

## POST-PETITION CREDIT AGREEMENT

THIS POST-PETITION CREDIT AGREEMENT, dated as of July \_\_\_\_, 2016 (this “Agreement”), is by and between SILK ROUTE CAPITAL CORPORATION, LLC, a North Carolina limited liability company (“Lender”), and SOUTHERN SEASON, INC., a North Carolina corporation (“Borrower”) that is the debtor-in-possession in a Chapter 11 bankruptcy case, number 16-80558 (the “Case”), in the United States Bankruptcy Court for the Middle District of North Carolina.

### RECITALS

A. Borrower needs to obtain short-term financing in order to satisfy its cash needs after the commencement of the Case.

B. Subject to the terms hereof, and to the entry by the Court of an order approving the extension of post-petition financing to Borrower, Lender is willing to extend financing to Borrower.

C. This financing is necessary to preserve the going-concern value of the Borrower’s assets for the benefit of creditors and the bankruptcy estate.

D. Capitalized terms used herein but not defined above or in this Agreement have the meanings assigned in Section 7.1 hereof.

### AGREEMENT

Now, therefore, in consideration of the foregoing recitals, which are incorporated herein by reference, and for additional consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1**

**EXTENSION OF CREDIT**

1.1 Loan.

Subject to Borrower's compliance with the terms and provisions of this Agreement, and after entry of an interim or final DIP Order, Lender shall make a Loan (the "Loan") in an amount not in excess of Six Million Dollars (\$6,000,000) available to Borrower until the Maturity Date or until such earlier date as the Loan may become due and payable under the terms hereof. The Lender shall transfer proceeds to Borrower upon request made by Borrower to Lender (a "Disbursement Request"), and the Proceeds shall be used solely for the purposes set forth in the Budget or as otherwise permitted by the Bankruptcy Court.

1.2 Borrowing under the Loan.

Borrower may obtain an advance under the Loan upon request to Lender provided that (i) no Event of Default has occurred hereunder, (ii) such advance is in accordance with the Budget, and (iii) after giving effect to such advance, the amount of the Obligations would not exceed the Maximum Availability. Provided these conditions are satisfied, Lender shall advance Borrower the amount requested within three (3) Business Days after the receipt of Borrower's request.

1.3 Repayment of Financing; Conversion to Equity.

On the Maturity Date, the entire principal amount of the Loan plus all accrued and unpaid interest, OID and the DIP Financing Commitment Fee shall, at Lender's option, either (i) be paid in cash, or (ii) convert to 100% of the outstanding stock of the reorganized Borrower.

If the Lender elects to convert the entire Loan to stock, the reorganized Borrower shall issue shares of the reorganized Borrower such that Lender will own and hold 100% of the outstanding stock of the reorganized Borrower. If another party submits a reorganization plan that

results in such party receiving a majority of the outstanding stock of the reorganized Borrower, and such plan is confirmed by the Bankruptcy Court, in addition to Principal, Interest, DIP Financing Commitment Fee and OID, and DIP Financing Attorneys' Fee, the Lender shall be entitled to an upset fee equal to Three Hundred Thousand Dollars (\$300,000). This upset fee will be in lieu of the Breakup Fee.

1.4 Interest and Fees.

Provided that no Event of Default has occurred, interest on the outstanding principal balance of the Loan shall accrue at the Base Rate; otherwise, interest shall accrue at the Default Rate. Borrower shall pay Lender interest accrued and unpaid on the Maturity Date. In addition to the Interest, the Loan is subject to (i) a commitment fee of Two Hundred Thousand Dollars (\$200,000) (the "DIP Financing Commitment Fee"), and (ii) original issue discount ("OID") of six (6) points (\$360,000).

Borrower shall pay in full at the closing of the Loan all of Lender's reasonable professional costs and fees incurred in relation to the Loan ("DIP Financing Attorneys' Fees"), including without limitation, due diligence for and the negotiation and documentation of the Term Sheet, the loan documents, and the DIP Order.

For the avoidance of doubt, if Lender funds the Loan, Borrower shall pay the DIP Financing Attorneys' Fees. If Lender is entitled to the Breakup Fee, at the time the Breakup Fee is paid or the stock is issued, Lender shall also be entitled to payment of the Breakup Attorneys' Fees.

1.5 Breakup Fee and Expense Reimbursement.

Upon the occurrence of a Triggering Event (defined below), in addition to Principal, Interest, DIP Financing Commitment Fee, and OID, Lender shall be entitled to a breakup fee and expense reimbursement which shall consist of:

- (1) Payment in the amount of \$300,000 (5%) ("*Cash Breakup Fee*"); and
- (2) Reimbursement of up to \$35,000 of reasonable documented attorneys' fees and other expenses incurred by Lender in connection with this transaction ("*Breakup Attorneys' Fees*"). The Cash Breakup Fee and Breakup Attorneys' Fees are collectively referred to as the "*Breakup Fee*."

The Lender shall be entitled to the Breakup Fee if Borrower: (i) consummates a sale of any of its IP rights or other assets which is not approved by Lender, (ii) consummates a sale of all or substantially all of its assets or common stock which is not approved by Lender, (iii) accepts an alternative debtor-in-possession financing proposal to that contemplated by this Agreement, or (iv) consummates a plan of reorganization which is not approved by Lender (each of (i) through (iv) above a "Triggering Event").

For the avoidance of doubt, (i) the Cash Breakup Fee and the Breakup Attorneys' Fees shall be an allowed administrative claim under 11 U.S.C. §503 and (ii) in the event the Breakup Fee is triggered under (i), (ii), or (iii) above, both the Cash Breakup Fee and Breakup Attorneys' Fees shall be payable to Lender out of the proceeds of such sale or alternative financing. In the event that the Breakup Fee is triggered under (iv) above, both the Cash Breakup Fee and Breakup Attorneys' Fees shall be payable as a priority administrative claim under any confirmed plan.

In the event this Agreement and the Post-Petition Revolving Note are not signed by Borrower and the Lender on or before July 8, 2016, or the Bankruptcy Court fails to enter an

interim DIP Order by July 22, 2016, as described herein, then the Borrower's obligations with respect to the Breakup Fee shall terminate and be of no further force or effect.

1.6 Evidence of Indebtedness.

Borrower shall execute and deliver to Lender a Post-Petition Revolving Note as evidence of Borrower's Obligations to Lender hereunder.

1.7 Collateral.

(a) Grant of Security Interest. The Borrower hereby grants to Lender a security interest in all real and personal property of the Borrower and its estate of any kind or nature whatsoever, tangible, intangible or mixed, now existing or hereafter acquired or created, whether existing before or arising after the commencement of the Case, including Borrower's cash and including all proceeds, products, replacements, additions, substitutions, renewals, and accessions of any of the foregoing (collectively, the "Collateral"). The lien in favor of Lender will be subordinate only to the lien of SummitBridge National Investments IV, LLC (the "Secured Lender") and will prime all other security interests in the Collateral. The DIP Order will reflect the Lender's priority security interest in the Collateral is subordinate only to the lien of Secured Lender.

(b) Collateral Security Perfection. The Borrower agrees that the Lender shall be perfected in the Collateral immediately upon the entry of the DIP Order without any further action by Lender. Notwithstanding this, Borrower agrees to take all action that the Lender may reasonably request as a matter of non-bankruptcy law to perfect and protect the Lender's liens upon the Collateral and for such liens to obtain the priority therefor contemplated hereby, including, without limitation, executing and delivering such financing statements, providing such notices and assents of third parties, obtaining such governmental approvals and providing such other instruments and documents in recordable form as the Lender may reasonably request, provided,

however, that the failure to provide documentation and other arrangements to perfect the Lender's interests in the Collateral shall not affect the validity and perfection of the Lender's liens upon the Collateral as provided in the DIP Order. Borrower agrees that financing statements filed hereunder shall be sufficient notwithstanding that the collateral description contained therein refers to "all assets" of Borrower or similar language.

1.8 Waiver of Notice, Demand or Presentment.

Borrower hereby waives, to the maximum extent allowed by law, any requirement that Lender provide Borrower demand, presentment, protest or any notice whatsoever in respect of Borrower's obligation to pay Lender the Obligations on or after the first to occur of the Maturity Date or a Termination Date.

**ARTICLE 2**

**CONDITIONS**

2.1 Closing Conditions.

The obligation of Lender to enter into this Agreement and to fund any advance shall be subject to the prior satisfaction of the following conditions:

(a) Executed Credit Documents. Receipt by Lender or its counsel of duly executed copies of this Agreement, the Post-Petition Revolving Note and such other documents and instruments as Lender may reasonably request.

(b) DIP Order. The Bankruptcy Court shall enter an order in form and substance acceptable to Lender which order incorporates this Agreement and is in no way inconsistent herewith, approving the Loan (the "*DIP Order*"), including the Breakup Fee. The DIP Order will, among other things, adjudicate (i) all indebtedness under the Loan to have super-priority claim status under Bankruptcy Code §§ 364(c)(1) and 507(b), and (ii) Lender's claims to be fully secured under Bankruptcy Code §§ 364(c) and (d), with priority

liens on all of the Collateral having the priorities specified herein, subject only to the first priority liens of Secured Lender.

Without limiting the foregoing in any way, the DIP Order will include, among other things, the following provisions: (i) in the event of a default, the Lender will be entitled to an expedited hearing on a motion requesting relief from the automatic stay to exercise its rights, within ten (10) days of the filing of such motion, (ii) the Borrower will not seek to obtain any other loan(s), without the prior written consent of Lender, unless such other loan(s) are part of an overall financing commitment to the Borrower determined after a competitive auction process (conducted pursuant to Bankruptcy Court approved procedures) to be a higher or better offer for financing than the Loan that Lender has committed to provide, (iii) the Borrower will not seek approval for, or incur any debt which will prime, or be *pari passu* with, the liens against the Collateral granted to Lender, (iv) the Borrower will agree and the DIP Order will so provide that there will be no Bankruptcy Code § 506(c) surcharge claims against Lender or its Collateral, (v) approval of all fees set forth herein relating to the Loan, and (vi) the Loan is an arms-length transaction, in good faith, for reasonable consideration, and is not a fraudulent transfer under the Bankruptcy Code or other applicable law.

(c) Agreements with Secured Lender.

Upon approval and entry of the Final Order, Borrower will obtain an advance under this Loan in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), which will be paid to Secured Lender as a principal reduction.

2.2 Conditions for Advances.

The obligation of Lender to make any advance under the Loan shall be subject to the following conditions being true as of the date on which such advance is made:

- (i) no Event of Default shall have occurred;
- (ii) such advance is in accordance with the Budget;
- (iii) no Bankruptcy Default shall have occurred;
- (iv) the Obligations, after giving effect to the proposed advance, will not exceed the Maximum Availability; and
- (v) Borrower shall be in compliance with the representations and warranties as of the date of such advance.



### ARTICLE 3

#### **REPRESENTATIONS AND WARRANTIES**

##### 3.1 Borrower Representations and Warranties.

Borrower represents and warrants to Lender, and acknowledges that Lender has relied upon such representations and warranties, and Lender represents and warrants to Borrower, that: (i) it has full power and authority, and has taken all action necessary to execute and deliver this Agreement, and all documents required to be executed and delivered by it hereunder, and to fulfill its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby; (ii) the making and performance by it of this Agreement, and all documents required to be executed by it hereunder, and to fulfill its obligations hereunder and thereunder, does not and will not violate any law or regulation of the jurisdiction under which it exists, any other law or regulation applicable to it or any other agreement to which it is a party or by which it is bound; (iii) this Agreement, and all documents required to be executed by it hereunder have been duly executed and delivered by it and constitute its legal, valid and binding obligations, enforceable in accordance with the respective terms hereunder or thereunder; and (iv) all approvals, authorizations or other actions by, or filings with, any governmental authority necessary for the validity or enforceability of its obligations under this Agreement, and all documents required to be executed and delivered by it hereunder have been obtained.

## ARTICLE 4

### **BORROWER'S COVENANTS**

#### 4.1 Affirmative Covenants of Borrower.

So long as any Obligation remains unsatisfied, Borrower covenants that it shall timely perform the following obligations:

(a) Compliance with Law. Borrower shall materially and substantially comply with applicable provisions of federal, state and local laws applicable to Borrower and its business.

(b) Compliance with Bankruptcy Code. Borrower shall materially and substantially comply with the provisions of Chapter 11 and all other applicable provisions of the Bankruptcy Code.

(c) Compliance with Court Orders. Borrower shall materially and substantially comply with the provisions of (i) standing orders issued by the Court or by the United States District Court for the Middle District of North Carolina and applicable to Chapter 11 bankruptcy cases in general and (ii) orders entered by the Court in the Case.

(d) Payment of Post-Petition Taxes and Indebtedness. Borrower shall pay, as and when due or as may be ordered by the Court, all post-petition taxes and indebtedness incurred by or chargeable against Borrower; provided, however, that Borrower shall not be required to pay any post-petition indebtedness as and when due if: (i) such indebtedness is not entitled to payment as an administrative expense in the Case under the provisions of Section 503(b)(1)(A) of the Bankruptcy Code; or (ii) Borrower, in good faith and with due diligence, contests the amount or validity of such indebtedness, and Borrower promptly notifies Lender of such indebtedness and details regarding the dispute.

(e) Maintenance of Insurance. Borrower shall maintain casualty insurance on its equipment and its other assets consisting of inventory, furniture, fixtures or books and records, in such amount(s) and with such carrier(s) as is commercially reasonable.

(f) Financial Reporting. The Borrower will provide financial reports, statements, budgets, and cash flow projections as required by Lender and/or customary for financing of this nature. Lender shall have the right to conduct inspections of the books and records of the Borrower upon reasonable notice.

(g) Budget. The Borrower will periodically update the Budget; provided, any material changes to the Budget will require Lender's approval, not to be unreasonably withheld. During any period prior to the effective date of Borrower's reorganization plan when the Borrower's cash on hand is less than One Hundred Thousand Dollars (\$100,000), the Budget shall be subject to Lender's reasonable approval.

## **ARTICLE 5**

### **DEFAULT**

#### 5.1 Events of Default.

The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) Failure to Make Payment. Borrower shall fail to pay Lender any amount, in full, as and when due hereunder.

(b) Breach of Covenants. Borrower shall fail to comply with its obligations set forth in the covenants set forth in Section 3.1.

(c) Representations and Warranties. Lender discovers or is notified that any representation and/or warranty set forth in Section 3.1 hereof was untrue as of the date such representation or warranty was made by Borrower.

(d) Occurrence of a Bankruptcy Default. A Bankruptcy Default occurs, and with respect only to items (i), (ii), (vi) and (ix) thereof, the Court enters an order granting the movant relief in respect of such motion.

(e) Occurrence of a Default under Financing Order. The occurrence of an Event of Default as stated in a DIP Order entered by the Court.

(f) failure to achieve a Milestone;

(g) dismissal or conversion of the Case;

(h) filing by Borrower of one or more motion(s) or application(s) in the Case and/or approval of a sale or licensing of any of the Collateral with a total book value in excess of \$250,000, including, without limitation, Borrower's IP rights, which is not approved by Lender;

(i) appointment of a Chapter 11 trustee;

(j) entry of one or more order(s) in the Case granting one or more lien(s) on Collateral with a total book value in excess of \$250,000 to any persons or entities other than Lender or Secured Lender;

(k) any petition or motion by Secured Lender to require Borrower to make any payments on the Secured Lender's loan not provided for in the Budget or this Agreement.

## 5.2 Rights and Remedies.

Immediately upon the occurrence of an Event of Default, Lender may, in its sole discretion, exercise any one or more of the following rights and remedies:

(a) Termination of Advances. Lender shall have no obligation to fund any further advances to Borrower under the Loan, and may, in its sole discretion, elect to not honor any request received from Borrower.

(b) Acceleration of Indebtedness. Lender, in its sole discretion, may accelerate all Obligations, including the principal balance and all accrued interest outstanding under the Loan, such that they shall be immediately due and payable.

5.3 Remedies Cumulative.

The rights and remedies available to Lender hereunder or under applicable law are cumulative and may be exercised from time-to-time, in Lender's sole discretion, on and after the occurrence of an Event of Default.

5.4 No Waiver.

Lender's election not to declare an Event of Default or to exercise any right or remedy hereunder on or after the occurrence of an Event of Default shall not be a waiver of such Event of Default or a waiver of any of Lender's rights and remedies. In that regard, no waiver of an Event of Default shall be binding on Lender unless such waiver is in writing and signed by Lender.

5.5 Borrower's Waiver of Notice.

Borrower hereby waives any rights it may have to require Lender to provide Borrower with demand, presentment or any other notice whatsoever, after the occurrence of an Event of Default, with respect to (i) the Obligations or (ii) the Lender's exercise of any right or remedy granted hereunder or under applicable law.

**ARTICLE 6**

**MISCELLANEOUS PROVISIONS**

6.1 Captions.

Captions used herein, whether underlined or in bold, are for ease of reference only and shall not be referred to or relied upon when interpreting any provision of this Agreement.

6.2 Choice of Law.

This Agreement, and the enforcement of rights and remedies hereunder, shall be governed by the laws of the State of North Carolina, without giving effect to the choice of law provisions thereof.

6.3 Waiver of Setoff and Recoupment Rights.

As an inducement for Lender's agreement to extend credit to Borrower, Borrower hereby waives any and all rights of offset or recoupment that it may at any time in respect of any or all of the Obligations or the Lender. Borrower acknowledges that it has no rights of offset or recoupment against or in respect of Lender at Closing.

6.4 Entire Agreement; Modification of Agreement.

This Agreement constitutes the full and final understanding between the parties hereto in respect of the subject matter hereof; and the terms of this Agreement may not be contradicted, amended or supplemented by any agreement or other writing, or any oral statement or agreement, made on or before the date of execution of this Agreement. This Agreement may not be modified or amended, in whole or in part, except by written agreement executed by the parties hereto and approved by entry of an order by the Court.

6.5 Notice.

Any notice, demand or request required or allowed to be given hereunder shall be deemed to have been received by the addressee of such notice, demand or receipt on the first Business Day following the date on which the other party sent such notice, demand or request by (1) first-class United States mail, postage pre-paid, and (2) either (a) overnight delivery by a nationally recognized overnight delivery service or (b) telecopy (provided, however, that the sender of such notice, demand or request has a telecopy verification page showing that the telecopy was received by the other party), addressed as follows:

If to Lender: Silk Route Capital Corporation, LLC  
100 Europa Drive, Suite 455  
Chapel Hill, North Carolina 27517-2369

If to Borrower: Southern Season, Inc.  
100 Europa Drive, Suite 100  
Chapel Hill, North Carolina 27517-2369

6.6 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to an executed original hereof and which, when together, shall be deemed to be but one and the same instrument.

6.7 Conflicts with Other Documents and Instruments.

The terms of this Agreement and any other document or instrument executed in connection herewith are intended to be consistent. As necessary, the provisions of any other document or instrument executed in connection herewith shall be harmonized with the provisions of this Agreement, which provisions shall control in the event of any inconsistency.

6.8 Binding Effect; Successors.

This Agreement is and shall be binding on, enforceable by, and inure to the benefit of the parties hereto and their respective successors, including, but not limited to, any Chapter 7 Trustee appointed in this case. This Agreement may not be assigned to any other person or entity by Borrower without Lender's prior written consent.

6.9 Bankruptcy Court Approval. This Agreement is subject to and contingent upon the approval of the U.S. Bankruptcy Court for the Middle District of North Carolina.

## ARTICLE 7

### DEFINITIONS

#### 7.1 Defined Terms.

The following capitalized terms shall have the meanings set forth below:

“*Avoidance Actions*” means causes of action arising solely under the provisions of Sections 544, 547, 548, 549, 553 or 724 of the Bankruptcy Code.

“*Bankruptcy Code*” means title 11 of the United States Code, as amended or modified from time to time hereafter.

“*Bankruptcy Default*” means the occurrence of any of the following:

- (i) the filing of a motion to dismiss the Case with the Court;
- (ii) the filing of a motion to convert the Case to a Chapter 7 proceeding with the Court;
- (iii) the appointment by the Court of an examiner for the Borrower;
- (iv) the appointment by the Court of a trustee for the Borrower;
- (v) a material default by Borrower of any reporting or filing obligation owed to the Court;
- (vi) the filing by any creditor or party-in-interest of an appeal of the DIP Order;
- (vii) the filing by Borrower of a motion seeking (a) approval of Other Financing or any pleading indicating that Borrower will replace the Loan with Other Financing or (b) to subordinate or disallow any or all of the Obligations or to subordinate or otherwise impair Lender;
- (viii) the filing by any person or entity, excluding Borrower, of a motion seeking to subordinate or disallow any or all of the Obligations; or
- (ix) the filing by any party-in-interest or creditor of a motion seeking relief under Section 362(d) of the Bankruptcy Code with respect to any portion of the Borrower’s assets.



“*Base Rate*” means the per annum compound rate of interest equal to the sum of six percent (6%).

“*Budget*” means a six-month cash flow budget prepared by the Borrower which includes funding to open two additional Taste of Southern Season stores, the building up of inventory necessary to meet Christmas sales demands, and completion of the eCommerce project currently under contract.

“*Business Day*” means any day of the week, Monday through Friday, excluding any such day that is a legal holiday recognized by federal law or the State of North Carolina.

“*Closing*” means the date, on or after the date on which the Court enters an order authorizing Borrower to obtain the Loan.

“*Court*” means the United States Bankruptcy Court for the Middle District of North Carolina or any other federal court exercising subject matter jurisdiction over the Case.

“*Default Rate*” means the per annum compound rate of interest equal to the sum of the Base Rate plus 5%.

“*Final Order*” means a final order entered by the Bankruptcy Court authorizing and approving this Agreement pursuant to Section 364 of the Bankruptcy Code and Bankruptcy Rule 4001, in form and substance satisfactory to the Lender and its counsel, which Final Order shall be in full force and effect, and shall not have been reversed, modified or amended in any respect without the consent of the Lender. If either the DIP Order or the Final Order is the subject of a pending appeal in any respect, none of such order, the disbursement of any portion of the Loan proceeds, or the performance by Borrower of any of its obligations under this Agreement, the Post-Petition Revolving Note or any security documents shall be the subject of a stay pending appeal. In accordance

with Section 364(e) of the Bankruptcy Code, Borrower and the Lender shall be entitled to rely in good faith upon the orders notwithstanding objection thereto or appeal therefrom by any interested party. Borrower and the Lender shall be permitted and required to perform their respective obligations in compliance with this Agreement notwithstanding any such objection or appeal unless the relevant order has been stayed by a court of competent jurisdiction.

“*Loan*” means the loan described in Article 1 hereof.

“*Maturity Date*” for the Loan will be the earlier to occur of (i) the Borrower exiting from bankruptcy pursuant to the reorganization plan that has been approved by Lender, (ii) the confirmation of any other plan of reorganization by the Bankruptcy Court, or (iii) the occurrence of any Event of Default (subject to any notice and cure provisions).

“*Maximum Availability*” means the sum of Five Million Dollars (\$5,000,000).

“*Milestone*” means each of the following:

- (i) On or before July 8, 2016: Lender to provide Borrower with substantially complete drafts of loan documents, and proposed DIP order;
- (ii) On or before July 10, 2016: Borrower shall file a Motion with the Bankruptcy Court seeking approval of the loan documents and entry of the DIP order. Such motion may request entry of an interim order, on an expedited basis, approving an initial advance in an amount necessary to maintain operations pending a final hearing to consider the final approval of the loan documents, provided that such interim order shall provide Lender with substantially the same protections with respect to the initial advance as the proposed DIP Order;

- (iii) On or before August 5, 2016: The Bankruptcy Court shall have entered the Final Order;
- (iv) On or before October 21, 2016: Borrower shall have filed with the Bankruptcy Court the reorganization plan and related disclosure statement, both of which are acceptable to Lender, unless the Lender consents to an extension of time;
- (v) On or before January 31, 2017: The Bankruptcy Court shall have entered an order acceptable to the Lender confirming a reorganization plan acceptable to the Lender; or
- (vi) On or before March 1, 2017: The reorganization plan shall have become effective by its terms.

To the extent that any of the foregoing Milestones contemplate one party's opportunity to review and approve pleadings or other documents prepared by the other party before filing with the Bankruptcy Court, the reviewing party shall provide its comments on such pleadings or other documents to the drafting party within three (3) business days of receipt of such drafts, unless the parties agree otherwise. Either party shall have the right to waive or defer the date for the other party's compliance with a Milestone without constituting an Event of Default.

*"Obligations"* means all indebtedness, obligation and liability of Borrower to Lender under this Agreement, the Post-Petition Revolving Note, or any security agreement, including the sum of: (i) the unpaid principal balance of all advances made by Lender to Borrower under the Post-Petition Revolving Note; (ii) all accrued and unpaid interest and OID; and (iii) the DIP Financing Commitment Fee.

“*Other Financing*” means any financing to be extended to the Borrower or its successor, regardless of whether such financing is or will be extended under the provisions of Section 364 of the Bankruptcy Code, pursuant to a plan of reorganization or otherwise; excluding, however, (i) unsecured trade credit that may be extended to Borrower and (ii) the loan from the Secured Lender.

“*Petition Date*” means the date on which Borrower filed its petition, seeking relief under Chapter 11 of the Bankruptcy Code, with the Court.

“*Post-Petition Revolving Note*” means a promissory note substantially similar in form and substance to Exhibit A hereto.

“*Termination Date*” means the date, after the occurrence of an Event of Default, on which Lender accelerates all Obligations pursuant to the provisions of Section 5.2 hereof.

7.2 Herein; hereof.

Words such as “hereof, “herein,” “hereto,” “herewith” and “hereunder” signify reference to this Agreement as a whole, and not to any specific Article or Section of this Agreement.

7.3 Singular and Plural.

Any word defined in the plural in this Agreement shall be deemed to include the singular, and any word defined in the singular in this Agreement shall be deemed to include the plural.

7.4 Including.

The word “including” is not limiting, and may be interpreted as “including, without limitation.”

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first set forth above.

**BORROWER:**

SOUTHERN SEASON, INC.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LENDER:**

SILK ROUTE CAPITAL CORPORATION,  
LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_