Section 631.011(1), Florida Statutes.

P. The Receiver is granted all of the powers of the RESPONDENT's directors, officers, and managers, whose authority is hereby suspended, except as such powers

are re-delegated in writing by the Receiver. The Receiver has full power to direct and manage the affairs of the RESPONDENT, to hire and discharge employees, and to deal with the property and business of the RESPONDENT.

Q. The Receiver is authorized to update its records to incorporate change of address information for an interested individual/entity (eg. agent, claimant, creditor, policyholder, subscriber) if the Receiver determines that there has been a change of address for an interested individual/entity. The Receiver is authorized to use change of address information for future mailings.

R. The Receiver is authorized to transfer unclaimed funds to the unclaimed property unit(s) of the states(s) reflected in the claimants' last address of record in the Receiver's files.

S. Apply to this Court for further instructions in the discharge of its duties as the Receiver deems necessary.

T. The Receiver is authorized to dispose of and destroy obsolete and unneeded records pursuant to Section 631.171(10), Florida Statutes.

**IT IS FURTHER ORDERED AND DIRECTED:**

12. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of RESPONDENT and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of the RESPONDENT's affairs or the affairs of its affiliates shall be required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes, notwithstanding the provisions of the above paragraph. Any person who fails to

cooperate with the Receiver, interferes with the Receiver, or fails to follow the instructions of the Receiver, may, at the Receiver's discretion, be excluded from the RESPONDENT's business premises.

13. Title to all property, real or personal, all contracts, rights of action and all books and records of the RESPONDENT, wherever located, is vested in the Receiver pursuant to Sections 631.111 and 631.141, Florida Statutes.

14. All officers, directors, trustees, administrators, agents and employees and all other persons representing the RESPONDENT or currently employed or utilized by the RESPONDENT in connection with the conduct of its business are discharged forthwith; provided, however, the Receiver may retain such persons in the Receiver's discretion.

15. All attorneys employed by the RESPONDENT as of the date of the Order, within ten (10) days notice of the Order, are required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the RESPONDENT. Said report shall also include an accounting of any funds received from or on behalf of the RESPONDENT. All attorneys employed by the RESPONDENT shall be discharged as of the date of the Order unless their services are retained by the Receiver. All attorneys employed by the RESPONDENT shall be advised that pursuant to Section 631.011(21), Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys employed by the RESPONDENT, pursuant to In Re the Receivership of Syndicate Two, Inc., 538 So.2d 945 (Fla. 1<sup>st</sup> DCA 1989), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of the RESPONDENT shall be required to deliver such litigation files, material, documents or records intact and without purging to the Receiver, on request, notwithstanding any claim of a retaining

lien which, if otherwise valid, shall not be extinguished by the delivery of these documents.

16. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the RESPONDENT shall be required to account for and pay all premiums and commissions unearned due to cancellation of policies by the Order or in the normal course of business owed to the RESPONDENT directly to Receiver within 30 days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they shall not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of the Order. No agent, broker, premium finance company or other person shall use premium monies owed to the RESPONDENT for refund of unearned premium or for any purpose other than payment to the Receiver.

17. Any premium finance company which has entered into a contract to finance a premium for a policy which has been issued by the RESPONDENT shall be required to pay any premium owed to the RESPONDENT directly to the Receiver.

18. Reinsurance premiums due to or payable by the RESPONDENT shall be remitted to, or disbursed by, the Receiver. Reinsurance losses recoverable or payable by the RESPONDENT shall be handled by the Receiver. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

19. Upon request by the Receiver, any company providing telephonic services to the RESPONDENT shall be required to provide a reference of calls from the number presently assigned to the RESPONDENT to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership.

20. Any bank, savings and loan association, or other financial institution which has on

deposit, in its possession, custody or control any funds, accounts and any other assets of the RESPONDENT, shall be required to immediately transfer title, custody and control of all such funds, accounts and other assets to the Receiver. The Receiver shall be authorized to change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution shall be permitted to exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

21. Any entity furnishing telephone, internet, water, electric, sewage, garbage or trash removal services to the RESPONDENT shall be required to maintain such service and transfer any such accounts to the Receiver as of the date of the Order, unless instructed to the contrary by the Receiver.

22. Any information technology service provider or data processing service which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the RESPONDENT is directed to transfer custody and control of such records to the Receiver. The Receiver shall be authorized to compensate any such entity for the actual use of hardware and software and/or other information technology related services, which the Receiver finds to be necessary to this proceeding. Compensation should be based upon the monthly rate provided for in contracts or leases with the RESPONDENT which was in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software

is used by the Receiver. Any past due or pending balances due from the RESPONDENT shall be processed as claims against the estate, and shall not be a basis for withholding the services contemplated in this Paragraph.

23. The United States Postal Service shall be directed to provide any information requested by the Receiver regarding the RESPONDENT and to handle future deliveries of the RESPONDENT's mail as directed by the Receiver.

24. All claims shall be filed with the Receiver on or before 11:59:59 p.m. EST, on the date of one year following the entry of this Order, or be forever barred, and all such claims shall be filed on proof of claim forms prepared by the Receiver.

25. In order to assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Receiver shall not recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

- A. A distribution petition has not been filed with this Court;
- B. The Receiver has been provided with a properly executed and notarized assignment of claim agreement entered into between the parties; and
- C. The Receiver has been provided with a properly executed and notarized Receiver's Assignment of Claim Change Form and required supporting documentation.
- D. The Receiver's Assignment of Claim Change Form shall contain an acknowledgement by the claimant, or someone authorized to act on behalf of the claimant, that:
  - 1) The claimant is aware that financial information regarding claims

distributions and payments published on the Receiver's website or otherwise available can assist the claimant in making an independent and informed decision regarding the sale of the claim;

2) The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;

3) It is the claimant's intent to sell their claim and have the Receiver's records be permanently changed to reflect the new owner; and

4) The claimant understands that that they will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.

26. All executory contracts to which the RESPONDENT was a party shall be cancelled and stand cancelled as of the liquidation date of 12:01 a.m. EST on July 1, 2014, unless specifically adopted by the Receiver within ninety (90) days of the liquidation date or from the date of the Receiver's actual knowledge of the existence of such contract, whichever is later. "Actual knowledge" means the Receiver has in its possession a written contract to which the RESPONDENT is a party, and the Receiver has notified the vendor in writing acknowledging the existence of the contract.

Further, the Receiver shall have the authority to do the following:

1) Pay for services provided by any of the RESPONDENT's vendors, in the ninety (90) day period prior to assuming or rejecting the contract, which are necessary to administer the receivership estate;

2) Once the Receiver determines the RESPONDENT's vendor is necessary in the continued administration of the receivership estate for a period to exceed the

ninety (90) days from the liquidation date, or from the date of Receiver's actual knowledge of such contract, whichever is later, the Receiver may make minimal modifications to the terms of the contract, including, but not limited to, the expiration date of the agreement, the scope of the services to be provide, and/or the compensation to be paid to the RESPONDENT's vendor pursuant to the contract. "Minimal modifications" shall mean any minimum alteration made to the contract in order to adapt to the new circumstances of the receivership estate. In no event will any minimal modification be construed as the Receiver entering into a new contract with the RESPONDENT's vendor.

**Any vendor, including but not limited to, any and all employees / contractors of RESPONDENT, claiming the existence of a contractual relationship with the RESPONDENT shall provide notice to the Receiver of such relationship.** This notice shall include any and all documents and information regarding the terms and conditions of the contract, including a copy of the written contract between the vendor and the RESPONDENT, if any, what services or goods were provided pursuant to the contract, any current, future and/or past due amounts owing under the contract, and any supporting documentation for third party services or goods provided. Failure to provide the required information may result in vendors' contractual rights not being recognized by the Receiver. The rights of the parties to any such contracts are fixed as of the date of the Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

27. All affiliated companies and associations shall make their books and records available to the Receiver (including electronic records), to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to the



RESPONDENT. The Receiver shall have title to all policy files and other records of, and relating to the RESPONDENT, whether such documents are kept in offices occupied by an affiliate company or any other person, corporation, or association. The Receiver shall be authorized to take possession of any such records, files, and documents, and to remove them to any location in the Receiver's discretion. Any disputed records shall not be withheld from the Receiver's review, but shall be safeguarded and presented to this Court for review prior to copying by the Receiver.

28. The Receiver shall have complete access to and administrative control of all information technology resources of the RESPONDENT and its affiliates at all times including, but not limited to, the RESPONDENT's computer hardware, software and peripherals. Each affiliate shall be given reasonable access to such records for the purpose of carrying out its business operations.

29. Any person, firm, corporation or other entity having notice of the Order that fails to abide by its terms is directed to appear before this Court to show good cause, if any they may have, as to why they shall not be held in contempt of Court for violation of the provisions of this Order.

30. Except as noted in the following paragraph, pursuant to the provisions of 631.252, Florida Statutes, all policies of insurance or similar contracts of coverage that have not expired are canceled effective as of the liquidation date at 12:01 a.m. EST on July 1, 2014. Policies or contracts of coverage with normal expiration dates prior to the dates otherwise applicable under this paragraph, or which are terminated by insureds or lawfully cancelled by the Receiver or insurer before such date, shall stand canceled as of the earlier date.

31. The Receiver advises that it is working with the Centers for Medicare & Medicaid

Services (CMS) to address issues surrounding the RESPONDENT's participation in the Medicare program, primarily addressing the orderly movement of RESPONDENT's members to solvent plans within the Medicare program or to traditional Medicare.

32. Pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, the RESPONDENT and its officers, directors, stockholders, members, subscribers, agents and employees, are enjoined and restrained from the further transaction of the insurance business of the RESPONDENT; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records, including but not limited to electronic records, and assets of the RESPONDENT; from in any way interfering with the Receiver or these proceedings; from the transfer of property and assets of the RESPONDENT without the consent of the Receiver; from the removal, concealment, or other disposition of the RESPONDENT's property, books, records, and accounts; from the commencement or prosecution of any actions against the RESPONDENT or the Receiver together with its agents or employees, the service of process and subpoenas, or the obtaining of preferences, judgments, writs of attachment or garnishment or other liens; and, from the making of any levy or execution against the RESPONDENT or any of its property or assets. Notwithstanding the provisions of this paragraph, the Receiver should be permitted to accept and be subpoenaed for non-party production of claims files in its possession, including medical records, which may be contained therein. In such cases, the requesting party must submit an affidavit to the Receiver stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the

Court's ruling must be attached to the affidavit. The Receiver should be authorized to impose a charge for copies of such claim files pursuant to the provisions of Sections 119.07(1)(a), and 624.501, Florida Statutes.

33. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with the RESPONDENT shall fully cooperate with the Receiver in the effort to liquidate the RESPONDENT.

34. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with the RESPONDENT having any interest in the building located at 8427 SouthPark Circle, Suite 500, Orlando, Florida 32819 or any other facility in which the RESPONDENT may operate, inclusive of but not limited to 1372 6<sup>th</sup> St N.W., Winter Haven, Florida 33881; 3101 SW 34<sup>th</sup> Avenue, Suite 801, Ocala, Florida 34474; 4488 Boy Scout Blvd, Suite 400, Tampa, Florida 33607; and 1398 SW 160<sup>th</sup> Avenue, Suite 105, Weston, Florida 33326, shall make available, at that location and at no charge to the Receiver or to the RESPONDENT, office space, and related facilities (telephone service, internet service, copiers, computer equipment and software, office supplies, parking, etc.) to the extent deemed necessary by the Receiver in its sole discretion.

35. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with the RESPONDENT having any interest in the computer equipment and software currently used by or for the RESPONDENT shall make such computer equipment and software available to the Receiver at no charge to the Receiver or the RESPONDENT to the extent deemed necessary by the Receiver in its sole discretion.

#### **CONTINUATION OF INVESTIGATION**

36. The Receiver shall be authorized to conduct an investigation as authorized by

Section 631.391, Florida Statutes, of the RESPONDENT and its affiliates, as defined above, to uncover and make fully available to the Court the true state of the RESPONDENT's financial affairs. In furtherance of this investigation, the RESPONDENT and its affiliates shall be required to make all books, documents, accounts, records, and affairs, which either belong to or pertain to the RESPONDENT, available for full, free and unhindered inspection and examination by the Receiver during normal business hours (8:00 a.m. to 5:00 p.m.), Monday through Friday, from the date of the Order. The RESPONDENT and the above specified entities shall be required to cooperate with the Receiver to the fullest extent required by Section 631.391, Florida Statutes. Such cooperation shall include, but not be limited to, the taking of oral testimony under oath of the RESPONDENT's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractors of the RESPONDENT, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of the RESPONDENT in both their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of the RESPONDENT's affairs.

37. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of the RESPONDENT and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of the affairs of the RESPONDENT or its affiliates shall be required to fully cooperate with the Receiver as required by Section 631.391, Florida Statutes, and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution shall be required to immediately disclose to the Receiver the existence of any accounts of the RESPONDENT and any funds contained therein and any and all

documents in its possession relating to the RESPONDENT for the Receiver's inspection and copying.

38. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of this Order.

39. In the event the Receiver determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the RESPONDENT is appropriate, the Receiver shall prepare a plan to effect such changes and submit the plan to this Court for consideration.

#### **NOTICE OF AUTOMATIC STAY**

40. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the DEPARTMENT's initial petition herein operates as an automatic stay applicable to all persons and entities, other than the Receiver, which shall be permanent and survive the entry of this order, and which prohibits:

A. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

B. The enforcement of judgment against the insurer or an affiliate, provided that such affiliate is owned by or constitutes an asset of the RESPONDENT, obtained either before or after the commencement of the delinquency proceeding;

C. Any act to obtain possession of property of the insurer;

D. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(21), Florida Statutes;

E. Any action to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631; and

F. The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

41. This Court retains jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

**DONE and ORDERED** in Chambers at the Leon County Courthouse in Tallahassee, Florida this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

---

CIRCUIT JUDGE