

**AMENDED AND RESTATED
SENIOR SECURED CREDIT AGREEMENT**

Dated as of _____

between

**CARPENTER CONTRACTORS OF AMERICA, INC.
and CCA MIDWEST, INC.
("Borrower")**

and

**FIRST AMERICAN BANK
("Lender")**

TABLE OF CONTENTS

ARTICLE I Definitions3

ARTICLE II The Credits20

ARTICLE III Change in Circumstances.....25

ARTICLE IV Conditions Precedent26

ARTICLE V Representations and Warranties.....29

ARTICLE VI Covenants.....36

ARTICLE VII Defaults.....43

ARTICLE VIII Acceleration and remedies46

ARTICLE IX General Provisions.....48

SCHEDULES AND EXHIBITS

SCHEDULE 1 Subordinated Indebtedness

SCHEDULE 5.5 Material Adverse Changes since January 31, 2012

SCHEDULE 5.8 List of Subsidiaries

SCHEDULE 5.9 Exceptions to ERISA Representation with respect to Plan Withdrawals

SCHEDULE 5.14 Exceptions to Representation Concerning Ownership of Properties

SCHEDULE 5.15 Exceptions to Representation Concerning Environmental Matters

SCHEDULE 5.18 Registered Intellectual Property

SCHEDULE 5.19 Exceptions to Representation Concerning Labor Matters

SCHEDULE 5.26 Life Insurance on Donald L. Thiel

SCHEDULE 6.1(c) Compliance Certificate

SCHEDULE 6.12 Permitted Indebtedness

SCHEDULE 6.14 Sale of Assets

SCHEDULE 6.15(g) Description of Existing Investments

SCHEDULE 6.16	Description of Existing Liens
EXHIBIT 1	Compliance Certificate
EXHIBIT 6.1(e)	Borrowing Base Certificate

AMENDED AND RESTATED SENIOR SECURED CREDIT AGREEMENT

This AMENDED AND RESTATED SENIOR SECURED CREDIT AGREEMENT (this “**Agreement**”), dated as of _____ is entered into by and between CARPENTER CONTRACTORS OF AMERICA, INC., an Illinois corporation (“**CCA**”), CCA MIDWEST, INC., an Illinois corporation (“**Midwest**”, and together with CCA, each a “**Borrower**” and jointly, severally, individually and collectively, together with any successors and assigns of either, the “**Borrower**”) and FIRST AMERICAN BANK, an Illinois banking corporation (“**Lender**”) with reference to the following:

A. On July 11, 2008, CCA and Lender entered into a Senior Secured Credit Agreement (together with all amendments or modifications, the “**2008 Agreement**”). Pursuant to the 2008 Agreement and related agreements and documents (collectively, the “**2008 Loan Documents**”), Lender, among other things, made available to CCA a revolving credit facility in the amount of \$15,000,000 and caused the issuance of four letters of credit. In return, among other things, Lender received security interests in substantially all of CCA’s assets.

B. In August 2010, CCA’s wholly-owned subsidiary, Midwest, and Lender entered into a Security Agreement and Financing Statement that, among other things, granted Lender a first-priority security interest in substantially all of Midwest’s assets to secure amounts that Lender advanced to CCA under the 2008 Agreement.

C. On October 25, 2010, CCA filed a voluntary petition under Chapter 11 of the Bankruptcy Code (title 11, U.S.C.), in the United States Bankruptcy Court for the Southern District of Florida (the “**Bankruptcy Court**”). On October 26, 2010, Midwest filed its own voluntary Chapter 11 petition in the Bankruptcy Court. CCA’s and Midwest’s Chapter 11 cases were jointly-administered under the caption *In re Carpenter Contractors of America, Inc. d/b/a R & D Thiel, Inc., et al.*, Case No. 10-B-42604 (Bankr. S.D. Fla.) (the “**Bankruptcy Case**”).

D. During the Bankruptcy Case, Lender, CCA, and Midwest reached an agreement pursuant to which Lender provided debtor-in-possession financing to CCA and Midwest jointly and permitted CCA and Midwest to use Lender’s cash collateral, subject to limitations and terms agreed to and approved by the Bankruptcy Court. On April 6, 2011, the Bankruptcy Court approved the parties’ final agreement with its *Order (1) Authorizing Debtors In Possession To Obtain Postpetition Financing; (2) Authorizing Use Of Cash Collateral; (3) Providing Adequate Protections; And (4) Granting Liens, Security Interests and Superpriority Claims* (the “**DIP Order**”). Pursuant to the DIP Order, Lender made available to CCA and Midwest a \$2,500,000 term loan evidenced by a term note (the “**DIP Term Note**”) and \$5,120,000 revolving line of credit (“**DIP Line of Credit**”), and also permitted CCA and Midwest the right to use Lender’s cash collateral. The DIP Order provided that, subject to certain conditions, CCA’s and Midwest’s right to borrow funds or use cash collateral under the DIP Order would expire on November 1, 2011. Pursuant to the DIP Order, CCA and Midwest were required to continue to make scheduled payments on the Bonds secured by the two outstanding Bond Letters of Credit that Lender had caused to be issued in connection with the 2008 Agreement.

E. The DIP Order also provided that the amounts Lender advanced to CCA and Midwest and all other amounts which CCA and Midwest owed to Lender pursuant to the DIP

Order would have super-priority over all administrative expenses that could be asserted against Borrower or Midwest under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), or 726 of the Bankruptcy Code.

F. The DIP Order further authorizes CCA and Midwest to obtain exit financing (“**Exit Financing**”) from Lender to enable CCA and Midwest to emerge successfully from bankruptcy. The Exit Financing, subject to certain terms and conditions, would consist of (a) a one-year monitored asset based line of credit, and (b) a term note, repayable in up to 36 monthly installments. The parties contemplated that the Exit Financing would replace the DIP Line of Credit and DIP Term Note. The parties also contemplated that, in connection with the Exit Financing, CCA would reaffirm its obligations with respect to the two outstanding Bond Letters of Credit that Lender caused to be issued in connection with the 2008 Agreement.

H. CCA and Midwest were unable to confirm a Chapter 11 plan of reorganization prior to November 1, 2011, and, as result, desired an extension of their ability to borrow funds and use cash collateral pursuant to the DIP Order. Subject to certain conditions, Lender agreed to an extension and, on November 2, 2011, the Bankruptcy Court entered its *Order Granting Motion To Modify Order (1) Authorizing Debtors In Possession To Obtain Postpetition Financing; (2) Authorizing Use Of Cash Collateral; (3) Providing Adequate Protections; And (4) Granting Liens, Security Interests and Superpriority Claims* (the “**First DIP Extension Order**”). The First DIP Extension Order extended CCA’s and Midwest’s rights to borrow funds and use cash collateral under the DIP Order’s terms through January 30, 2012. The First DIP Extension Order also provided that CCA and Midwest would repay the DIP Term Note in 36 equal monthly installments of principal together with accrued interest commencing on November 1, 2011; those installment payments of principal made will be deducted from the original \$2,500,000 amount of the DIP Term Note when it is converted to a term loan in connection with the Exit Financing.

I. CCA and Midwest were unable to confirm a Chapter 11 plan of reorganization prior to January 30, 2012, and parties agreed to, and the Bankruptcy Court approved, additional extensions of the DIP Order’s maturity date.

K. On or about September 18, 2012, the Bankruptcy Court entered its order (the “**Confirmation Order**”), confirming CCA’s and Midwest’s joint Chapter 11 plan. Among other things, the Confirmation Order provided for CCA and Midwest to jointly be liable for and to enter into agreements with Lender to provide for the Exit Financing.

L. Through and upon the terms and conditions set forth in this Agreement, among other things, Lender is providing the Exit Financing contemplated by the DIP Order and Confirmation Order, in the form of (a) a one-year \$7,500,000 monitored asset based line of credit (the “**Line of Credit**”), and (b) a term loan in the principal amount of \$1,666,666.72, repayable in 24 monthly installments (the “**Term Loan**”). Lender is also willing to continue to provide credit support for CCA to the issuer of the two Bond Letters of Credit, in return for CCA’s and Midwest’s commitment to reimburse Lender for the costs and liabilities Lender incurs and fees Lender charges in connection with those letters of credit.

M. Each Borrower intends to use the Exit Financing to refinance their existing debt to Lender, for working capital, to continue the Bond Letters of Credit securing payment of the Bonds, and for the general business purposes of each Borrower.

N. Each Borrower's operations benefit from and are interdependent with the operations and management of the other Borrower; each Borrower has borrowed from Lender collectively and is jointly liable to Lender pursuant to the DIP Order; each Borrower desires to extend this method of collectively borrowing from Lender and providing a joint collateral pool in order for Lender to extend working capital to them and refinance their debtor-in-possession loans; and each Borrower will derive commensurate benefits from borrowing from Lender on a joint and several basis and pledging their respective interests in the Collateral to Lender so each Borrower may benefit from the availability of credit accommodations provided by Lender under this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree to amend and restate the 2008 Agreement as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings herein specified unless the context otherwise requires:

"2008 Agreement" has the meaning given to it in Recital A of this Agreement.

"2008 Loan Documents" has the meaning given to it in Recital A of this Agreement.

"Account" means any right to payment for goods sold or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance or delivery.

"Account Debtor" has the meaning stated therefor in the Security Agreement.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which each Borrower or any of its Subsidiaries: (i) acquires any going concern business or all or substantially all of the assets of any firm, corporation or division thereof, whether through the purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding partnership interests of a partnership or membership interests in a limited liability company.

"Advance" means a borrowing hereunder consisting of the aggregate amount of the several Loans made by the Lender to the Borrower on the same Borrowing Date.

“Affiliate” means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract, or otherwise.

“Aggregate Available Revolving Commitment” means, at any date of determination thereof, with regard to the Revolving Facility, the Aggregate Revolving Commitment minus the aggregate principal amount of all Revolving Advances, then outstanding.

“Aggregate Revolving Commitment” means an amount up to \$7,500,000 with regard to the Revolving Facility, continuing until the Revolving Facility Termination Date.

“Agreement” means this Amended and Restated Senior Secured Credit Agreement, as it may be amended, restated, supplemented, or modified and in effect from time to time.

“Anti-Money Laundering Laws” means the Bank Secrecy Act, 31 U.S.C. §§ 5311 et seq., and all applicable laws, regulations and government guidance on Bank Secrecy Act compliance and on the prevention and detection of money laundering violations under 18 U.S.C. §§ 1956 and 1957.

“Article” means an article of this Agreement unless another document is specifically referenced.

“Assignment of Leases” means that certain Assignment of Leases dated July 11, 2008 as amended, restated, modified or supplemented and in effect from time to time.

“Authorized Officer” means any of Terrance B. Smith or Billy D. Fritsch or any other senior officer of either Borrower designated as such in writing to the Lender by either Borrower, in each case acting singly.

“Availability” at any time and from time to time means the amount of funds which would be available to the Borrower for a Revolving Advance.

“Bank of America” means Bank of America, National Association, as the issuer of the Hoke County Bond Letter of Credit and the Belvidere Bond Letter of Credit, and its successors and assigns, including any replacement or substitute issuer which may assume obligations of Bank of America under the Bond Letters of Credit.

“Bankruptcy Case” has the meaning given to it in Recital C of this Agreement.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.*

“Bankruptcy Court” has the meaning given to it in Recital C of this Agreement.

“Benefit Plan” means each employee benefit plan as defined in Section 3(3) of ERISA of either Borrower.

“Belvidere Bonds” means those certain City of Belvidere Industrial Revenue Bonds (R & D Thiel, Inc. Project), Series 1996.

“Belvidere Bond Letter of Credit” means that certain direct pay letters of credit in the initial face amounts of \$2,593,424, currently issued by the Bank of America to secure payment of principal and interest upon the Belvidere Bond and any amendment, extension, substitution or replacement of it.

“Bonds” means collectively the Hoke County Bonds and the Belvidere Bonds.

“Bond Letters of Credit” means collectively the Hoke County Bond Letter of Credit and the Belvidere Bond Letter of Credit securing payment of the Bonds.

“Bond Letters of Credit Obligations” means the aggregate undrawn amount of the Bond Letters of Credit, any unreimbursed Reimbursement Obligations, and all liabilities, fees and costs of Lender and Bank of America incurred in connection with the Bond Letters of Credit.

“Borrower” has the meaning given to it in the initial paragraph of this Agreement.

“Borrowing Base” means with regard to the Revolving Facility the lesser of (a) \$7,500,000 or (b) 80% of all Eligible Accounts (excluding finance charges) that are set forth in the Borrowing Base Certificate then most recently delivered by the Borrower to the Lender and not more than 30 days before the date of any Advance based on it, plus 35% of all existing Eligible Inventory (or for the months of December, January and February, 35% of all existing Eligible Inventory other than Eligible Finished Goods Inventory, and 50% of Eligible Finished Goods Inventory during those months) set forth in any report of Inventory delivered by the Borrower to Lender prepared and as of a date not more than 30 days prior to the date of any Advance based on it (with a cap on Inventory Advances of \$2,000,000).

“Borrowing Base Certificate” means a certificate (in form reasonably satisfactory to the Lender) of the Treasurer or authorized Chief Financial Officer of Borrower as to the Borrowing Base as of the date of such certificate, and certifying and representing that all Accounts and Inventory of Borrower identified thereon as being Eligible Accounts and Eligible Inventory meet all the requirements and standards therefor.

“Borrowing Date” means a date on which an Advance is made hereunder.

“Business Day” means with respect to any borrowing, payment and for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago, Illinois for the conduct of substantially all of their commercial lending activities.

“Capital Expenditures” means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP.

“Capitalized Lease” of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“**Capitalized Lease Obligations**” of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

“**Cash Flow**” shall mean net profit plus depreciation and amortization plus interest expense minus capital expenditures (other than capital expenditures financed with loan proceeds), in each case during the fiscal year in question.

“**Change**” means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by the Lender or any corporation controlling the Lender.

“**Change of Control**” means, with respect to either Borrower and its Subsidiaries, the acquisition, through purchase or otherwise, by any Person or group of Persons acting in concert, directly or indirectly, in one or more transactions, of beneficial ownership or control of securities representing more than 51% of the combined voting power of all securities of Borrower and its Subsidiaries entitled to vote in the election of directors or managers. For the purpose hereof, the terms “control” or “controlling” shall mean the possession of the power to direct, or cause the direction of, the management and policies of the Borrower and its Subsidiaries by contract or voting of securities or ownership interests.

“**Closing Date**” means the date on which the conditions precedent set forth in Article IV are satisfied or waived.

“**Code**” means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

“**Collateral**” means all property and interests in property and proceeds thereof now owned or hereafter acquired by each Borrower in or upon which a Lien now or hereafter exists in favor of the Lender to secure any of the Obligations, whether granted under this Agreement, under any Security Agreement or under any other documents executed by any such Person and delivered to the Lender, except for Excluded Collateral.

“**Commitment**” means the obligation of the Lender to make Revolving Advances in an aggregate amount not exceeding the Aggregate Revolving Commitment.

“**Compliance Certificate**” means a compliance certificate, substantially in the form of Exhibit 1 hereto, signed by the chief financial officer or treasurer of either Borrower, showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

“**Condemnation**” shall have the meaning set forth in Section 7.8.

“**Confirmation Order**” has the meaning given to it in Recital K of this Agreement.

“Contingent Obligation” of a Person means, without duplication, any agreement, undertaking or arrangement by which such Person directly or indirectly assumes guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any operating agreement, comfort letter, take-or-pay contract or application or reimbursement agreement for a letter of credit but excluding any endorsement of instruments for deposit or collection in the ordinary course of business.

“Control Group” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with either Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

“Current Debt Maturities” shall mean interest expense paid in cash by the Borrower plus current maturities during the preceding fiscal year of funded debt, including installment debt, capitalized lease obligations and payments of Indebtedness required by the Reorganization Plan to be paid in such year.

“Debt” means as of any time the aggregate of all indebtedness, obligations, liabilities, reserves and any other items which would be listed as a liability on a consolidated balance sheet of either Borrower in accordance with GAAP consistently applied, and in any event including all indebtedness and liabilities of any other person which either Borrower may guarantee or otherwise be responsible or liable for (other than any liability arising out of the endorsement of commercial paper for deposit or collection in the ordinary course of business), all indebtedness and liabilities secured by any lien on any property of either Borrower, whether or not the same would be classified as a liability on a balance sheet, the liability of either Borrower, in respect to bankers acceptances and letters of credit, and Capitalized Lease Obligations, but excluding all general contingency reserves and reserves for deferred income taxes and investment credit.

“Debt Coverage Ratio” means Cash Flow divided by Current Debt Maturities.

“Default” means an event described in Article VII.

“Default Rate” means the Floating Rate plus an additional margin of 4% per annum.

“DIP Order” has the meaning given to it in Recital D of this Agreement.

“DIP Line of Credit” has the meaning given to it in Recital D of this Agreement.

“DIP Term Note” has the meaning given to it in Recital D of this Agreement.

“Dollars”, “U.S. Dollars” and **“\$”** mean dollars in lawful currency of the United States of America.

“Effective Date” means the effective date of each Borrower’s Reorganization Plan filed in the Bankruptcy Case after it is confirmed by the Confirmation Order.

“Eligible Account” shall mean an Account owing to either Borrower or any of its Subsidiaries which is acceptable to Lender, in Lender’s sole discretion, determined in good faith, for lending purposes. Without limiting Lender’s discretion, Lender shall, in general, consider an Account to be an Eligible Account if it meets, and so long as it continues to meet, the following requirements:

- (i) it is genuine and in all respects is what it purports to be;
- (ii) it is owned by either Borrower and such Borrower has the right to subject it to a security interest in favor of Lender or assign it to Lender and it is subject to a first priority perfected security interest in favor of Lender and to no other claim, lien, security interest or encumbrance whatsoever, other than Permitted Liens;
- (iii) it arises from (A) the performance of services by either Borrower in the ordinary course of such Borrower’s business, and such services have been fully performed and acknowledged and accepted by the Account Debtor thereunder; or (B) the sale or lease of Goods by either Borrower in the ordinary course of business, and (x) such Goods have been completed in accordance with the Account Debtor’s specifications (if any) and delivered or in transit to the Account Debtor, and (y) such Account Debtor has not refused to accept, returned or offered to return, any of the Goods which are the subject of such Account;
- (iv) it is evidenced by an invoice rendered to the Account Debtor thereunder, and does not remain unpaid ninety (90) days past the invoice date thereof;
- (v) it is a valid, legally enforceable and unconditional obligation of the Account Debtor thereunder, and is not subject to setoff, counterclaim, credit, allowance or adjustment by such Account Debtor, or to any claim by such Account Debtor denying or contesting liability thereunder in whole or in part;
- (vi) it does not arise out of a contract or order which fails in any material respect to comply with the requirements of applicable law;
- (vii) the Account Debtor thereunder is not CCA or Midwest or a shareholder, director, officer, employee or agent of either Borrower, or a Subsidiary or Affiliate of either Borrower;
- (viii) it is not an Account with respect to which the Account Debtor is the United States of America or any state or local government, or any department, agency or instrumentality thereof;
- (ix) it is not an Account with respect to which the Account Debtor is located in a state which requires either Borrower, as a precondition to commencing or maintaining an action in the courts of that state, either to (A) receive a certificate of authority to do business and be in good standing in such state; or (B) file a notice of business activities report or similar report with such state’s taxing authority, unless (x) the applicable Borrower has taken one of the actions described in clauses (A) or (B); (y) the failure to take one of the actions described in either clause (A) or (B) may be cured retroactively by the applicable Borrower at its election; or (z) the applicable Borrower has proven, to Lender’s reasonable satisfaction, that it is exempt from any such requirements under any such state’s laws;

(x) it is an Account for which the Account Debtor is located within the United States of America;

(xi) it is not an Account with respect to which the Account Debtor's obligation to pay is subject to any repurchase obligation or return right, as with sales made on a bill-and-hold, guaranteed sale, sale on approval, sale or return or consignment basis;

(xii) it is not an Account (A) with respect to which any representation or warranty contained in this Agreement is untrue in any material respect; or (B) which violates any of the covenants of either Borrower contained in this Agreement;

(xiii) it not an Account of an Account Debtor that has more than 25% of its Accounts with Borrower past due by more than ninety (90) days from the invoice date; and

(xiv) it is not an Account as to which the Lender, at any time or times hereafter, determines, in good faith, that the prospect of payment or performance by the Account Debtor thereof is or will be impaired.

"Eligible Inventory" means the Inventory of either Borrower at cost which is under contract for sale and meets each of the following requirements: (i) it is in such condition that it may be sold in the ordinary course of the business; (ii) in the case of goods held for sale, it is unused (except as the Lender may otherwise consent in writing); (iii) it is owned only by either Borrower and is subject to a first perfected Lien in the Lender's favor and is not subject to any other Lien or adverse claim whatsoever, except for Permitted Liens; (iv) it is maintained in compliance with all governmental and governmental agency regulations; and (v) the Lender, in good faith, has determined, in accordance with the Lender's and Borrower's customary business practices, that it is not unacceptable due to age, type, category and/or quantity. Any of the Borrower's Inventory which is Eligible Inventory at any time, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be Eligible Inventory.

"Eligible Finished Goods Inventory" means Eligible Inventory consisting solely of finished goods manufactured in the ordinary course of business by Borrower and held on-site at its plants which Inventory complies with, and is ready to be shipped to fulfill, pending purchase orders for such Inventory.

"Embargoed Person" shall have the meaning set forth in Section 5.24.

"Environmental Indemnity Agreement" means the Environmental Indemnity Agreement dated July 11, 2008, between the Borrower and the Lender, as the same may be amended, modified, supplemented or restated from time to time.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, injunctions, permits, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use,

treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

“Environmental Liability” means any written claim, demand, obligation, cause of action, accusation or allegation, or any order, violation, damage (including, without limitation, to any Person, property or natural resources), injury, judgment, penalty or fine, cost of enforcement, cost of remedial action, cleanup, restoration or any other cost or expense whatsoever, including reasonable attorneys’ fees and disbursements resulting from the violation or alleged violation of any Environmental Law or the imposition of any Environmental Lien or otherwise arising under any Environmental Law or resulting from any common law cause of action asserted by any Person.

“Environmental Lien” means a Lien in favor of any Governmental Authority: (a) under any Environmental Law; or (b) for any liability or damages arising from, or costs incurred by, any Governmental Authority in response to the release or threatened release of any Hazardous Material.

“Equipment” has the meaning assigned to such term in the UCC and in addition includes all property of every kind and nature used or bought for use in either Borrower’s or its Subsidiaries’ business whether now owned or hereafter acquired by either Borrower or its Subsidiaries, together with all accessions, additions, attachments, software, programs, chips, maintenance and technical support and warranty contracts, improvements, substitutions and replacements thereto and therefore and all accessories, parts and other property used in connection therewith, and all proceeds and products thereof.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

“Excluded Collateral” means that certain real property located at 3900 Avenue G, N.W., Winter Haven, Florida 33880.

“Excluded Taxes” means taxes imposed on the Lender’s overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which the Lender is incorporated or organized, (ii) the jurisdiction in which the Lender’s principal executive office is located, or (iii) any other taxes to which the Lender would be subject without regard to any Loan made pursuant to this Agreement.

“Exit Financing” has the meaning given to it in Recital F of this Agreement.

“Fiscal Year” means that approximate one year time period ending on the Saturday closest to January 31st.

“First DIP Extension Order” has the meaning given to it in Recital H of this Agreement.

“Floating Rate” means the higher of (a) 6.0% per annum or (b) the 30-day LIBOR rate (expressed as a per annum rate), as determined by Lender from external sources deemed reliable by the Lender, plus 4% per annum, the rate of the loan to which the rate applies to change on the first day of each calendar month if the LIBOR rate has changed. If for any reason the LIBOR

rate is not available to Lender, Lender will choose a substitute rate or index and margin which it deems reasonable as a suitable substitute base rate for the Term Loan and Floating Rate Advances.

“Floating Rate Advance” means an Advance, which except as otherwise provided herein, bears interest at the Floating Rate.

“Funded Debt” means total Indebtedness for borrowed money.

“GAAP” means generally accepted accounting principles in the United States of America as in effect from time to time; it being understood and agreed that determinations in accordance with GAAP for purposes of Article VI, including defined terms as used therein, shall utilize accounting principles and policies in effect at the time of the preparation of, and in conformity with those used to prepare, the January 31, 2012 consolidated financial statements of each Borrower and its Subsidiaries heretofore delivered to the Lender.

“Goods” shall have the respective meaning assigned to such term in the UCC in the applicable jurisdiction, as the same may be in effect from time to time.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Hazardous Material” means any substance, material, or waste which is or becomes regulated, under any Environmental Law, as hazardous to public health or safety or to the environment, including, but not limited to: (a) any substance or material designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, as amended, 33 U.S.C. §1251 et seq., or listed pursuant to Section 307 of the Clean Water Act, as amended; (b) any substance or material defined as “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.; (c) any substance or material defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq.; or (d) petroleum, petroleum products and petroleum waste materials.

“Hoke County Bonds” means those certain Hoke County Industrial Facilities and Pollution Control Financing Authority Industrial Development Revenue Bonds (Triangle Building Supply, Inc. Project), Series 1997.

“Hoke County Bond Letter of Credit” means that certain direct pay letter of credit in the initial face amounts of \$1,199,435, currently issued by the Bank of America for the account of the Lender upon Borrower’s account in order to secure payment of principal and interest on the Hoke County Bonds and any amendment, extension, substitution or replacement letter of credit for it.

“Indebtedness” of a Person means, without duplication, (i) such Person’s obligations for borrowed money, (ii) such Person’s obligations representing the deferred purchase price of

Property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations of another Person, whether or not assumed, secured by Liens, or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) such Person's obligations which are evidenced by notes, acceptances, or other instruments, (v) such Person's Capitalized Lease Obligations, (vi) such Person's Contingent Obligations, and (vii) such Person's Subordinated Debt.

"Intellectual Property" shall have the meaning set forth in Section 5.18 hereof.

"Interest Expense" means with respect to any Person, for any period, the aggregate consolidated interest expense for such period (including without duplication, all commissions, discounts and other fees and charges owed with respect to letters of credit, the portion of any Capitalized Lease Obligations allocable to interest expense, and capitalized interest) determined in accordance with GAAP (but in any event excluding interest on tax assessments to the extent such interest is included in deferred taxes).

"Inventory" has the meaning assigned to such term in the UCC and includes without limitation (i) all goods, manufactured or acquired for sale or lease, and any piece goods raw materials, work in process and finished merchandise, goods, and equipment, incidentals, office supplies, packing materials and any and all items including machinery used or consumed in the operation of the business of either Borrower and which contribute to the finished product or to the sale, promotion and shipment thereof, in which the Borrower now or at any time hereafter may have an interest whether or not such inventory is listed or on any reports furnished to the Lender from time to time; (ii) all inventory whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of the Borrower, or of others for the Borrower, including without limitation all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers; (iii) all inventory which may be located on premises of either Borrower or of any carrier, forwarding agents, truckers, warehousemen, vendors, selling agents or third parties; (iv) all general intangibles relating to or arising out of the foregoing; and (v) all proceeds and products of the foregoing resulting from the sale, lease or other disposition of inventory including cash, insurance proceeds, accounts receivable, other non-cash proceeds and trade-ins.

"Investment" of a Person means any loan, advance (other than commission, travel and similar advances to officers, employees and sales agents made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person, stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person.

"Lender" shall have the meaning set forth in the preamble to this Agreement.

"Liabilities" shall mean at all times all liabilities of the Borrower that would be shown as such on a balance sheet of the Borrower prepared in accordance with GAAP.

"LIBOR" means London Interbank Offer Rate.

“**Lien**” means any lien (statutory or other), mortgage, pledge, hypothecation, filed financing statement, assignment, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

“**Line of Credit**” has the meaning given to it in Recital F of this Agreement.

“**Loan**” means a loan or any continuation or conversion thereof made by the Lender pursuant to **Article II**.

“**Loan Documents**” means this Agreement, the Revolving Note, the Term Loan Note, the Lockbox Agreements, the Subordination Agreements, the Security Agreements, the Mortgages, the Mortgage Amendments, Assignment of Leases, the Reimbursement Agreements, the Environmental Indemnity Agreement, Midwest Guaranty, and any other documents and agreements contemplated hereby and executed by either Borrower in favor of the Lender.

“**Lockbox Agreements**” means the lockbox agreements executed by each Borrower in favor of Lender on the Closing Date, as amended from time to time.

“**Margin Stock**” has the meaning assigned to such term in Regulation U.

“**Material Adverse Effect**” means any circumstances or events which could reasonably be expected to: (a) have a material adverse effect upon the validity, performance, or enforceability of any of the Loan Documents executed by either Borrower or the rights or remedies of the Lender thereunder; (b) materially impair the ability of either Borrower to fulfill its obligations under the Loan Documents to which such Persons are party; or (c) have a material adverse effect on the operations, business, Property, assets, liabilities (actual or contingent), condition (financial or otherwise), results of operations of Midwest and CCA taken as a whole or prospects of the CCA and Midwest taken as a whole.

“**Material Indebtedness**” shall have the meaning set forth in **Section 7.5**.

“**Midwest Guaranty**” means the Guaranty dated as of the Closing Date executed by Midwest in favor of Lender, as the same may be amended, modified, supplemented or restated from time to time.

“**Measurement Period**” means the Borrower’s trailing four fiscal quarters then ending.

“**Mortgages**” means collectively that certain Mortgage and Security Agreements dated July 11, 2008 from the Borrower to the Lender for the property at 2340 Newburg Road, Belvidere, Illinois 61008, as the same may be amended, restated, supplemented or otherwise modified from time to time and that certain Future Advance Deed of Trust, Security Agreement and Fixture Filing for the property located at 190 Gillis Hill Road, Fayetteville, North Carolina 28306, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Mortgage Amendments**” means collectively the amendments to the Mortgages executed on the Closing Date.

“**Multiemployer Plan**” means a Plan defined in Section 3(37) of ERISA to which CCA, Midwest or any member of the Control Group may have any liability.

“**Net Income**” shall mean, with respect to any period, the amount shown opposite the caption “net income” or a similar caption on the financial statements of the Borrower, prepared in accordance with GAAP (excluding any extraordinary or non-recurring gains or losses).

“**Notes**” means the Revolving Note and Term Loan Note, as amended, supplemented, modified or restated from time to time.

“**Obligations**” means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid obligations, liabilities, fees and charges arising under or in connection with the Reimbursement Agreements and any other Loan Documents, all Bond Letters of Credit Obligations, and all expenses, reimbursements, indemnities and other obligations of either Borrower to Lender or any indemnified party hereunder arising under the Reimbursement Agreements or the other Loan Documents.

“**OFAC**” shall have the meaning set forth in Section 5.24.

“**Operating Lease**” of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals effective at the option of the lessor) of one year or more.

“**Other Taxes**” shall have the meaning set forth in Section 3.3(b).

“**Payment Date**” means for (A) each Revolving Advance the earlier of (i) the first day of each month commencing after the conditions precedent set forth in Article IV are satisfied by Borrower or waived by Bank, or (ii) the Revolving Facility Termination Date, and (B) for the Term Loan, (i) the fifteenth day of each month commencing after the conditions precedent set forth in Article IV are satisfied by Borrower or waived by Bank, or (ii) the Revolving Facility Termination Date.

“**PBGC**” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“**Permitted Lien**” shall have the meaning set forth in Section 6.16.

“**Permitted Tax Distributions**” means: (i) the distributions during a taxable year by the Borrower to its shareholders in such amounts as are reasonably estimated by the president or chief financial officer of the Borrower to be equal to the aggregate federal and state income taxes payable (including estimated taxes) by such shareholders for such taxable year, taking into account, at the highest marginal income tax rates (federal and relevant states income tax rates); (ii) only such shareholders flow-through items for such year, such flow-through items reduced (without duplication) by the amount of any losses allocated to such shareholders for prior taxable years whether or not used by such shareholders, and the deductibility or credibility of the resulting taxes against each other, with appropriate adjustments for shareholders that are flow-through entities for differences in taxable years between a shareholder and Borrower (as appropriate), (iii) such distributions are made not more frequently than quarterly and not earlier than ten (10) days after financial reports for the quarter for which the distribution is to be made

have been submitted to Lender together with supporting calculations for the tax distributions to be paid and such other pertinent information as Lender may request, and (iv) no Default or Unmatured Default has occurred and is continuing or would result from or occur on account of such tax distributions, provided however, that if no payment Default has occurred and is continuing, Lender has not terminated, suspended or frozen the Line of Credit and no Default or Borrowing Base violation would be caused by or result from a tax distribution, Borrower's regularly scheduled tax distributions to shareholders other than Donald L. Thiel and Judith M. Thiel may be considered Permitted Tax Distributions if (a) they otherwise comply with the conditions of clauses (i)-(iii) above and (b) they do not exceed 40% of the total amount of tax distributions that otherwise could be made by the Borrower to its shareholders in the absence of any Default or violation of the Borrowing Base for the period for which the tax distribution is to be made.

"Person" means any natural person, corporation, limited liability company, firm, joint venture, partnership, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 302 of ERISA or Section 412 of the Code as to which the Borrower or any member of the Control Group may have any liability.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Real Estate" means that certain Property located at 2340 Newburg Road, Belvidere, Illinois 61008 and that certain property located at 190 Gillis Hill Road, Fayetteville, North Carolina 28306.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation T," "Regulation U," and "Regulation X" means Regulation T, U, or X, as the case may be, of the Board of Governors of the Federal Reserve System, from time to time in effect, and shall include any successor or other regulation relating to reserve requirements or margin requirements, as the case may be, applicable to member banks of the Federal Reserve System.

"Reimbursement Agreements" means the Reimbursement Agreement (re Hoke County North Carolina Letter of Credit) dated July 11, 2008 and Reimbursement Agreement (re Belvidere, Illinois Letter of Credit) dated July 11, 2008, both between the Borrower and the Lender, as the same may be amended, modified, supplemented or restated from time to time.

"Reimbursement Obligations" means all accrued and unpaid obligations arising under the Reimbursement Agreements.

“Reorganization Plan” means for each Borrower, its plan of reorganization as approved by the Confirmation Order and all amendments to it.

“Reportable Event” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

“Restricted Payments” means any amounts, monies, or other things of value directly or indirectly paid, distributed, advanced or otherwise made available by any Borrower to any shareholder, family member of a shareholder or Affiliate of such shareholder, or any successor or assign, including salary, benefits, compensation, advances, loans, interest or principal payments on Indebtedness, dividends or distributions of any kind, but does not include Exempt Lease Debt (as defined in the Subordination Agreement).

“Revolving Advance” means an Advance under the Revolving Facility pursuant to **Section 2**.

“Revolving Facility” shall have the meaning set forth **Section 2.1**.

“Revolving Facility Termination Date” means with respect to Revolving Advances, 364 days from the Closing Date or any earlier date on which the Aggregate Revolving Commitment is permanently reduced to zero or otherwise terminated pursuant to the terms hereof; provided, however that as long as no Default, or Unmatured Default has occurred and is continuing and Lender has not given notice of its intent not to extend at least 120 days prior to the current Revolving Facility Termination Date, on each anniversary of the Closing Date, the Revolving Facility Termination Date shall be automatically extended until the earlier of (i) the next succeeding anniversary of the Closing Date or (ii) four years from the Closing Date.

“Revolving Note” means the revolving promissory note, duly executed and delivered to the Lender by the Borrower on the Closing Date payable to the order of the Lender in the amount of Seven Million, Five Hundred Thousand and No/100 Dollars (\$7,500,000), including any amendment, modification, renewal or replacement of such promissory note.

“Risk-Based Capital Guidelines” means the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, applicable to Lender.

“Schedule of Accounts” means an aged trial balance in form and substance satisfactory to the Lender (which may at the Lender’s reasonable discretion include copies of original invoices) listing each Borrower’s Accounts, to be delivered to the Lender by the Borrower on a monthly basis.

“Schedule of Inventory” means a schedule in form and substance satisfactory to the Lender listing the Borrower’s Inventory, to be delivered to the Lender by the Borrower hereunder, describing such Inventory by category and type.

“Schedule of Payables” means a detailed aged schedule in form and substance satisfactory to the Lender listing each Borrower’s accounts payable, to be delivered on a monthly basis to the Lender by the Borrower.

“SEC” means the Securities and Exchange Commission, or any Person succeeding to any of its principal functions.

“Section” means a numbered section of this Agreement, unless another document is specifically referenced.

“Security Agreement” means each Amended and Restated Security Agreement of each Borrower in favor of Lender dated as of the Closing Date as amended, modified or restated from time to time.

“Senior Indebtedness” means all of each Borrower’s Indebtedness of any nature to the Lender including but not limited to Indebtedness under this Agreement, the Revolving Note, and the Term Loan Note.

“Senior Debt” means all Indebtedness that is not Subordinated Debt.

“Single Employer Plan” means a Plan which is not a Multiemployer Plan maintained by a Borrower or any member of the Control Group for employees of a Borrower or any member of the Control Group.

“Subordinated Debt” means any present or future Indebtedness of either Borrower to Donald L. and/or Judith M. Thiel, any Indebtedness covered by the Subordination Agreement, including the Indebtedness listed on Schedule 1 attached hereto and any modifications, extensions, renewals, refinancings or replacement of such Indebtedness.

“Subordination Agreements” means the subordination agreements executed by Donald L. Thiel and Judith M. Thiel in favor of Lender on the Closing Date, as amended from time to time.

“Subsidiary” of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting stock, membership interests or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof.

“Substantial Portion” means, with respect to the Property of the Borrower, Property which (i) represents more than five percent (5%) of the consolidated assets of the Borrower as at the last day of the calendar month ending on or most recently ended prior to the date on which such determination is made, or (ii) is responsible for more than five percent (5%) of the consolidated net sales or of the consolidated net income of the Borrower for the period of twelve complete consecutive calendar months ending on or most recently ended prior to the date on which such determination is made.

“Tangible Assets” means the total of all assets appearing on a balance sheet of the Borrower prepared in accordance with GAAP, after deducting all proper reserves (including reserves for

depreciation) less the sum of (i) goodwill, patents, trademarks, deferred charges and other personal property which is classified as intangible property in accordance with GAAP, and (ii) any amounts due from the other Borrower, shareholders, Affiliates, officers or employees of Borrower.

“Tangible Net Worth” means at any time the Borrower’s consolidated: (i) Tangible Assets, minus (ii) Liabilities, plus (iii) Subordinated Debt after subtracting therefrom (a) the aggregate amount of any intangible assets of the Borrower including, without limitation, covenants not to compete, deferred charges, goodwill, franchises, licenses, patents, trademarks, trade names, copyrights, service marks and brand names, and (b) notes receivable from any natural person or trust and (c) “other assets” as determined by Lender in the exercise of its reasonable discretion and as customarily designated on the Borrower’s balance sheet. All components of Tangible Net Worth shall be computed in accordance with GAAP.

“Taxes” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

“Term Loan” has the meaning given to it in Recital L of this Agreement.

“Term Loan Note” means the Promissory Note in the face amount of the Term Loan dated as of the Closing Date between each Borrower and the Lender.

“Total Assets” means, as of the date of determination, the aggregate amount of assets of the Borrower determined in accordance with GAAP.

“Total Liabilities” means, as of the date of determination, the aggregate amount of liabilities of the Borrower determined in accordance with GAAP.

“Type” means with respect to any Advance, its nature as a Floating Rate Advance.

“UCC” means the Uniform Commercial Code as in effect in the State of Illinois or, as applicable, such other jurisdiction where each Borrower was formed, including but not limited to revised Article 9 of the Uniform Commercial Code effective as of July 1, 2001, and all amendments and supplements thereto.

“Unfunded Liabilities” means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans as if such Plans were terminating on such date under Section 4041 of ERISA.

“Unmatured Default” means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

“Voidable Transfer” shall have the meaning set forth in Section 9.25.

“Wholly-Owned Subsidiary” of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person

or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. All references to Persons shall include such Person's successors and assigns as applicable.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term "including" is not limiting and means "including without limitation." In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including." The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible.

(c) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(d) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms. Unless otherwise expressly provided, any reference to any action of the Lender by way of consent, approval or waiver shall be deemed modified by the phrase "in its sole discretion."

(e) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Lender and the Borrower, and are the products of both parties. Accordingly, they shall not be construed against the Lender merely because of the Lender's involvement in their preparation.

1.3 Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year” and “fiscal quarter” refer to such fiscal periods of the Borrower.

ARTICLE II THE CREDITS

2.1 Revolving Facility. Upon the terms and subject to the conditions set forth in this Agreement, the Lender hereby agrees to provide to the Borrower a revolving credit facility (the “**Revolving Facility**”) from time to time on any Business Day during the period from the Closing Date to the Revolving Facility Termination Date pursuant to which the Lender agrees to make Revolving Advances to the Borrower in accordance with **Section 2.2**; provided, however, that in no event may the sum of the aggregate principal amount of all outstanding Revolving Advances under the Revolving Facility exceed the lesser of (i) the Aggregate Revolving Commitment with regard to the Revolving Facility or (ii) the Borrowing Base. The proceeds of the Revolving Facility will be used solely for Borrower’s working capital and for Borrower’s general business purposes.

2.2 Revolving Advances. From and including the date of this Agreement and prior to the Revolving Facility Termination Date, the Lender agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of the Aggregate Available Revolving Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay, and reborrow Revolving Advances from the Lender at any time prior to the Revolving Facility Termination Date. The Commitment of the Lender to lend hereunder shall expire on the Revolving Facility Termination Date. All outstanding Revolving Advances owing to Lender shall be paid in full by the Borrower on the Revolving Facility Termination Date. All other unpaid Obligations owing to the Lender shall be paid on the Revolving Facility Termination Date. An Authorized Officer of Borrower acting singly may request and authorize an Advance. Such authorization shall be binding on and authority for each Borrower regardless of which Borrower employs the Authorized Officer so designated. Borrower assumes sole responsibility for the acts of its Authorized Officers. Borrower shall also designate a single account or accounts acceptable to Lender to receive all Advances requested by Borrower and made by Lender or at Lender’s option, an account for each Borrower to receive advances to be made to the respective Borrower’s account at the request of the Borrower’s Authorized Officer.

2.3 Unused Line Fee. Borrower shall pay to Lender, an unused line fee in an amount equal to (i) the 0.25% *times* (ii) the difference between (a) the Aggregate Revolving Commitment and (b) the average daily balance of the Revolving Facility for each month; which fee shall be fully earned by Lender and payable monthly in arrears on the last Business Day of each calendar month and upon the Revolving Facility Termination Date. Said fee shall be calculated on the basis of a 360 day year and the actual number of days elapsed.

2.4 Conversion of DIP Loans into Exit Facility. Upon the Effective Date of the Plan and execution of this Agreement, Borrower shall be deemed to have received, accepted and become obligated for (a) the full amount of the Term Loan and (b) a Revolving Advance in the amount of Borrower’s outstanding indebtedness to Lender under the DIP Line of Credit.

2.5 Bond Letters of Credit. CCA reaffirms and Midwest hereby agrees to become jointly and severally liable with CCA for all Bond Letters of Credit Obligations under or with respect to the Reimbursement Agreements and the Bond Letters of Credit Obligations. Based on the foregoing, on the terms and subject to the conditions set forth in the Reimbursement Agreements, Lender shall continue to provide credit support to Bank of America to support the Belvidere Bond Letter of Credit and the Hoke County Bond Letter of Credit until their expiration date. Unless extended, the Bond Letters of Credit expire on or before July 31, 2013. Provided that no Defaults or Unmatured Defaults have occurred and are continuing and Lender does not give notice of its intent not to renew the Line of Credit, if Borrower requests an extension or substitution of the Bond Letters of Credit which currently expire in 2013, Borrower will so request Lender and the issuing Bank. Lender shall coordinate and cooperate with Borrower in making that request to the issuing bank. If the issuing bank is unwilling to extend either or both Bond Letters of Credit, the Bank shall cooperate with the Borrower in its request to another issuing bank to issue substitute Bond Letters of Credit by offering to provide credit support for the Bond Letters of Credit in accordance with Section 2.11 of the respective Reimbursement Agreement until at least through the next Revolving Facility Termination Date. Borrower shall pay all of Lender's costs and fees in connection therewith, including Lender's and the issuing bank's attorneys' fees and costs of the issuing bank charged to Lender and/or Borrower. Borrower acknowledges that Lender does not guarantee or assure Borrower that it will be able to obtain an extension of or substitute for the Bond Letters of Credit. All terms of any extension or substitution must be in form and substance satisfactory to Lender. All draws upon the Bond Letters of Credit, including any extended or substitute Bond Letters of Credit, shall be reimbursed by Borrower to the Lender in accordance with the terms of the Reimbursement Agreements. The terms and conditions of the Reimbursement Agreements, as modified hereby, are incorporated herein as if fully set forth herein and are binding on Midwest as though it were the applicant together with CCA thereunder.

2.6 Term Loan. Upon fulfillment by Borrower or waiver by Lender of the conditions precedent set for in Article IV, the term loan evidenced by the DIP Term Note made by Lender to the Borrower pursuant to the DIP Order shall convert to, and be evidenced by and be deemed refinanced by the Term Loan and evidenced by the Term Loan Note and shall bear interest at the Floating Rate or, if a Default occurs and is continuing, at the Default Rate. The Borrower shall make all scheduled monthly payments of the Term Loan on or before a Payment Date. The Term Loan shall be due and payable in full on the earlier of (i) its maturity as set forth in the Term Loan Note, (ii) the Revolving Facility Termination Date, or (iii) when accelerated as provided in this Agreement due to the occurrence of an uncured Default. The Term Loan shall be secured by all of the Collateral.

2.7 General Facility Terms.

2.7.1 Notes. The Revolving Facility shall be evidenced by the Revolving Note payable to the order of the Lender. The Term Loan shall be evidenced by the Term Loan Note payable to the order of the Lender.

2.7.2 Optional Principal Payments; Mandatory Principal Payments. Borrower may from time to time pay all outstanding Floating Rate Advances, or, pay in a minimum aggregate amount of \$10,000 or any integral multiple of \$10,000 in excess thereof, without penalty or premium,

2.7.3 Changes in Interest Rate. All unpaid Revolving Advances, the Term Loan and Bond Letters of Credit Obligations will bear interest based on the Floating Rate or, if a Default has occurred and is continuing, at the Default Rate, in effect on the first day of each calendar month in which these Obligations are outstanding. Changes in the 30-day LIBOR rate will effect a corresponding change in the Floating Rate and the Default Rate, if applicable, and shall take effect on the first day of each calendar month in which the 30-day LIBOR rate has changed from that rate in effect on the first day of the previous calendar month.

2.7.4 Rates Applicable after Default. During the continuance of a Default, all Indebtedness owed by the Borrower to Lender shall bear interest at a rate per annum equal to the Default Rate.

2.7.5 Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Lender at the Lender's address specified pursuant to **Article VIII**, by noon (Chicago time) on the date when due. The Lender is hereby authorized to charge any account of either Borrower maintained with the Lender for each payment of principal, interest and fees as it becomes due hereunder.

2.7.6 Collateral. Payment and performance of all of the Obligations shall be and is secured by all of the Collateral pursuant to the Security Agreements, the Mortgages, the Assignment of Leases and the other Loan Documents.

2.7.7 Notes; Telephonic Notices. The Lender is hereby authorized to record the principal amount of each of its Loans and each repayment on a schedule attached to its Notes or otherwise in the Lender's records, and such entries shall be prima facie evidence of the existence and the amounts of the Obligations therein recorded; provided, however, that neither the failure to so record nor any error in such recordation shall affect the Borrower's obligations under any such Note. Each Borrower hereby authorizes the Lender to extend, or continue Revolving Advances based on telephonic notices or email notices made by any Authorized Officer or Authorized Officers the Lender in good faith believes to be acting on behalf of either Borrower. Each Borrower agrees to deliver promptly to the Lender a written confirmation if such confirmation is requested by the Lender, of each telephonic notice or email notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Lender, the records of the Lender shall govern absent manifest error.

2.7.8 Interest Payment Dates. Interest accrued on each Advance and the Term Loan shall be payable on (A) each Payment Date, (B) for interest on Advances under the Revolving Facility, on any date on which an Advance is prepaid, whether due to acceleration or otherwise, and at maturity, and (C) for interest on any portion of the Term Loan that is prepaid, on the date

2.7.9 Maintenance of Balances. Throughout the term of this Agreement the Borrower agrees to utilize the Lender as its only depository and remittance point for all of Borrower's operations except for the Borrower's Florida and North Carolina payroll accounts.

2.8 Bond Letters of Credit.

2.8.1 Continuation. CCA reaffirms and Midwest agrees to be jointly and severally liable with CCA under the terms of the Reimbursement Agreements and for the Bond Letters of Credit Obligations. Based on the foregoing, from and including the date of this Agreement and prior to the Business Day prior to the Revolving Facility Termination Date, the Lender agrees, on the terms and conditions set forth in this Agreement and the Reimbursement Agreements, to provide credit support to Bank of America for the Bond Letters of Credit.

2.8.2 Reimbursement Obligations.

(a) The Lender shall promptly notify the Borrower of any draw or other payment under any Bond Letters of Credit. The Borrower shall reimburse the Lender for drawings under any such Bond Letters of Credit no later than the Business Day after the payment in respect of such Bond Letters of Credit by the Lender, together with interest thereon at the Floating Rate per annum from the date of payment on such Bond Letters of Credit by the Lender to and including the date on which the Lender is reimbursed for such payment by the Borrower.

(b) Any Reimbursement Obligation with respect to any Bond Letters of Credit which is not paid on the date when due in accordance with Section 2.5 or Section 2.8.2(a) shall be payable on demand and bear interest until paid at the Default Rate.

(c) Any action taken or omitted to be taken by the Lender under or in connection with any Bond Letters of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put the Lender under any resulting liability to the Borrower. In determining whether to pay under any Bond Letters of Credit, the Lender shall have no obligation relative to the Borrower other than to notify the Borrower that Lender has received notice from the issuer that the issuer has made payment under a Bond Letter of Credit and Lender is obligated to pay the issuer on account thereof as provided in its reimbursement, application or other agreement Lender has with the issuer. Lender is not the issuer of the Bond Letters of Credit and is not responsible for any wrongful, delayed or erroneous drawings thereunder, failure to honor drawings or other errors that issuer may make

2.8.3 Payment of Reimbursement Obligations. Each Borrower agrees to pay to the Lender the amount of all Reimbursement Obligations, interest and other amounts payable to the Lender under or in connection with each Bond Letters of Credit immediately when due, irrespective of any claim, set-off, defense or other right which any Borrower may have at any time against the Lender or any other Person, under all circumstances, including without limitation, any of the following circumstances:

(a) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(b) the existence of any claim, setoff, defense or other right which any Borrower may have at any time against a beneficiary named in a Bond Letters of Credit or any transferee of any Bond Letters of Credit (or any Person for whom any such transferee may be acting), the Lender, or any other Person, whether in connection with this Agreement, any Bond Letters of Credit, the Bonds, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between any Borrower and the beneficiary named in any Bond Letters of Credit);

(c) any draft, certificate or any other document presented under the Bond Letters of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(d) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents; or

(e) the occurrence of any Default or Unmatured Default.

Lender may debit any account of either Borrower to effect such payment.

2.8.4 Compensation for Bond Letters of Credit. The Borrower shall pay to the Lender from time to time the Lender's reasonable and customary costs of, and fees for, documenting, issuing and servicing the Bond Letters of Credit, plus a per annum fee on the undrawn amount outstanding on each Bond Letter of Credit, payable as set forth in the applicable Reimbursement Agreement.

2.8.5 Bond Letters of Credit Collateral Account. Upon demand of the Lender (i) after the occurrence and during the continuance of an Unmatured Default or a Default, or (ii) upon the Revolving Facility Termination Date, the Borrower shall deposit funds up to the amount of the Bond Letters of Credit Obligations in existence from time to time into a special cash collateral account (the "**Bond Letters of Credit Collateral Account**") at the Lender's office at the address specified herein, in the name of the Borrower but under the sole dominion and control of the Lender, in which the Borrower shall have no interest. Nothing in this **Section 2.8.5** shall either obligate the Lender to require the Borrower to deposit any funds in the Bond Letters of Credit Collateral Account or limit the right of the Lender to release any funds held in the Bond Letters of Credit Collateral Account.

**ARTICLE III
CHANGE IN CIRCUMSTANCES**

3.1 Yield Protection. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) adopted, enacted, modified or otherwise becoming effective after the date hereof, or any interpretation thereof, or the compliance of the Lender therewith: (a) subjects the Lender to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding any Excluded Tax), or changes the basis of taxation of payments to the Lender in respect of its Loans, the Bond Letters of Credit or other amounts due it hereunder, or (b) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Lender (other than reserves and assessments taken into account in determining the interest rate applicable to LIBOR Advances, if any), or (c) imposes any other condition the result of which is to increase the cost to the Lender of making, funding, maintaining, issuing Loans or reduces any amount receivable by the Lender in connection with Loans, or requires the Lender to make any payment calculated by reference to the amount of loans held or interest received by it, in each case by an amount deemed material by the Lender, then, within 15 days of demand by the Lender, the Borrower shall pay the Lender that portion of such increased expense incurred or reduction in an amount received which the Lender reasonably determines is attributable to making, funding and maintaining its Loans and its Commitment.

3.2 Changes in Capital Adequacy Regulations. If the Lender determines the amount of capital required or expected to be maintained by the Lender, or any corporation controlling the Lender is increased as a result of a Change, then, within 15 days of demand by the Lender, the Borrower shall pay the Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which the Lender determines is attributable to this Agreement, its Loans or its obligation to make Loans hereunder (after taking into account the Lender's policies as to capital adequacy).

3.3 Taxes.

(a) All payments by the Borrower to or for the account of the Lender hereunder or under the Notes shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this **Section 3.3**) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (iv) the Borrower shall furnish to the Lender the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

(b) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note ("**Other Taxes**").

(c) The Borrower hereby agrees to indemnify the Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this **Section 3.3**) paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, except for such Taxes or Other Taxes arising out of Lender's gross negligence or willful misconduct. Payments due under this indemnification shall be made within 30 days of the date the Lender makes demand therefor pursuant to **Section 3.4**.

3.4 Lender Statements; Survival of Indemnity. Lender shall deliver a written statement to the Borrower as to the amount due, if any, under **Sections 3.1, 3.2, or 3.3**. Such written statement shall set forth in reasonable detail the calculations upon which Lender determined such amount and shall be final, conclusive and binding on the Borrower absent manifest error. Unless otherwise provided herein, the amount specified in the written statement of Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under **Sections 3.1, 3.2, or 3.3** shall survive for a period of one year after the later of the payment in full of the then-known Obligations and the termination of this Agreement.

ARTICLE IV CONDITIONS PRECEDENT

4.1 Initial Advance. The Lender shall not be required to make the initial Advance, convert the DIP Term Loan to the Term Loan, convert the DIP Line of Credit to the Revolving Facility or assume any Commitment to Borrower under this Agreement unless (1) the Borrower has furnished and delivered to the Lender, and Lender has received and approved the items specified in this **Section 4.1**, each dated as of the initial Borrowing Date (or such earlier date as shall be acceptable to the Lender) and fully executed, where applicable and all submissions which are not originals must be true and complete copies of these items and if requested by Lender, must be so certified by Borrower and (2) the Effective Date of each Borrower's Reorganization Plan has occurred in accordance with their respective plan and disclosure statements and the Bankruptcy Court's Confirmation Order approving each Borrower's Reorganization Plan. The items Borrower must furnish and deliver are:

(a) Copies of the articles of incorporation and of the organizational documents of Borrower, together with all amendments thereto, and certificates of good standing of Borrower from each jurisdiction in which each Borrower is qualified to do business, all certified by the appropriate governmental officers in their respective jurisdiction.

(b) Copies, certified by the Secretary of Borrower, of Borrower's by-laws and of Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Lender) authorizing the execution of each of the Loan Documents to which the Borrower is a party.

(c) Incumbency certificate, executed by the Secretary of Borrower which shall identify by name and title and bear the signature of the officers of Borrower authorized to sign the Loan Documents to which they are a party and, with respect to Borrower, to make

(d) A certificate of Borrower, signed by the chief executive officer, president, or chief financial officer of Borrower, stating that on the initial Borrowing Date Borrower is solvent and no Default or Unmatured Default has occurred and is continuing and calculating and showing compliance with each of the financial covenants of Borrower as of the month end preceding the Closing Date as if each Borrower's Reorganization Plan had been confirmed and was effective as of that date.

(e) A written opinion from counsel to the Borrower, addressed to the Lender in a form reasonably satisfactory to Lender and Lender's counsel.

(f) This Agreement, the Revolving Note and Term Loan Note, fully executed by Borrower,

(g) An Amended and Restated Security Agreement executed by each Borrower in favor of the Lender, together with: (i) original copies of Uniform Commercial Code financing statements (Form UCC-1), dated a date reasonably near (but not subsequent to) to the Closing Date naming Borrower as debtor and the Lender as the secured party, in a form sufficient to be filed under the Uniform Commercial Code of all jurisdictions as may be necessary or, in the reasonable opinion of the Lender, desirable to perfect the security interest of the Lender pursuant to the Security Agreements; and (ii) authorized copies of proper Uniform Commercial Code termination statements (Form UCC-3) and such other instruments or agreements to release all Liens and other rights of any Person in any collateral covered by the Collateral Documents, other than Permitted Liens.

(h) A Subordination Agreement fully executed by Donald L. Thiel and Judith M. Thiel and Borrower in form and substance acceptable to the Lender with respect to Indebtedness owed by Borrower to them.

(i) Originals of the Mortgage Amendments in recordable form together with (a) mortgagee's title insurance commitments for each Mortgage as amended, (b) current surveys, (c) title insurer owner's affidavits with respected to the Real Estate, and (d) such other documents as the title insurer requires.

(j) The insurance certificate described in **Section 5.22** along with evidence that the Lender has been named as lender loss payee under all policies of casualty insurance, and as additional insured under all policies of liability insurance required in accordance with **Section 5.22** and under the Security Agreement (in the form of certificates of insurance, with standard lenders' loss payable endorsements reasonably acceptable to the Lender or other instruments or documents evidencing such insurance coverage).

(k) Such consents, estoppels, subordination agreements, right of access, disclaimer or lien and other documents and instruments executed by landlords, tenants and other Persons party to material contracts relating to any Collateral as to which the Lender shall be granted a Lien, as reasonably requested by the Lender.

(l) Evidence that all other actions necessary or, in the reasonable opinion of the Lender, desirable to perfect and protect the first priority Lien created by the Security Agreement and to enhance the Lender's ability to preserve and protect its interests in and access to the Collateral, have been taken.

(m) Evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent then due and payable on the date hereof together with all attorneys' fees and costs of the Lender incurred or estimated to accrue up through the Closing Date, including Lender's attorneys' fees, costs and expenses incurred in negotiating, documenting and securing the Loan Documents (including survey, title, filing, recording, local counsel and other out of pocket costs) and in monitoring, reviewing and commenting on motions, plans, and proposed orders in the Bankruptcy Case.

(n) Delivery of Borrower's January 31, 2012 year-end financial statements (statements of income, balance sheet, statement of cash flows and any and all supporting schedules), along with Borrower's financial statements from January 1, 2012 through October 31, 2012 (provided however that if the October 31, 2012 statements are not available, then such statements through the last available fiscal period).

(o) Copies of UCC and judgment searches of CCA and Midwest in the applicable jurisdiction by CT Corporation or Corporation Service Company showing Lender's UCC Financing Statement to be on file and prior to any other creditor with respect to the personal property Collateral except for Permitted Liens.

(p) Appraisals not less than ninety (90) days old in a form and substance conforming to FDIC regulation 323, prepared by qualified appraisers showing appraised values of the Real Estate of a combined total not less than \$3,500,000, unless an equity or subordinated debt infusion is made to the Borrower equal to any shortfall.

(q) A certified copy of the Bankruptcy Court final order entered in the Bankruptcy Case, in form and substance acceptable to Lender, confirming each Borrower's and Reorganization Plan and approving the terms of the Exit Financing, together with copies of each Borrower's Reorganization Plan and disclosure statement as approved by the Bankruptcy Court.

(r) A reaffirmation of the Mortgagee's Disclaimer and Consent executed by General Electric Capital Business Asset Funding Corporation.

(s) A Lockbox Agreement for each Borrower.

(t) A field audit of Borrower or its Subsidiaries' assets conducted by the Lender within 30 days prior to the Closing Date. Borrower shall pay Lender the cost of such audit.

(u) Tax escrow accounts for the Real Estate established by Borrower at or with Lender and appropriately funded as required by the Mortgage Amendments if the appraisals called for by subparagraph (p) above show a combined value of the Real Estate of less than \$5,000,000.

(v) Payment to Lender, on the Effective Date of the Reorganization Plan, of a \$25,000 Exit Financing fee.

(w) Such other documents as Lender or its counsel may reasonably request.

All documents, agreements and certificates must be in form and substance satisfactory to Lender.

4.2 Each Advance. The Lender shall not be required to make any Advance (other than an Advance that, after giving effect thereto and to the application of the proceeds thereof, does not increase the aggregate amount of outstanding Advances), unless on the applicable Borrowing Date or Issuance Date, as the case may be:

(a) There exists no Default or Unmatured Default.

(b) The representations and warranties contained in Article V are true and correct as of such Borrowing Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date.

Each Borrowing Notice with respect to each such Advance shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2(a) and (b) have been satisfied.

ARTICLE V REPRESENTATIONS AND WARRANTIES

To induce Lender to make the Loans hereunder, Borrower represents and warrants to the Lender that (which representations and warranties shall survive the execution and delivery of this Agreement and are deemed remade upon each Advance requested by Borrower):

5.1 Corporate Existence and Standing. Each Borrower is a corporation duly formed, validly existing and in good standing under the laws of its state of incorporation. Each Borrower is duly qualified and in good standing as a foreign corporation, authorized to do business in each jurisdiction where such qualification is required because of the nature of its activities or properties and where the failure to maintain such qualification would singly or in the aggregate cause a Material Adverse Effect. The stock of each Borrower is legally and beneficially held as set forth on Schedule 5.1.

5.2 Authorization and Validity. Each Borrower has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by each Borrower of the Loan Documents and the performance of its obligations thereunder has been duly authorized by proper corporate proceedings and the Loan Documents constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with the terms thereof, except as enforceability may be limited by bankruptcy, insolvency or similar laws or general principles of equity relating to remedies affecting or relating to the enforcement of creditors' rights generally.

5.3 No Conflict; Government Consent. Neither the execution and delivery by Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on either Borrower, or violate either Borrower's or its Subsidiary's certificate of incorporation or by-laws or certificate of formation or operating agreement, as the case may be, or the provisions of any indenture, instrument or agreement to which Borrower or its Subsidiary is a party or is subject, or by which its Property is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on the Property of Borrower pursuant to the terms of any such indenture, instrument or agreement, except for any such violation or conflict which would not singly or in the aggregate cause a Material Adverse Effect. No order, consent, approval, license authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect of, any of the Loan Documents and except for any failure to obtain any such order, consent, approval, license, authorization or exemption or to make any such filing or recordation or to take any such other action which would not singly or in the aggregate cause a Material Adverse Effect. The Bankruptcy Court Confirmation Order approving each Borrower's Reorganization Plan is in full force and effect and legal, valid, binding and enforceable in accordance with its terms and the Reorganization Plan of each Borrower so approved has become effective in accordance with its terms.

5.4 Financial Statements. Except as disclosed therein, the January 31, 2012 financial statements (consisting of the consolidated balance sheet, consolidated statement of income and consolidated statement of cash flows) of Borrower heretofore delivered to the Lender were prepared in accordance with GAAP as in effect on the date such statements were prepared and present fairly in all material respects the financial position of Borrower at such date and the consolidated results of its operations for the period then ended.

5.5 Material Adverse Change. Except as set forth as of the date of this Agreement on **Schedule 5.5** hereto, since January 31, 2012, there has been no change in the business, Property, financial condition or results of operations of Borrower, taken as a whole, which could reasonably be expected to have a Material Adverse Effect.

5.6 Taxes. CCA is an S corporation and Midwest is a disregarded qualified S subsidiary with respect to its federal taxes. Each Borrower and its Subsidiaries have filed (or joined in the filing of) all United States federal income tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by such Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists, except for failures to file or pay which could not be reasonably expected to have a Material Adverse Effect. No tax liens (other than those, if any, which are Permitted Liens) have been filed and no claims are being asserted with respect to any such taxes. The charges, accruals and reserves on the books of each Borrower and its Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7 Litigation and Contingent Obligations. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the best knowledge of any of their officers, threatened against or affecting any Borrower or any of its Subsidiaries which could be reasonably expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of the Loans or Advances. Other than any liability incidental to such litigation, arbitration or proceedings, neither Borrower nor any Subsidiary has any material Contingent Obligations not provided for or disclosed in the financial statements referred to in **Section 5.4**.

5.8 Subsidiaries. Except as otherwise disclosed to the Lender in writing on or prior to the date hereof, **Schedule 5.8** hereto contains an accurate list of all Subsidiaries of each Borrower as of the date of this Agreement, setting forth their respective jurisdictions of formation or incorporation and the percentage of their respective equity interests owned by the Borrower or other Subsidiaries. Such Subsidiaries do not own any Collateral or if any Collateral is owned, have delivered to the Lender a Security Agreement and UCC financing statements required by the Lender. All of the issued and outstanding equity interests of such Subsidiaries have been duly authorized and issued and those equity interests which are owned by the Borrower or one or more of its Subsidiaries are fully paid and non-assessable.

5.9 ERISA. Except as set forth as of the date of this Agreement on **Schedule 5.9** hereto, each Benefit Plan complies in all material respects with all applicable requirements of law and regulations, no Reportable Event has occurred with respect to any Plan, neither the Borrower nor any other members of the Control Group has withdrawn from any Plan, except as set forth as of the date of this Agreement on **Schedule 5.9** hereto, or initiated steps to do so, and no steps have been taken to reorganize or terminate any Plan. Each Benefit Plan is in substantial compliance with ERISA and the Code and the Borrower has not received any notice from the government or any agency or department thereof asserting that any Benefit Plan is not in material compliance with either ERISA or the Code. Except as described on **Schedule 5.9** hereto, each Benefit Plan of the Borrower meets the minimum funding standards of Section 302 of ERISA and 412 of the Internal Revenue Code where applicable, and each such Employee Plan that is intended to be qualified within the meaning of Section 401 of the Internal Revenue Code of 1986 is qualified. Except as described on **Schedule 5.9** hereto, no withdrawal liability has been incurred under any such Benefit Plan and no "Reportable Event" or "Prohibited Transaction" (as such terms are defined in ERISA), has occurred with respect to any such Benefit Plan, unless approved by the appropriate governmental agencies. Each Borrower has promptly paid and discharged or complied with its payments obligations under the Reorganization Plan with respect to all obligations and liabilities arising under the ERISA of a character which if unpaid or unperformed might result in the imposition of a Lien against any of its properties or assets.

5.10 Accuracy of Information. The information, exhibits and reports furnished by each Borrower to the Lender in connection with the negotiation of, or compliance with, the Loan Documents as of the date thereof (and together with all other information, exhibits and reports then or previously delivered), taken as a whole did not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements therein not misleading, provided that this Section shall not apply to any plan, forecast, projection or pro forma financial information contained in such materials that is based upon good faith estimates and assumptions believed by the Borrower to be reasonable at the time made.

5.11 Margin Stock. Neither Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loan will be used: (a) to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock; (b) to reduce or retire any indebtedness which was originally incurred to purchase or carry any such Margin Stock; or (c) for any other purpose which might constitute this transaction a “*purpose credit*” within the meaning of Regulation T, U, or X. Neither Borrower nor any person acting on behalf of Borrower, has taken or will take any action which might cause any Loan Document to violate Regulation T, U or X or any other regulation of the Board of Governors of the Federal Reserve System or to violate Section 7 of the Securities Exchange Act, in each case as now in effect or as the same may hereafter be in effect.

5.12 Material Agreements. Neither Borrower is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect. No Borrower is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement to which it is a party, except such default which could not reasonably be expected to have a Material Adverse Effect.

5.13 Compliance With Laws. Each Borrower has complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof, having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

5.14 Ownership of Properties. Except as set forth on Schedule 5.14 hereto and except for sales of Inventory and other assets made in the ordinary course of business since January 31, 2012 on the date of this Agreement, each Borrower and its Subsidiaries will have good title, free of all Liens (other than those permitted by Section 6.16), to all of the Property and assets reflected as owned by it in the Borrower’s August 31, 2012 balance sheet heretofore delivered to the Lender.

5.15 Environmental Matters. Except as set forth as of the date of this Agreement on Schedule 5.15 hereto, in the ordinary course of its business, Borrower considers the effect of Environmental Laws on the business of the Borrower and its Subsidiary, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Neither Borrower nor its Subsidiary has reason to believe that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect. Neither Borrower nor its Subsidiary: (a) has received any notice or other communication or otherwise learned of any Environmental Liability which would, individually or in the aggregate, constitute a Material Adverse Effect arising in connection with: (i) any non-compliance with or violation of the requirements of any Environmental Law, or any permit issued under any Environmental Law; or (ii) the release or threatened release of any Hazardous Material into the

5.16 Investment Company Act. Neither Borrower is an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

5.17 Public Utility Holding Company Act. Neither Borrower is a “holding company” or a “subsidiary company” of a “holding company”, or an “affiliate” of a “holding company” or of a “subsidiary company” of a “holding company”, within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.18 Intellectual Property. Each Borrower owns, is licensed under, or otherwise has the rights to, all patents, trademarks, trade names, copyrights, technology, know-how and processes used in or necessary for the conduct of its business as currently conducted (collectively, “Intellectual Property”), except where the failure to own, be licensed under or otherwise have the rights to any such Intellectual Property could not reasonably be expected to have a Material Adverse Effect. All such patents, federally-registered trademarks and registered copyrights included in the Intellectual Property are properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filing or issuances. All registered Intellectual Property of Borrower is listed on **Schedule 5.18** hereto. No material claim has been asserted by any Person with respect to the use of any Intellectual Property, or challenging or questioning the validity or effectiveness of any Intellectual Property, and to the knowledge of the Borrower, the use of such Intellectual Property by the Borrower does not infringe on the rights of any Person.

5.19 Labor. Except as set forth as of the date of this Agreement on **Schedule 5.19** hereto, Borrower is not a party to a collective bargaining or other comparable labor agreement. There are no strikes, work stoppages, unfair labor charges, equal employment opportunity proceedings, wage payment or material unemployment compensation proceedings, material workmen’s compensation proceedings or other material labor or employee related controversies, pending or, to the Borrower’s knowledge, threatened involving Borrower and any of its employees, except for any of the foregoing which would not in the aggregate have a Material Adverse Effect. No Borrower is a party to a Multi-Employer Plan. Each Borrower’s withdrawal liability under any prior medical, pension or retirement plan has been determined by the Bankruptcy Court or other court or settled and is being liquidated in accordance with the each Borrower’s Reorganization Plan.

5.20 Solvency. After giving effect to the consummation of the transactions contemplated by this Agreement and each Borrower’s Reorganization Plan, the Borrower has capital sufficient to carry on its business and transactions and all businesses and transactions in which it is about to engage and is solvent and able to pay its debts as they mature and the Borrower owns property the fair saleable value of which is greater than the amount required to pay the Borrower’s Indebtedness. No transfer of property is being made and no Indebtedness is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the Borrower or any

_____, a corporation is “insolvent” if (i) the “present fair salable value” (as defined below) of its assets is less than the amount that will be required to pay its probable liability on its existing debts and other liabilities (including contingent liabilities) as they become absolute and matured; (ii) the property of Borrower constitutes unreasonably small capital for Borrower to carry out its business as now conducted and as proposed to be conducted including the capital needs of Borrower; (iii) Borrower intends to, or believes that it will, incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by Borrower and amounts to be payable on or in respect of debt of Borrower), or the cash available to Borrower after taking into account all other anticipated uses of the cash of Borrower is anticipated to be insufficient to pay all such amounts on or in respect of debt of Borrower when such amounts are required to be paid; or (iv) Borrower believes that final judgments against Borrower in actions for money damages will be rendered at a time when, or in an amount such that, Borrower will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered), or the cash available to Borrower after taking into account all other anticipated uses of the cash of Borrower (including the payments on or in respect of debt referred to in clause (iii) of this **Section 5.20**), is anticipated to be insufficient to pay all such judgments promptly in accordance with their terms. For purposes of this **Section 5.20**, the following terms have the following meanings: (x) the term “debts” includes any legal liability, whether matured or unmatured, liquidated, absolute, fixed or contingent, (y) the term “present fair salable value” of Borrower’s assets means the amount which may be realized, within a reasonable time, either through collection or sale of such assets at their regular market value and (z) the term “regular market value” means the amount which a capable and diligent businessman could obtain for the property in question within a reasonable time from an interested buyer who is willing to purchase under ordinary selling conditions.

5.21 **Post-Retirement Benefits.** The present value of the expected cost to the Borrower of post-retirement medical and insurance benefits provided by the Borrower to its employees and former employees (excluding payments made to any collective bargaining unit), as estimated by the Borrower in accordance with procedures and assumptions deemed reasonable by the Lender, does not exceed \$250,000.

5.22 **Insurance Certificate.** The certificate delivered at Closing signed by the Treasurer or Chief Financial Officer of each Borrower, that attests to the existence and adequacy of, and summarizes, the property and casualty insurance program carried by each Borrower with respect to itself and that has been furnished by each Borrower to the Lender is complete and accurate. This summary includes the insurer’s or insurers’ name(s), policy number(s), expiration date(s), amount(s) of coverage, type(s) of coverage, exclusion(s), and deductibles. This summary also includes similar information, and describes any reserves, relating to any self-insurance program that is in effect.

5.23 **Anti-Money Laundering.** At all times throughout the term of the Loan, including after giving effect to any transfers permitted pursuant to the Loan Documents, none of the funds of Borrower that are used to repay the Loan shall be derived from or are the proceeds of any

5.24 Embargoed Person.

(a) At all times throughout the term of the Loan, including after giving effect to any transfers permitted pursuant to the Loan Documents, (i) none of the funds or assets of Borrower, whether or not used to repay the Loan, shall constitute property of, or shall be beneficially owned directly or, to Borrower's best knowledge, indirectly, by any person, entity or government subject to sanctions or trade restrictions under United States law ("**Embargoed Person**" or "**Embargoed Persons**") that are identified on (A) the "List of Specially Designated Nationals and Blocked Persons" maintained by the Office of Foreign Assets Control ("**OFAC**"), U.S. Department of the Treasury's FINCEN list, and/or to Borrower's best knowledge, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list maintained by OFAC or FINCEN pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law, or the Loan made by Lender would be in violation of law, or (B) Executive Order 13224 (September 23, 2001) issued by the President of the United States, any related enabling legislation or any other similar Executive Orders, and (ii) no Embargoed Person shall have any direct interest or, to Borrower's best knowledge, indirect interest, of any nature whatsoever in Borrower, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

(b) At all times throughout the term of the Loan, none of the Borrower, nor any Person controlling, controlled by or under common control with Borrower, nor any Person having a beneficial interest in, or for whom the Borrower, is acting as agent or nominee in connection with the investment, is (a) a country, territory, person or entity named on an OFAC or FINCEN list, or is a Person that resides in or has a place of business in a country or territory named on such lists; (b) a Person resident in, or organized or chartered under the laws of a jurisdiction identified as non-cooperative by the Financial Action Task Force; or (c) a Person whose funds originate from or will be routed through, an account maintained at a foreign shell bank or "offshore bank".

(c) Neither the Borrower nor any Person controlling, controlled by or under common control with Borrower is a "senior political figure" or an "immediate family" member or "close associate" (as all such terms are defined below) of a senior foreign political figure within the meaning of the USA PATRIOT ACT (i.e., the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56, as may be amended). For the purposes of this subsection (c), (i) "senior foreign

5.25 Business Loan. Borrower stipulates, represents, warrants, affirms and agrees that the Loans, including interest rate, fees and charges, as contemplated hereby: (a) are a “business loan” within the meaning of Sections 205/4(a) or (c) of Chapter 815 of the Illinois Compiled Statutes, as amended, (b) the provisions hereunder constitute a contract to make a loan (extend debt financing or financial accommodations) within the meaning of 11 U.S.C. §§ 365(c)(2) and 365(e)(2)(B), and (c) are an exempted transaction under the Truth In Lending Act, 12 U.S.C. § 1601 et seq., as amended from time to time, and (d) do not, and when disbursed shall not, violate the provisions of the Illinois usury laws, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction, the Borrower or any property securing the Loan.

5.26 Life Insurance. Any life insurance on the life of Donald L. Thiel owned by the Borrower, or for which premiums are paid by the Borrower or which name the Borrower as beneficiary and the amounts, policy numbers, issuers, beneficiaries and cash surrender value thereof are set forth on Schedule 5.26 hereof.

5.27 Full Disclosure. Neither this Agreement nor any other document, certificate, or statement furnished to Lender by or on behalf of Borrower or any Subsidiary in connection with the transactions contemplated hereby contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statement contained therein or herein, taken as a whole, not misleading that would result in a Material Adverse Effect.

5.28 Representations Continuing. Each of the representations and warranties set out in this **Article V** will survive disbursement of the Loan, is presently true and correct and Borrower will cause each to be true and correct at all times until the Loan, and all Indebtedness of Borrower under all of the Loan Documents, have been performed, paid and satisfied in full. If any of such representations or warranties hereafter becomes incorrect because relevant facts and circumstances hereafter change other than as a result of the actions or omissions of Borrower or any Subsidiary, Borrower will immediately notify Lender.

ARTICLE VI COVENANTS

Borrower covenants and agrees that, until the Obligations and all other amounts owing to Lender under the Loan Documents have been paid in full and all Obligations have been

performed and satisfied, Borrower shall perform or cause to be performed all of the covenants in this **Article VI**, unless the Lender shall otherwise consent in writing:

6.1 **Financial Reporting.** Each Borrower will maintain, for itself, and for each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Lender:

(a) Within 120 days after the close of each of its Fiscal Years, audited consolidated balance sheet and consolidated statement of income and retained earnings and consolidated statement of cash flows of Borrower and its Subsidiaries certified without qualification by independent certified public accountants reasonably acceptable to the Lender, prepared in accordance with GAAP and accompanied by a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Unmatured Default, or if, in the opinion of such accountants, any Default or Unmatured Default shall exist, stating the nature and status thereof.

(b) Within 45 days after the end of each month, for Borrower and its Subsidiaries unaudited and non-reviewed consolidated balance sheet and statements of income and retained earnings, all prepared in accordance with GAAP and certified by the chief financial officer of Borrower.

(c) Together with the financial statements required under **Section 6.1(a)** submitted annually and **Section 6.1(b)** submitted at the end of each of the Borrower's fiscal quarters, a Compliance Certificate.

(d) On or before the 15th day of each month, a Schedule of Accounts, a Schedule of Inventory and a Schedule of Payables as at the last day of the immediately preceding calendar month, each showing an aging of Accounts, Inventory and accounts payable respectively and otherwise in form and substance reasonably satisfactory to the Lender.

(e) A current Borrowing Base Certificate in the form of **Exhibit 6.1(e)** hereto listing all Accounts and Inventory generated by the Borrower during the immediately prior month. Unless the Lender provides written notification otherwise, such Borrowing Base Certificate shall be delivered to Lender with each request for an Advance under the Revolving Facility or more frequently in the Lender's reasonable discretion.

(f) Promptly upon the Borrower's having knowledge concerning the occurrence of a Default or Unmatured Default, written notice describing in detail such event.

(g) Promptly upon the Borrower's having knowledge of the institution of, or any adverse determination in any litigation, arbitration proceeding or court proceeding in which any injunctive relief is sought or in which money damages in excess of \$250,000 in the aggregate are sought, written notice describing such matter and the Borrower's intended response.

(h) As soon as possible and in any event within 10 days after the Borrower knows that any Reportable Event has occurred with respect to any Benefit Plan, a statement, signed by the chief financial officer of the Borrower, describing said Reportable Event and the action which the Borrower proposes to take with respect thereto.

(i) As soon as possible and in any event within 10 days after receipt by the Borrower of a written notice from the government or any agency or department thereof that any Benefit Plan of the Borrower has violated the provisions of ERISA or the Code, which violation could result in liability to the Borrower in excess of \$250,000.

(j) As soon as possible and in any event within 10 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

(k) Such other information (including non-financial information) as the Lender may from time to time reasonably request.

6.2 Use of Proceeds. Each Borrower will use the proceeds of the Revolving Advances and the Term Loan Note to refinance Borrower's existing debt, for working capital, to secure self insurance in connection with applicable state workers' compensation requirements, and for the general business purposes of Borrower. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Advances, the Term Loan Note, or the Bond Letters of Credit to purchase or carry any "margin stock" (as defined in Regulation U).

6.3 Notice of Adverse Development. Promptly upon becoming aware of any development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect, each Borrower will provide prompt written notice to the Lender of the occurrence of such development.

6.4 Conduct of Business. Each Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and to do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted unless failure to maintain such authority could not reasonably be expected to have a Material Adverse Effect.

6.5 Taxes. Each Borrower will timely file (or join in the filing of) complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP, and except to the extent that the failure to file any return or the nonpayment of any tax could not reasonably be expected to have a Material Adverse Effect.

6.6 Insurance. Each Borrower shall maintain with financially sound and reputable independent insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of

6.7 Compliance with Laws. Each Borrower will comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, except to the extent that noncompliance could not reasonably be expected to have a Material Adverse Effect.

6.8 Maintenance of Properties. Each Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, except to the extent that failure to maintain such Property or make such repair could not reasonably be expected to have a Material Adverse Effect.

6.9 Inspection. Each Borrower will, and will cause each Subsidiary to, permit the Lender, by its respective representatives and agents, to inspect any of the Property, corporate books and financial records of Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its officers at such reasonable times and intervals as the Lender may designate.

6.10 Financial Covenants. The financial covenants referred to in this **Section 6.10** shall each be computed at the end of each Fiscal Year (unless stated otherwise) by the Borrower, and such calculations shall be included in the Compliance Certificate referred to in **Section 6.1(c)**.

6.10.1 Tangible Net Worth. At the end of Borrower's Fiscal Year, the combined Tangible Net Worth of the Borrowers will be at least Ten Million and No/100 Dollars (\$10,000,000).

6.10.2 Total Senior Debt to Tangible Net Worth Ratio. Borrower shall not permit its Total Senior Debt to Tangible Net Worth Ratio to be greater than 3.50:1.00.

6.10.3 Debt Coverage Ratio. Borrower shall maintain a Debt Coverage Ratio of not less than 1.25:1 with respect to each fiscal year of operations of the Borrower at the end of each fiscal year starting with the fiscal year ended of January 31, 2013

6.11 Loan Documents. The Borrower will, and will cause each Subsidiary to, comply with all the terms and conditions of the other Loan Documents.

6.12 Indebtedness. The Borrower will not create, incur or suffer to exist any Indebtedness, except:

- (a) Senior Indebtedness;
- (b) Indebtedness described in Schedule 6.12 hereto;
- (c) Subordinated Debt;

(d) Indebtedness other than Senior Indebtedness incurred or assumed for the purpose of financing the costs of acquiring fixed or capital assets (including Capitalized Leases) in the ordinary course of Borrower's business provided however that such indebtedness shall not exceed \$500,000 in the aggregate; and

(e) Indebtedness incurred to refinance existing Indebtedness permitted pursuant to this Section 6.12; provided, however, that the maturity date of such new Indebtedness is no earlier than the maturity date of the Indebtedness being refinanced and the terms of such new Indebtedness (including, but not limited to, the amount, the term, the amount of the annual loan payment or provision for collateral or additional collateral) are no more disadvantageous to the Lender, the Borrower and its Subsidiaries than the terms of the Indebtedness being refinanced.

6.13 Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person (other than Midwest into CCA, in which event Borrower shall give at least thirty (30) days' prior written notice to Lender) without the prior written consent of the Lender.

6.14 Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of Property, to any other Person, except:

- (a) Sales of Inventory in the ordinary course of business;

(b) Leases, sales or other dispositions of Property that together with all other Property of the Borrower previously leased, sold or disposed of (other than Inventory in the ordinary course of business) as permitted by this Section during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not exceed \$250,000, unless the proceeds thereof are paid directly to reduce first the Term Loan and then the outstanding Advances.

6.15 Investments and Acquisitions. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist any Investments (including without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, or to become or remain a partner in any partnership or joint venture, or member in a limited liability company, or to make any Acquisition of any Person, except:

- (a) Short-term obligations of, or fully guaranteed by, the United States of America.

(b) Commercial paper rated A-1 or better by Standard and Poor's Corporation or P-1 or better by Moody's Investors Service, Inc.

(c) Demand deposit accounts maintained in the ordinary course of business with Lender except for payroll only disbursing accounts outside the State of Illinois, provided that if requested by Lender, such bank grants to Lender a deposit account control agreement in form and substance to Bank.

(d) Certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of \$100,000,000.

(e) Investments not to exceed \$1 million in the aggregate at any one time outstanding in the common stock and investment grade bonds of publicly held corporations which stock and bonds are traded on the New York, American or NASDAQ stock exchanges.

(f) Except as otherwise approved by Lender, loans to employees of any Borrower which do not exceed, in the aggregate for all such employees at any one time outstanding, \$100,000, provided that no such loans shall be advanced when there exists an Unmatured Default or Default.

(g) Existing Investments which are described in Schedule 6.15 hereto.

6.16 Liens. Borrower will not, nor will it permit any Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of Borrower, except the following ("**Permitted Liens**"):

(a) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

(b) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations which are either (i) not more than 60 days past due or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.

(c) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

(d) Liens arising from a judgment rendered or claim filed, not in excess, singly or in the aggregate, of \$100,000 against the Borrower which the Borrower shall be contesting diligently in good faith by proper legal proceedings.

(e) Liens securing Indebtedness permitted already secured as of the date hereof, as shown on Schedule 6.12, Liens securing Indebtedness permitted by Section 6.12(d) and precautionary UCC filings by lessors of true operating leases.

(f) Easements, building restrictions and such other encumbrances or charges against real property which do not in any material way interfere with the use thereof by the Borrower.

(g) Liens created by the Loan Documents.

(h) Any extension, renewal or substitution of or for any of the foregoing Liens described in this **Section 6.16**, provided in each case that (a) the Indebtedness or other obligation or liability secured by the applicable Lien shall not exceed the Indebtedness or other obligation or liability existing immediately prior to such extension, renewal or substitution and (b) the Lien securing such Indebtedness or other obligation or liability shall be limited to the Property which, immediately prior to such extension, renewal or substitution, secured such Indebtedness or other obligation or liability, and improvements on or additions to such Property.

6.17 Prohibition of Negative Pledge. Borrower will not, nor will it permit any of its Subsidiaries to agree, covenant, warrant, represent, pledge or otherwise commit with or to any entity other than the Lender, to not incur, create, assume or permit to exist, any mortgage, pledge, lien charge or other encumbrance of any nature whatsoever on all or any of its assets now or hereafter owned, except for the Excluded Collateral.

6.18 Affiliates. Borrower will not, nor will it permit any of its Subsidiaries to enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of Borrower or such Subsidiaries' business and upon fair and reasonable terms no less favorable to Borrower or such Subsidiary than Borrower or such Subsidiary would obtain in a comparable arms-length transaction or except as permitted by the Subordination Agreement.

6.19 Amendments to Agreements. The Borrower will not, nor will it permit any Subsidiary to, amend any term or provision of any Subordinated Debt, except with the prior written consent of the Lender, as determined by Lender in its sole discretion. The Borrower shall deliver to the Lender all amendments to the Subordinated Debt within ten (10) days prior to the intended effective date of such amendment.

6.20 Sale of Accounts. Borrower will not sell or otherwise dispose of any notes receivable or Accounts, with or without recourse.

6.21 Fiscal Year. Borrower will not, nor will it permit any Subsidiary to, change its Fiscal Year.

6.22 Limitation on the Creation of Subsidiaries. Notwithstanding anything to the contrary contained in this Agreement, the Borrower will not establish, create or acquire any Subsidiary without Lender's prior written consent.

6.23 Subsidiary Dividends. The Borrower's Subsidiaries shall not in any manner either directly or indirectly incur or be bound by any restrictions on dividends from such Subsidiaries to the Borrower, other than those restrictions required by applicable law.

6.24 Purchase and Redemption of the Borrower's Securities; Dividend and Interest Restrictions. Except for Permitted Tax Distributions and dividends from Midwest to CCA, the Borrower will not purchase or redeem any shares of the Borrower's capital stock or any options or warrants with respect thereto, declare or pay any dividends thereon, make any distribution or payment to stockholders or holders of options or warrants in respect of the Borrower's capital stock or set aside any funds for any such purpose. Prior to declaring any dividend or making any payment or distribution to any stockholder Borrower for Permitted Tax Distributions, Borrower shall provide Lender with written notice of the same. No dividends shall be permitted without Lender's prior written consent except for Permitted Tax Distributions and dividends from Midwest to CCA after ten (10) days prior notice of them has been given to Lender.

6.25 Borrower Compliance with Anti-Money Laundering Laws. Each Borrower has taken, and agrees that it shall continue to take, reasonable measures appropriate to the circumstances (in any event as required by law), to ensure that each shareholder of each Borrower is and shall be in compliance with all current and future Anti-Money Laundering Laws and laws, regulations and government guidance, to the extent such laws, regulations and guidance apply to such shareholder, for the prevention of terrorism, terrorist financing and drug trafficking.

6.26 Banking Relationship. Each Borrower covenants and agrees, at all times during the term of this Agreement, to utilize the Lender as its sole bank of account and depository for all financial services, including all receipts, disbursements, cash management and related services, except for each Borrower's payroll accounts associated with the Borrower's operations in North Carolina and Florida.

6.27 Field Audit. If requested by Lender, Borrower shall and shall cause each Subsidiary to cooperate with Lender to facilitate and complete a semi-annual field audit of Borrower or its Subsidiaries' assets conducted by the Lender and Borrower shall pay Lender the cost of each such audit.

6.28 Appraisals. If requested by Lender, but not more than once in a 12-month period, Borrower shall obtain appraisals in form and substance conforming to FDIC regulation 323, prepared by qualified appraisers showing combined appraised values of the Real Estate of not less than \$3,500,000. If appraised values of the Real Estate fall below \$3,500,000, Borrower shall within thirty (30) days notice thereof by Lender prepay the Term Loan by the amount of shortfall. Such prepayment shall be credited to the last payments due on the Term Loan.

6.29 Reorganization Plan Obligations. Each Borrower shall fulfill, abide by and not be in default in any of its respective material obligations under the terms of its Reorganization Plan as confirmed by the Bankruptcy Court in the Bankruptcy Case.

6.30 Restricted Payments. Borrowers will not directly or indirectly pay, make, advance, distribute, dividend or allow to be made any Restricted Payments except (i) fair compensation and benefits to shareholders or family members of shareholders other than Donald L. Thiel or Judith M. Thiel, who are officers or employees of the Company; (ii) payments permitted by the Subordination Agreement; and (iii) transactions permitted by Sections 6.18 and 6.24 above.

ARTICLE VII DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1 Any representation or warranty made (or deemed made pursuant to **Article IV**) by or on behalf of either Borrower or any of its Subsidiaries to the Lender, under or in connection with this Agreement, any Loan, any Bond Letters of Credit or any certificate or information delivered in connection with this Agreement or any other Loan Document, including Schedules of Inventories, Accounts, and Payables, shall be false in any material respect on the date as of which made (or deemed made).

7.2 Nonpayment of principal of the Notes or any Reimbursement Obligation when due, or nonpayment of interest upon the Notes, or other obligations under any of the Loan Documents within five (5) days after the same becomes due.

7.3 The breach by either Borrower of any of the terms or provisions of Sections 6.2, 6.3, 6.6, 6.10, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.19, 6.20, 6.23, 6.24, 6.28, 6.29 and 6.30, provided that

(a) For a breach of Section 6.6, Borrower shall have thirty (30) days to cure any breach of the insurance covenant from the date of occurrence thereof; and

(b) for a breach of Section 6.10.1, 6.10.2 or 6.10.3, Borrower shall have the earlier of (i) the 21st day of June following the close of fiscal year for which the financial covenant is breached, and (ii) twenty-one days from the date applicable year-end audited financial statements are issued to it, to cure a financial covenant breach by obtaining an equity or Subordinated Debt infusion of capital which, if counted in the previous fiscal year toward Tangible Net Worth or cash flow of the Borrower, would have avoided the breach.

7.4 The breach by either Borrower (other than a breach which constitutes a Default under **Sections 7.1, 7.2 or 7.3**) of any of the terms or provisions of this Agreement which is not remedied within thirty (30) days after written notice from the Lender.

7.5 Failure of either Borrower or any of its Subsidiaries to pay when due any Indebtedness to the Lender, or any other Indebtedness in excess of, singly or in the aggregate, \$100,000 (any such Indebtedness being herein defined as "**Material Indebtedness**"); or the default by the Borrower or any of its Subsidiaries in the performance of any term, provision or condition contained in any agreement under which any such Material Indebtedness was created or is governed, or any other event shall occur or condition exist, the effect of which is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; and any Material Indebtedness of the Borrower or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.6 Either Borrower or any of its Subsidiaries shall: (a) have an order for relief entered with respect to it under the Federal bankruptcy laws or the laws of any other jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors as now or hereafter in effect that is not discharged within 60 days, (b) make an assignment for the benefit of creditors, (c) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (d) institute any proceeding seeking an order for relief under the Federal bankruptcy laws or the laws of any other jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (e) take any corporate action to authorize or effect any of the foregoing actions set forth in this Section 7.6 or (f) fail to contest in good faith any appointment or proceeding described in Section 7.7.

7.7 Without the application, approval or consent of the Borrower, a receiver, trustee, examiner, liquidator or similar official shall be appointed for either Borrower or any Substantial Portion of its Property, or a proceeding described in Section 7.6(d) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8 Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of (each a “**Condemnation**”), all or any portion of the Property of any Borrower or any of its Subsidiaries which, when taken together with all other Property of the Borrower or any of its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such Condemnation occurs, constitutes a Substantial Portion.

7.9 Either Borrower or any of its Subsidiaries fails to pay, bond or otherwise discharge within thirty (30) days any judgment or order for the payment of money in excess of, singly or in the aggregate, \$100,000, which is not stayed on appeal or otherwise being appropriately contested in good faith and as to which no enforcement actions have been commenced.

7.10 Any Reportable Event shall occur in connection with any Benefit Plan which could result in liability to either Borrower and both of them in excess of \$125,000.

7.11 Either Borrower or any other member of the Control Group shall become obligated under a Multiemployer Plan.

7.12 Either Borrower or any Subsidiary shall terminate a Benefit Plan resulting in Unfunded Liabilities to Borrower in excess of \$125,000.

7.13 Either Borrower or any Subsidiary shall incur liability for a violation of ERISA or the Code with respect to any Benefit Plan which exceeds \$125,000.

7.14 Either Borrower or any of its Subsidiaries shall be the subject of any proceeding pertaining to the release by the Borrower or any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, or any violation of any federal, state or local environmental, health or safety law or regulation, which, in either case, could reasonably be expected to have a Material Adverse Effect.

7.15 Any Change in Control shall occur, except such Change in Control consented to in writing by the Lender.

7.16 The occurrence of any "default", as defined in any Loan Document (other than this Agreement or the Notes) or the breach of any of the material terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided and has not been waived.

7.17 The occurrence of an uncured default under any material provision of an agreement now existing or hereafter entered into between either Borrower and the Lender.

7.18 The subordination provisions of any agreement or instrument governing any Subordinated Debt is for any reason revoked or invalidated, or otherwise cease to be in full force and effect, any Person contests in any manner the validity or enforceability thereof or denies that it has any further liability or obligation thereunder, or the Indebtedness hereunder is for any reason subordinated or does not have the priority contemplated by this Agreement or such subordination provisions.

7.19 Appraisals in form and substance conforming to FDIC regulation 323, prepared by qualified appraisers, showing appraised values of the Real Estate of a combined total less than \$3,500,000 and the payment(s) called for by Section 6.28 have not been timely made.

7.20 Either:

(a) any material provision of any Loan Document shall for any reason cease to be valid and binding on or enforceable against either Borrower or any subsidiary party thereto, or either Borrower or any Subsidiary shall so state in writing or bring an action to limit its obligations or liabilities thereunder; or

(b) any Loan Document shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in the Collateral purported to be covered thereby or such security interest shall for any reason cease to be a perfected and first priority security interest subject only to Permitted Liens.

ARTICLE VIII ACCELERATION AND REMEDIES

8.1 Acceleration. If any Default described in Section 7.6 or Section 7.7 occurs with respect to either Borrower, the obligations of the Lender to make Loans hereunder, shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Lender. If any other Default occurs, the Lender (a) may terminate or suspend its obligations to make Loans hereunder, and/or (b) declare the Obligations

8.2 Remedies. If any Default occurs, the Lender may: (a) exercise all rights and remedies available to the Lender under the Loan Documents or applicable law including, but not limited to, the UCC, and all of its rights and remedies under the Loan Documents; (b) Lender may require Borrower to make the Collateral and the records pertaining to the Collateral available to Lender at a place designated by Lender which is reasonably convenient or may take repossession of the Collateral and the records pertaining to the Collateral; (c) except as otherwise provided by law, Lender may, at its option, and in its sole discretion, sell the Collateral at public or private sale upon such terms and conditions as Lender may reasonably deem proper and Lender may purchase the Collateral at any such sale, upon commercially reasonable terms, and apply the net proceeds, after deducting all costs, expenses and attorneys' and paralegals' fees incurred by Lender at any time in the collection of the indebtedness and in the protection and sale of the Collateral, to the payment of the Liabilities, returning the remaining proceeds, if any, to Borrower; (d) Lender may, at its option, and in its reasonable discretion, grant extensions, compromise claims, and settle Accounts Receivable for less than face value, all without prior notice to Borrower; (e) Borrower shall, upon the request of Lender, forthwith upon receipt, transmit and deliver to Lender in the form received, all cash, checks, drafts, and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by Lender) which may be received by Borrower at any time in full or partial payment of any Collateral; and/or (f) give notice to and enforce Lender's rights against creditors under the Borrower's Reorganization Plan to prevent them receiving payment from Lender's Collateral. Borrower shall not commingle any such items with any other of its funds or property but shall hold them separate and apart from their own funds or property and in trust for Lender until delivery is made to Lender.

8.3 Preservation of Rights. No delay or omission of the Lender, to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lender, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Lender until the Obligations have been paid in full.

8.4 Standards for Exercising Remedies. To the extent that applicable law imposes duties on the Lender to exercise remedies in a commercially reasonable manner, each Borrower acknowledges and agrees that it is not commercially unreasonable for the Lender (a) to fail to incur expenses reasonably deemed significant by the Lender to prepare Collateral for disposition or otherwise to complete raw material or work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third