

## **EXHIBIT A**

## TERM SHEET FOR DEBTOR-IN-POSSESSION FINANCING ("TERM SHEET")

SA Mezz Holdings LLC or its designee (the "Lender") hereby agrees to loan funds to the Borrowers (as defined below) on the following terms and conditions, subject to (1) negotiation and execution of acceptable documentation, in form and substance acceptable to the Lender and (2) approval of the United States Bankruptcy Court for the Western District of Louisiana, in the bankruptcy cases of SA-Lakeland, LLC, a Florida limited liability company; SA-Clewiston, LLC, a Florida limited liability company; SA-St. Petersburg, LLC, a Florida limited liability company; CHC-SPC Operator, Inc., a Florida corporation; and CHC-CLP Operator Holding, LLC, a Florida limited liability company (collectively, the "Borrowers" or "Debtors") *In re New Louisiana Holdings, LLC, et al., Case No. 14-50756 (Jointly Administered)*.

### Borrowers:

SA-Lakeland, LLC, a Florida limited liability company; SA-Clewiston, L LC, a Florida limited liability company; SA-St. Petersburg, LLC, a Florida limited liability company; CHC-SPC Operator, Inc., a Florida corporation; and CHC-CLP Operator Holding, LLC, a Florida limited liability company (collectively, the "Borrowers" or "Debtors") are debtors and debtors-in-possession in cases filed in the United States Bankruptcy Court (the "Bankruptcy Court") for the Western District of Louisiana under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The obligations of the Debtors for the repayment of Advances under the DIP Facility and any and all interest, costs, expenses and any other amounts Borrowers owe Lender under this Term Sheet and the Debtor in Possession Loan and Security Agreement (the "DIP Credit Agreement"), or any related guaranty, security and other agreements, documents, notes and instruments together with all exhibits, schedules, annexes and appendices thereto (collectively, with this Term Sheet and the DIP Credit Agreement, the "DIP Loan Documents"), (collectively, all such amounts, the "DIP Obligations") shall be joint and several. The dates of commencement of the Chapter 11 Cases shall be referred to herein as the "Petition Date".

### Lender:

SA Mezz Holdings LLC or its designee ("Lender") shall become the lender under the DIP Facility. The Lender shall have the unfettered right to assign all or any portion(s) of the DIP Facility or sell participation(s) in the DIP Facility without notice, consent or right of first refusal to any party.

### DIP Facility:

The Lender may, in its sole discretion, advance and make available to the Borrowers DIP term loans in two or more advances (collectively, the "Advances"): (1) upon entry of the Interim Order (defined below), the Interim Borrowing Advances (defined below); and (ii) upon entry

{00343075-11}

of the Final Order (defined below), the Final Borrowing Advances (defined below) (collectively, the "DIP Facility"), as described below.

The interim Advances shall supplement the Debtors' use of cash collateral and solely be used to pay payroll and related expenses, make critical vendor payments, fund working capital requirements and fund deposits to utilities (i) in the aggregate amount not to exceed \$600,000.00, (ii) such additional amount as may be agreed to by the Lender in writing, or (iii) such other sum as is approved by the Bankruptcy Court on an interim basis with the written consent of the Lender (the greater of (i), (ii), and (iii) being the "Interim Borrowing Advances").

The final Advances shall be used (1) to supplement the Debtors' use of cash collateral and solely be used to pay payroll and related expenses, make critical vendor payments, fund working capital requirements and fund deposits to utilities, and (2) to pay in full all obligations due to Pacific Western Bank ("PacWest") on account of (a) any pre-petition loans and other extensions of credit under that certain Revolving Credit and Security Agreement dated as of November 25, 2008 (as amended, restated, supplemented or otherwise modified from time to time) (the "PacWest Agreement") between the Borrowers and PacWest, successor by merger to CapitalSource Bank (the "PacWest Loan") (i) in the aggregate amount not to exceed \$2,400,000.00, (ii) such additional amount as may be agreed to by the Lender in writing, or (iii) such other sum as is approved by the Bankruptcy Court with the written consent of the Lender on a final basis (the greater of (i), (ii), and (iii) being the "Final Borrowing Advances").

The Lender's obligation to fund any of the DIP Facility is conditioned upon and subject to execution of final, definitive DIP Loan Documents (as defined below), including the DIP Credit Agreement (as defined below), each in a form acceptable to the Lender in its sole discretion, and satisfaction of all terms and conditions set forth in the definitive DIP Loan Documents, provided however, Lender may in its discretion advance Interim Borrowing Advances prior to the execution of definitive DIP Loan Documents upon entry of the Interim Order which shall be fully protected and secured by the Interim Order and subject to the provisions of this Term Sheet.

**Bankruptcy Court  
Approval; Deadlines:**

Subject to the terms and satisfaction of the conditions in this Term Sheet, upon entry of an order authorizing approval of the DIP Facility on an expedited basis to the extent necessary to avoid immediate and irreparable harm pending a final hearing (the "Interim Order") by the

{00343075-11}2

Bankruptcy Court under Bankruptcy Code §§ 364(c), (d) and (e) (in form and substance acceptable to the Debtors and Lender) on or before September 8, 2014, the Lender may make Advances up to the total amount of the Interim Borrowing Advances to the Debtors, and upon entry of an order by the Bankruptcy Court authorizing approval on a final basis after a final hearing (the "Final Order," and jointly with the Interim Order, the "DIP Facility Orders") on or before October 10, 2014, the Lender may make Advances up to the total amount of the Final Borrowing Advances to the Debtors.

**Maturity Date:**

The Borrowers shall repay any and all outstanding all DIP Obligations, including Advances, without defense, reduction, setoff, recoupment, counterclaim, subordination or other reduction on the earliest of:

- (i) (a) six (6) months after the entry of the Interim Order which date may be extended by written agreement of the Borrowers and Lender, (b) the occurrence of an Event of Default as described herein, (c) the closing of any sale of any material part of the Collateral under section 363 of the Bankruptcy Code, (d) the Effective Date of a Plan of Reorganization;
- (ii) The exercise of, or filing of any motion to permit the exercise of, any rights or remedies of PacWest under its pre- or post-petition liens or under any order permitting the use of cash collateral of the Debtors;
- (iii) entry of an order reversing in any respect any DIP Facility Order (unless waived in writing by Lender);
- (iv) the conversion of any of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code;
- (v) the appointment of a trustee or an examiner with special powers; and
- (vi) the dismissal of any of the Chapter 11 Cases.

**Use of Proceeds and  
DIP Budget:**

The proceeds of the DIP Facility will be used to supplement the Debtors' use of cash collateral and solely to pay, subject to the provisions below:

- (i) payroll and related expenses, deposits to utilities and payments to critical vendors approved by Lender in

{00343075-11}3

its reasonable discretion and by the Bankruptcy Court;

- (ii) amounts necessary to cure executory contracts assumed with the consent of Lender;
- (iii) payment of the PacWest Loan;
- (iv) the Carve-Out (as defined below);
- (v) principal, cash interest and fees on the DIP Facility;
- (vi) payment of all reasonable costs, attorneys' fees, and expenses owing to the Lender or its professionals in connection with the negotiation, documentation and approval of the Term Sheet, the DIP Loan Documents, all agreements, instruments, documents related thereto and any amendments thereto or to the Collateral, and implementation and enforcement of the DIP Facility, and DIP Facility Orders;
- (vii) working capital reasonably and necessary for operation of the Debtors' business and preservation and enhancement of the Collateral (as defined below) and meeting the Debtors' obligations and responsibilities under Bankruptcy Court orders and contracts; and
- (viii) expenses of the administration of the Chapter 11 Cases (including the payment of professional fees, costs, United States Trustee fees), and similar costs.

All of the foregoing only in accordance with and subject to the approved budget for the then applicable time period (the "DIP Budget"). The initial DIP Budget through October 10, 2014 is attached hereto as Exhibit A. Subsequent DIP Budgets (and amendments to any DIP Budget) must be approved by the Lender and the Debtors and will be filed in the record of the Chapter 11 Cases.

The Borrowers shall be entitled to deviate from the DIP Budget without prior approval of the Lender, notice to other parties secured by the Collateral, any official committee of unsecured creditors (the "Committee"), or order of the Bankruptcy Court, provided that all reasonable and necessary expenditures to maintain the Collateral are made and that expense variances do not exceed 12% as to any existing or newly-included line-item without prior approval of the Lender.

{00343075-11}4

Budgeted amounts for expenditures not made in a particular weekly period may be rolled forward and made in a future period in that particular DIP Budget only, but not any subsequent DIP Budget for a later period. Notwithstanding anything to the contrary contained in any documentation relating to the DIP Facility, in the event that Lender agrees in writing to any deviation(s) from projections contained in the applicable DIP Budget that otherwise could constitute an Event of Default under the DIP Facility, the Lender may not thereafter use such deviation(s) as an Event of Default for purposes of termination of the DIP Facility or exercising any of its rights or remedies thereunder.

No portion of the DIP Facility, the Collateral (as defined below), including any cash collateral, or the Carve-Out shall be used by any party or professional to:

- (i) challenge the validity, perfection, priority, extent or enforceability of the DIP Facility, or the liens on or security interests in the assets of the Borrowers securing the DIP Facility;
- (ii) pursue through motion, complaint, or otherwise any other claims against the Lender in connection with or related to the DIP Facility or DIP Facility Orders, including any appeal of the DIP Facility Orders; or
- (iii) pursue through motion, complaint or otherwise any litigation against the Lender or its owners, members, managers, officers, directors, employees, agents, attorneys, advisors, representatives, controlling persons, subsidiaries, successors, and assigns.

**Interest:**

Interest on the DIP Facility will be payable in cash at the end of each month in arrears at 4.5% *per annum*.

**Default Rate:**

During the continuance of an Event of Default, the interest rates applicable to all Advances under the DIP Facility will be increased by 2% *per annum*, but such increased rate shall not be considered compensation for or prevent the exercise by Lender of any remedies.

**Collateral:**

- (i) Security Interests in Debtors' Assets
  - (a) Interim Borrowing Advances

To secure the DIP Obligations of the Debtors for the Interim Borrowing Advances, Lender will receive a fully perfected security

{00343075-11}5



interest ("Interim Borrowing Lien") in all prepetition and post-petition assets of all Debtors, whether now owned or hereafter acquired including (i) Accounts; (ii) Documents; (iii) Chattel Paper; (iv) Commercial Tort Claims; (v) Deposit Accounts; (vi) General Intangibles (including Payment Intangibles and Software); (vii) Goods (including Equipment, Inventory and all accessions and attachments thereto); (viii) Instruments; (ix) Investment Property; (x) Letter-of-Credit Rights; (xi) Supporting Obligations; (xii) money, rights to the payment of money, and insurance claims related to Accounts and proceeds; (xiii) any other tangible or intangible property pledged to PacWest under the PacWest Agreement; and (xiv) all proceeds and products of the foregoing (collectively, the "Collateral"), and all rights, claims, and other causes of action of such Debtors' estates (including any actions asserted by any Debtor or any subsequently appointed trustees or representatives of that Debtor's estate under any section of the Bankruptcy Code), and in each case, all proceeds resulting therefrom, except that avoidance actions under sections 544, 545, 547, 548, 550, 551, or 553 of the Bankruptcy Code are excluded.

"Collateral" shall also include any and all rents, issues, products, offspring and profits generated by any item of Collateral, without the necessity of any further action of any kind or nature by Lender in order to claim or perfect such rents, issues, products, offspring and/or profits.

The Interim Borrowing Lien shall (A) pursuant to Section 364(c)(2) of the Bankruptcy Code, be a perfected first priority lien on the Collateral that is not otherwise subject to any lien, subject only to the Carve-Out; (B) pursuant to Section 364(c)(3) of the Bankruptcy Code, be a perfected junior lien on the Collateral presently subject to valid, unavoidable and enforceable pre-petition security interests granted in the Collateral (excluding the prepetition junior liens ("Prepetition Junior Liens") of PrivateBank and Trust Company), subject only to the Carve-Out; and (C) pursuant to Section 364(d)(1) of the Bankruptcy Code, be a perfected senior lien on Collateral presently subject to the Prepetition Junior Liens.

(b) Final Borrowing Advances

Upon entry of the Final Order, the DIP Obligations, including, the Interim Borrowing Advances and the Final Borrowing Advances, shall (A) pursuant to Section 364(c)(2) of the Bankruptcy Code, be secured by a perfected first priority lien on the Collateral that is not otherwise subject to any lien, subject only to the Carve-Out; (B) pursuant to Section 364(c)(3) of the Bankruptcy Code, be secured by a perfected junior lien on the Collateral presently subject to valid, unavoidable

{00343075-11}6

and enforceable pre-petition security interests granted in the Collateral (excluding the Prepetition Junior Liens), subject only to the Carve-Out; and (C) pursuant to Section 364(d)(1) of the Bankruptcy Code, be secured by a perfected senior lien on Collateral presently subject to the Prepetition Junior Liens ("Final Borrowing Lien") in the Collateral, and all rights, claims, and other causes of action of such Debtors' estates (including any actions asserted by any Debtor or any subsequently appointed trustees or representatives of that Debtor's estate under any section of the Bankruptcy Code), and in each case, all proceeds resulting therefrom, excluding avoidance actions under sections 544, 545, 547, 548, 550, 551, or 553 of the Bankruptcy Code.

(c) Liens Automatically Perfected

All the above-described pledges, security interests and mortgages, including the Interim Borrowing Liens and the Final Borrowing Liens, securing the DIP Obligations, including the Advances, shall be deemed created and fully perfected and effective upon entry of any DIP Facility Order, without the need for any additional documentation. If Lender requests, Debtors shall cooperate with Lender to execute and record further documentation on terms, and pursuant to documentation, satisfactory to the Lender, and, subject to customary and limited exceptions to be agreed upon.

(ii) Super Priority Administrative Claims

In addition to the Interim Borrowing Liens and Final Borrowing Liens granted pursuant to section 364(c)(2), section 364(c)(3), and section 364(d)(1) of the Bankruptcy Code, the Lender shall also receive and be entitled, pursuant to Section 364(c)(1) of the Bankruptcy Code, to a super-priority administrative expense claim in the amount of all DIP Obligations (the "Superpriority Claim") with priority over all other costs and expenses of the kinds specified in, or ordered pursuant to, sections 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1114 or any other provisions of the Bankruptcy Code, subject only to the Carve-Out (defined below) and, prior to the entry of the Final Order, any superpriority administrative claims in favor of PacWest (to the extent allowed by the Bankruptcy Court) solely as adequate protection for the Debtors' use of cash collateral of PacWest. The Superpriority Claims to be granted to the Lender under this Term Sheet, the DIP Loan Documents and the DIP Facility Orders may not be the basis to avoid or recover any payments made for legitimate obligations of the Debtors pursuant to the then applicable DIP Budget (and the 12% variance) in the ordinary course of business.

{00343075-11}7



The DIP Obligations of the Debtors shall be joint and several. To the extent any Debtor is required to pay an amount disproportionate to funds it obtains through the DIP Facility, it shall be entitled to a super-priority claim against the other Debtors under 11 U.S.C. § 364(c)(1), which claim is junior in all respects to the Superpriority Claim of Lender.

So long as there is no Event of Default (or an event for which notice of default, if required, has been given and which with the lapse of time would constitute an Event of Default) the allowed professional fees and disbursements incurred in the Chapter 11 Cases may be paid, as permitted by and subject to the DIP Budget, subject to entry of an order of the Bankruptcy Court allowing for the interim payment of such amounts, and subject further to final Bankruptcy Court approval of any such professional fees and disbursements;

Upon an Event of Default (or an event for which notice of default has been given and which with the lapse of time would constitute an Event of Default), the Lender's liens on the Collateral and the Lender's administrative claims provided for herein shall be subject to a carve out (the "Carve-Out") in an amount not to exceed (i) fees pursuant to 28 U.S.C. § 1930 and any fees payable to the clerk of the Bankruptcy Court that are due upon the occurrence of an Event of Default; (ii) fees and expenses due to professionals employed by the Borrowers, for services rendered as Debtors and/or Chapter 11 debtors in possession that are due upon the occurrence of an Event of Default in an amount not to exceed \$100,000.00; and (iii) fees and expenses to professionals employed by the Committee for services rendered while the Debtors are Chapter 11 debtors in possession that are due upon the occurrence of an Event of Default in an amount not to exceed \$25,000.00.

Fees and expenses within the DIP Budget and allowed and paid to professionals on an interim or final basis and other payments made pursuant to the then applicable Approved DIP Budget (as defined below) shall not be subject to disgorgement for the benefit of the Lender. Notwithstanding the foregoing, no portion of the Carve-Out, and no portion of any amounts approved for payment prior to an Event of Default, are to be utilized for the payment of professional fees, disbursements, costs or expenses of any party, under 11 U.S.C. §§ 326-331, 503(b)(3) or otherwise, in connection with:

- (i) the investigation or assertion of any claims or causes of action against the Lender with respect to the DIP Facility, or the DIP Obligations, or

{00343075-11}8

- (ii) any litigation against Lender or its owners, members, managers, officers, directors, employees, agents, attorneys, advisors, representatives, controlling persons, subsidiaries, successors, and assigns in connection with any other claim or cause of action;

In partial consideration of the Carve-Out, Debtors on behalf of themselves and their bankruptcy estates waive (1) any right or claim to surcharge the Lender, the DIP Facility or Collateral pursuant to 11 U.S.C. § 506(c) or otherwise and (2) the “equities of the case” exception in Section 552(b) of the Bankruptcy Code.

**Application of  
Proceeds from Asset  
Sales; Prepayments:**

The net cash proceeds of any permitted asset sales (other than ordinary course of business sales of goods and services) shall be placed in a segregated account for the benefit of the Lender, to be distributed in accordance with orders of the Bankruptcy Court, following notice and a hearing.

**Closing Date:**

The first date practicable after all Conditions to Closing are satisfied (the “Closing Date”).

**Conditions to Closing  
and Advances:**

The following conditions precedent to the occurrence of the Closing Date and the making of each Advance thereafter shall be satisfied failing which Lender shall have no obligations to make any Advances (unless waived in writing by Lender):

- (i) The Debtors shall have authority for the continued use of cash collateral on such terms acceptable to Lender, in its discretion;
- (ii) Payment of all legal fees and expenses of the Lender’s counsel;
- (iii) The DIP Budget for the applicable time period shall have been reviewed and approved in writing by the Lender;
- (iv) The DIP Facility Orders (including, the Interim Order) shall have been entered by the Bankruptcy Court, after notice given and a hearing conducted in accordance with Rule 4001(c) of the Federal Rules of Bankruptcy Procedure (and any applicable local bankruptcy rules), authorizing and approving the transactions contemplated by the documents evidencing the DIP Facility and finding that the Lender is extending credit to the Debtors in good faith within the meaning of Bankruptcy Code

{00343075-11}9

section 364(e), which DIP Facility Orders shall

- (a) approve the payment by the Debtors of all of the fees, if any, provided for herein,
  - (b) otherwise be in form and substance satisfactory to the Lender, and
  - (c) be in full force and effect and shall not have been stayed, reversed, vacated, subject to appeal, or otherwise modified in a manner materially adverse to the Lender;
- (v) The Debtors shall have executed and delivered all documentation in respect of the DIP Facility, which documentation shall be reasonably satisfactory to the Lender;
  - (vi) As of the date of each Advance, all costs, fees and expenses billed by and owing to the Lender shall have been paid;
  - (vii) The Lender has received confirmation of sufficient insurance coverage for all property of Borrowers, general liability insurance and other forms of insurance in amounts with deductibles reasonably satisfactory to the Lender, providing that the Lender is an additional insured or loss payee;
  - (viii) The Lender has received confirmation satisfactory to Lender in its sole discretion that the total amount of necessary payroll obligations, critical vendor payments, executory contract cures and utility deposits do not exceed the amounts set forth in the DIP Budget;
  - (ix) In connection with the payoff of PacWest under the Final Borrowing Advances, the Lender shall have received confirmation satisfactory in form and substance to the Lender that any and all obligations of the Borrowers to PacWest ("PacWest Obligations") have been paid in full (including any and all pre- and post-petition claims, administrative claims or super-priority claims) and any and all liens securing the PacWest Loans shall have been fully extinguished and released (or, at the option of Lender, may be assigned to Lender and further secure the repayment of

{00343075-11}10

the DIP Obligations);

- (x) Lender, Borrowers and Borrower's depository bank shall have executed an account control agreement;
- (xi) Lender shall be satisfied that there are no material defaults in any of Borrowers' post-petition obligations under any contract required for the operation of its business;
- (xii) At the time of making an advance, no Material Adverse Change (defined below) has occurred or is continuing to occur; and
- (xiii) There shall have been no Event of Default as set forth in this Term Sheet or the DIP Loan Documents.

**Representations and Warranties:**

The Borrowers represent and warrant to Lender that (subject to the entry of the Interim Order and the Final Order, as applicable) they have full corporate power and authority to enter into the Term Sheet and DIP Loan Documents and grant security interests in the Collateral, with any covenants against such borrowing in the loan documentation of any pre-petition lender superseded by any DIP Facility Order, and the DIP Obligations are binding and enforceable upon entry of any DIP Facility Order.

**Affirmative Covenants:**

The Borrowers make the following affirmative covenants, and the documents evidencing the DIP Facility shall contain affirmative covenants usually and customarily contained in DIP credit facilities of the type referenced herein, including customary exceptions and qualifiers. Such affirmative covenants shall include but not be limited to the following:

- (i) delivery of true and accurate copies of financial statements and reports (including, without limitation, projections, forecasts and consolidating and consolidated balance sheets, statements of income, and statement of cash flows);
- (ii) payment of all postpetition taxes and other obligations when due unless being contested in good faith;
- (iii) continuation of business and maintenance of existence and material rights and privileges;
- (iv) compliance with applicable laws, including the Bankruptcy Code, and material contractual obligations

{00343075-11}11

that are not excused by virtue of the Chapter 11 Cases;

- (v) maintenance of adequate hazard, property and casualty and business interruption insurance;
- (vi) maintenance of books and records;
- (vii) right of the Lender to inspect property and books and records (including, upon request, a Collateral audit);
- (viii) delivery of notices of defaults, litigation and other material events;
- (ix) compliance with environmental laws;
- (x) service of all pleadings filed or received by the Debtors in any Chapter 11 Case (including by electronic notice);
- (xi) compliance at all times with the DIP Budget on a line-item basis (subject to expense variances previously stated);
- (xii) compliance with reasonable financial covenants, including, without limitation, minimum EBITDA, minimum cash velocity and liquidity;
- (xiii) covenants based on the Borrowers' financial forecast as acceptable to the Lender; and
- (xiv) substantially similar covenants set forth in the documents securing the PacWest Loan.

**Negative Covenants:**

Borrowers shall not file any motion for a sale of assets under Section 363 of the Bankruptcy Code or any plan of reorganization, other than with Lender's prior written consent, that does not provide for full and indefeasible payment in full in cash on the effective date thereof of all amounts due under the DIP Facility.

**Releases:**

In connection with the approval of the DIP Facility, effective as of the date hereof, the Debtors, their successors, and assigns hereby release and forever discharge Lender and its owners, members, managers, officers, directors, employees, agents, attorneys, advisors, representatives, controlling persons, subsidiaries, successors, and assigns from any and all claims, demands, proceedings, causes of action, orders, obligations, contracts, agreements, debts, and liabilities whatsoever, whether known or unknown, suspected or unsuspected,

{00343075-11}12

both at law and in equity, which the Debtors now have, have ever had, or may hereafter have against the respective persons hereby released, whether arising contemporaneously with or prior to the date hereof for any actions, omissions, or events arising from or directly related to this DIP Facility; provided, however, that nothing contained herein shall operate to release any obligations of Lender arising under the DIP Order. Effective as of the date hereof, the Debtors covenant, on behalf of themselves and their successors and assigns, not to sue any of the parties released in this paragraph on the claims released in this paragraph.

**DIP Facility Order:**

Each DIP Facility Order shall comprise an interim or final order, as applicable, and be in form and substance acceptable in all respects to the Lender and shall include, without limitation, provisions:

- (i) approving in all respects the DIP Facility, and making it final and binding with respect to the amounts advanced under the applicable DIP Facility Order and for all DIP Obligations;
- (ii) authorizing and directing the Debtors to execute and become bound by any further definitive documentation evidencing the DIP Facility and consistent with this Term Sheet;
- (iii) determining that the DIP Facility Order constitutes automatic perfection of liens and security interests in the Collateral, without the need for execution or recordation of documents or other action;
- (iv) modifying the automatic stay to the extent necessary to permit or effectuate the terms of the DIP Facility Order and the documents evidencing the DIP Facility, including, without limitation,
  - (a) to permit the execution and recordation of documents in Lender's discretion to evidence the creation and perfection of the Lender's liens on the Collateral; and
  - (b) exercise of the Lender's remedies upon an Event of Default;
- (v) providing for relief from the automatic stay in accordance with the terms of this Term Sheet and/or the

{00343075-11}13



DIP Loan Documents;

- (vi) unless specifically authorized herein, prohibiting the incurrence of any additional debt with priority equal to or greater than that of the Lender without full and indefeasible repayment of the DIP Obligations;
- (vii) prohibiting the granting or imposition of any liens on the Collateral other than as specifically authorized herein; and prohibiting imposition of any surcharge against the Lender, the DIP Facility or the Collateral pursuant to Bankruptcy Code 506(c); and
- (viii) providing that under any Bankruptcy Code Section 363 sale and/or any plan of reorganization, Lender has the right to credit bid the DIP Obligations, which credit bid rights shall not be impaired in any manner.

**Financial Reporting:**

The Borrowers shall provide the Lender with the following financial reporting, and any and all documents evidencing the DIP Facility will require that the Borrowers provide:

- (i) monthly and quarterly financial statements and operating reports, budgets and operating plans for each period, with all financial statements of Borrowers prepared on a consolidated basis;
- (ii) on an as-requested basis all other information reasonably requested by the Lender;
- (iii) copies of all pleadings, motions, applications, judicial information and other documents filed by or on behalf of any Debtor with the Bankruptcy Court or the U.S. Trustee in any Chapter 11 Case, or distributed by or on behalf of any Debtor to any official committee, which may be provided by electronic notice;
- (iv) no later than the second business day of each week, a weekly reconciliation report comparing actual cash flows versus budgeted cash flow forecast in the DIP Budget in accordance with prepetition practices in accordance with prepetition practices or as required by the Lender in its reasonable discretion;
- (v) a monthly analysis of capital expenditures to be provided

{00343075-11}14

within 20 days after month-end;

- (vi) prompt notice of significant changes to material contracts with customers, suppliers, contractors, utility providers, governmental authorities, merchant builders and any material contract, including new material contracts and contract renewals or cancellation or reduction of any existing customer agreements;
- (vii) a list of checks and other disbursements (the "Disbursements Register") certified by Frank Bateman or his replacement, consistent with prepetition documentation or as required by the Lender in its reasonable discretion.
- (viii) notice of significant changes to any labor agreements;
- (ix) notice of any changes in management; and
- (x) daily cash balances and accounts receivable and accounts payable reports.

**Events of Default:**

The occurrence of any of the following events, without notice or cure period (unless otherwise specified therein), shall immediately be an Event of Default under this Term Sheet and/or the DIP Loan Documents.

- (i) entry of an order dismissing any of the Chapter 11 Cases or converting any of the Chapter 11 Cases to a chapter 7 case;
- (ii) entry of an order appointing a chapter 11 trustee in any of the Chapter 11 Cases;
- (iii) entry of an order in any of the Chapter 11 Cases appointing an examiner with powers to take any action other than investigate and report;
- (iv) expiration or termination of the Debtors' exclusive period to file and confirm a plan of reorganization;
- (v) entry of an order granting any other super-priority claim or lien equal or superior to that granted to the Lender prior to full and indefeasible repayment of the DIP Obligations other than as specifically authorized herein;

{00343075-11}15

- (vi) entry of an order reversing, vacating or otherwise modifying, or staying the Interim Order or Final Order approving the DIP Facility, or either such order shall otherwise cease to be in full force and effect;
- (vii) any material breach of this Term Sheet, and/or the DIP Loan Documents after (a) Lender's written notice of such breach to the Debtors, (b) the filing of such notice in the record of the Chapter 11 Cases and (c) the Debtors' failure to cure any such breach within five (5) business days of the filing of such written notice in the record of the Chapter 11 Cases (the "Default Notice/Cure Period");
- (viii) the filing of a motion by the Debtors for entry an order staying or otherwise prohibiting the prosecution of any Enforcement Action or any motion or pleading seeking to challenge the Lender's liens or otherwise commencing any cause of action against the Lender;
- (ix) the consummation of a sale of any material portion of the Debtors' assets without the Lender's consent that does not indefeasibly pay in full in cash the DIP Obligations owed to the Lender on the effective date of such sale;
- (x) the failure of any Debtor to pay interest, fees, or principal when due under the Term Sheet and DIP Loan Documents after the Default Notice/Cure Period;
- (xi) the entry of an order (a) granting stay relief as to any material contract, lease, or obligation or against any critical vendor, (b) allowing a third party to proceed against any material assets or contracts of the Debtors, or (c) otherwise adversely affecting the Lender's liens after the Default Notice/Cure Period;
- (xii) failure of any Debtor to perform or comply with any material term or covenant of the Term Sheet or DIP Loan Documents after the Default Notice/Cure Period;
- (xiii) the filing of a plan of reorganization by the Debtors that does not propose to indefeasibly pay in full in cash on the effective date thereof all DIP Obligations owed to the Lender;
- (xiv) a change in control of any Debtor;

{00343075-11}16

- (xv) any Debtor shall fail to comply in any material respect with the DIP Budget (after accounting for any permitted line-item and/or overall variances within 12% of the DIP Budget amount), after the Default Notice/Cure Period;
- (xvi) Debtors' failure to pay any material post-petition obligation when due after the Default Notice/Cure Period;
- (xvii) Debtors' failure to perform or comply with any material terms or conditions of the DIP Facility Orders or any order authorizing use of cash collateral after the Default Notice/Cure Period;
- (xviii) the filing by any of the Debtors of any motion or proceeding that could reasonably be expected to result in material impairment of the Lender's rights under this Term Sheet, the DIP Loan Documents, and the DIP Facility Orders, including any motion to surcharge the Lender, the DIP Facility or the Collateral under 11 U.S.C. § 506(c) or otherwise after the Default Notice/Cure Period;
- (xix) any material impairment of the Collateral or the termination of any of state or federal licenses and authorizations or material contracts after the Default Notice/Cure Period;
- (xx) (a) Debtors' failure to maintain requisite licenses to properly operate their present businesses; (b) any of the Debtors' facilities is shut down or ceases to operate for any reason; or (c) a party, other than the current manager of the Debtors, manages the Debtors' assets after the Default Notice/Cure Period;
- (xxi) any failure by any of the Debtors to timely deposit proceeds into lockbox account after the Default Notice/Cure Period;
- (xxii) the failure of the Debtors to have the continued use of cash collateral pursuant to the order entered on the *Emergency Motion for Interim and Final Orders Authorizing the Debtor to Use Cash Collateral and to Provide Adequate Protection to Prepetition Lenders* (or any subsequent order acceptable to Lender) which orders

{00343075-11}17

must be satisfactory to Lender;

- (xxiii) the occurrence of a material adverse change, including without limitation any such occurrence resulting from the entry of any order of the Bankruptcy Court, in each case as determined by Lender in its sole and absolute discretion, in (1) the condition (financial or otherwise), operations, assets, business or business prospects of the Debtors, (2) the Debtors' ability to repay the DIP Obligations, and/or (3) the value of the Collateral (each of (1), (2) and (3) constituting a "Material Adverse Change") after the Default Notice/Cure Period;
- (xxiv) Borrower breaches any material warranties made in the Term Sheet or any of the DIP Loan Documents or such statement was not true when made after the Default Notice/Cure Period; and
- (xxv) the failure of the Debtor duly and punctually to observe, perform, or discharge any material obligation or duty imposed upon them by the DIP Facility Orders after the Default Notice/Cure Period;

For the avoidance of doubt, Lender shall not have any obligation, but may in its sole discretion, advance or continue advancing any Advances during the Default Notice/Cure Period.

**Remedies:**

Upon the occurrence of an Event of Default and the expiration of any Default Notice/Cure Period with respect thereto as stated above, notwithstanding the applicability of Section 362 of the Bankruptcy Code, relief from automatic stay shall be deemed granted and the Lender shall be entitled to exercise any and all remedies available in law or equity (subject only to the Carve-Out) without obtaining further relief or order from the Bankruptcy Court.

**Fees and Expenses:**

The Borrowers shall pay the reasonable fees and expenses of the Lender's counsel in connection with the preparation and negotiation of the DIP Facility, Term Sheet, DIP Loan Documents, the DIP Facility Orders, all agreements, instruments, documents related thereto and any amendments thereto or to the Collateral, and any and all fees and expenses related to the Collateral. Each Debtor shall also pay the costs of implementation and enforcement of the DIP Facility, the Term Sheet, DIP Loan Documents and the DIP Facility Orders, including reasonable fees and disbursements of Lender's counsel and other professionals, periodic field audits, monitoring of assets, and other

{00343075-11}18

miscellaneous disbursements. Each Borrower shall pay all out-of-pocket costs and expenses of the Lender in connection with the DIP Facility, the Term Sheet, DIP Loan Documents and the DIP Facility Orders and the Chapter 11 Cases, including, but not limited to reasonable travel expenses (the "Bankruptcy Fees"). At the sole discretion of Lender, the Bankruptcy Fees may be added monthly to the principal under the Term Sheet and the DIP Loan Documents rather than being paid monthly in cash.

On or before the 15th day of each month following the month for which payment of Bankruptcy Fees is sought, any professionals for the Lender will submit redacted invoices to the following: (1) the Debtors, and their respective counsel; (2) the Office of U.S. Trustee for the Western District of Louisiana, Lafayette Division; and (3) any official committees appointed through their counsel (hereinafter these parties shall be referred to as the "Service Parties"). Each such entity receiving redacted invoices will have five (5) days after its receipt to review the redacted invoices. At the expiration of the five (5) day period, if no objection is made to the redacted invoices, each professional who submitted redacted invoices will notify the Debtors in writing that no objections have been filed with regard to the professional's fees and expenses, and the payments shall be made directly to the applicable professional by the Debtors. In the event any of the Service Parties have an objection to the compensation or reimbursement sought in a particular invoice and such Service Party is unable to reach an agreement with the professionals of the Lender with respect thereto, the Lender's professionals may file a motion for expedited hearing in the Bankruptcy Court to resolve the dispute.



**Governing Law:**

New York except as governed by the Bankruptcy Code.

{00343075-11}20