

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION  
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In re: Chapter 11 Cases  
LAND RESOURCE, LLC, *et al.*, Case No. 6:08-bk-10159-ABB  
Debtors. Jointly Administered with cases  
\_\_\_\_\_/ 6:08-bk-10159 through 6:08-bk-10192

**FINAL ORDER (I) AUTHORIZING POST-PETITION  
SECURED SUPERPRIORITY FINANCING PURSUANT TO  
BANKRUPTCY CODE SECTIONS 105(a), 362, 364(c)(1), 364(c)(2), 364(c)(3)  
AND 364(d), (II) AUTHORIZING THE DEBTORS' USE OF CASH COLLATERAL  
PURSUANT TO BANKRUPTCY CODE SECTION 363(c), (III) GRANTING  
ADEQUATE PROTECTION PURSUANT TO SECTIONS 361, 363 AND 364 OF THE  
BANKRUPTCY CODE, AND (IV) MODIFYING THE AUTOMATIC STAY**

THIS MATTER having come before the Court on December 18, 2008 at 3:00 p.m. (the "Final Hearing") upon the Motion (the "Motion") of debtor and debtor in possession Land Resource, LLC ("Land Resource") and its affiliated debtors and debtors in possession in the above-captioned jointly administered Chapter 11 cases (collectively, the "Debtors"), seeking entry of a final order (this "Order" or the "Final Order"), *inter alia*:

(1) Authorizing the Borrowers (as defined below) pursuant to Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") to obtain post-petition debtor-in-possession financing, subject and pursuant to the terms of this Order and:

(a) that certain Debtor-in-Possession Credit and Security Agreement substantially in the form attached as Exhibit A to the original of the interim order (D.E. No. 52) (the "42M DIP Credit Agreement"), by and among Land Resource, Clarks Hill Lake, LLC, The Ridges At Morgan Creek, LLC, Villages At Norris Lake, LLC, Roaring River, LLC, Bridge Pointe At Jekyll Sound, LLC, Laird Point, LLC, as borrowers, along with any other borrowers which may become parties thereto (the "42M DIP Borrowers"), each of the other Debtors as guarantors (except LR Buffalo Creek, LLC and LR Riversea, LLC who shall become limited guarantors upon entry and consistent with the

terms of this Order) (the “42M DIP Guarantors”), KeyBank National Association (“KeyBank”), as agent and lender, and Wachovia Bank, National Association, as lender (“Wachovia”, and together with KeyBank, the “42M DIP Facility Lenders”), as same may be amended from time to time; and

(b) that certain Debtor-in-Possession Credit and Security Agreement substantially in the form attached as Exhibit B to the original of the interim order (D.E. No. 52) (the “25.2M DIP Credit Agreement”, and together with the 42M DIP Credit Agreement, the “DIP Credit Agreements”)<sup>1</sup>, by and among Land Resource and Point Peter LLLP, as borrowers, along with any other borrowers which may become parties thereto, (the “25.2M DIP Borrowers”), Land Resource Group, Inc., Roaring River Holding Company, Inc., LR Riversea, LLC, and Land Resource Watts Bar, LLC, as company guarantors, (the “25.2M DIP Guarantors”), and KeyBank, as agent and lender (the “25.2M DIP Facility Lender”, and together with the 42M DIP Facility Lenders, the “DIP Lenders”), as same may be amended from time to time; and

(c) any related documents required to be delivered by or in connection with the DIP Credit Agreements (the DIP Credit Agreements, any such related documents and all other “Loan Documents” as defined under the DIP Credit Agreements hereinafter collectively being called the “DIP Loan Documents”);

(2) Approving the terms and conditions of the DIP Loan Documents, and authorizing the 42M DIP Borrowers and the 25.2M DIP Borrowers (collectively, the “DIP Borrowers”) and the 42M DIP Guarantors and the 25.2M DIP Guarantors (collectively, the “DIP Guarantors”) to execute and enter into the respective DIP Loan Documents to which they are to be parties;

(3) Authorizing and directing the DIP Borrowers and the DIP Guarantors to execute and deliver, from time to time, all such other documents, instruments and agreements and perform all such other acts as may be required in connection with the DIP Loan Documents;

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<sup>1</sup> Copies of the DIP Credit Agreements may be obtained on the Court’s PACER system, or upon written request to counsel for the Debtors.

(4) Authorizing the Debtors, pursuant Section 363(c) of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the “Bankruptcy Code”), and Bankruptcy Rule 4001(b)(2), to utilize Cash Collateral (as defined below) as set forth herein and subject to the pertinent provisions of the DIP Loan Documents;

(5) Authorizing the DIP Borrowers, pursuant to Sections 364(c)(1), (c)(2), (c)(3) and (d) of the Bankruptcy Code, to obtain debtor-in-possession super-priority financing under the DIP Credit Agreements (all such financing, loans, extensions of credit, and other indebtedness, including interest and fees in connection therewith, shall hereinafter be referred to as the “Post-Petition Advances”), which financing and indebtedness, due and owing by the DIP Borrowers to the DIP Lenders, and unconditionally guaranteed by the DIP Guarantors, shall, subject to the Carve-Outs (as defined below): (a) have priority pursuant to Section 364(c)(1) of the Bankruptcy Code, over any and all administrative expenses of the kind specified in or created or awarded pursuant to, *inter alia*, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b) and 726 of the Bankruptcy Code; (b) be secured pursuant to Section 364(d)(1) of the Bankruptcy Code by first priority priming liens and security interests in the Pre-Petition Collateral (as defined below) with respect to liens that were not perfected and a matter of public record under applicable law as of the Petition Date (as defined below) or that are otherwise avoidable or can be set aside for any reason; **(c) be secured pursuant to Section 364(c)(2) of the Bankruptcy Code by first priority liens and security interests in any and all Collateral (as defined below) not otherwise subject to perfected liens or security interests, including, without limitation, any such Collateral acquired or generated by the Debtors or their estates after the Petition Date (as defined below);** and (d) be secured pursuant to Section 364(c)(3) of the Bankruptcy Code by junior liens and security interests in any and all Collateral that is subject to Permitted Liens (as defined below);

(6) Modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent reasonably necessary to permit the DIP Lenders and the Debtors to implement, as permitted by this Order, the terms of this Order;

(7) Approving the use of cash collateral and post-petition financing up to the maximum amount of \$1,825,364 as to the 42M DIP Credit Agreement and \$299,446 as to the 25.2M DIP Credit Agreement (inclusive of amounts advanced under the Interim Order entered by this Court on November 7, 2008 (the “Interim Order”) (D.E. No. 52) and otherwise on terms substantially identical to those contained in this Order) in accordance with Fed. R. Bankr. P. 4001(b) and (c) and other applicable rules and statutes;

(8) Authorizing, under Bankruptcy Code sections 361 and 363(e), the Debtors’ grant of adequate protection to the Pre-Petition Lenders (as defined below) with respect to any diminution in the value of the pre-petition collateral (the “Pre-Petition Collateral”) in which the Pre-Petition Lenders held valid and perfected liens and security interests as of the Petition Date (as defined below) in connection with the following:

(a) \$42,000,000 Senior Secured Revolving Credit Agreement dated as of June 26, 2007 by and among Land Resource, Clarks Hill Lake, LLC, The Ridges At Morgan Creek, LLC, Villages At Norris Lake, LLC, Roaring River, LLC, Bridge Pointe At Jekyll Sound, LLC, Laird Point, LLC, and Roaring River Holding Company, Inc. as borrowers (the “42M Pre-Petition Borrowers”), Land Resource Group, Inc., LR Riversea, LLC, and Land Resource Watts Bar, LLC as company guarantors (the “42M Pre-Petition Guarantors”), KeyBank, as agent and lender (the “Agent”), Wachovia as lender (together with KeyBank, the “42M Pre-Petition Lenders”), J. Robert Ward (“Ward”) as guarantor (as thereafter modified and amended on February 11, 2008, April 30, 2008, August 5, 2008, September 18, 2008 and October 15, 2008)(the “42M Pre-Petition Credit Agreement”);

(b) \$25,200,000 Senior Secured Revolving Credit Agreement dated as of March 28, 2008 by and among Land Resource and Point Peter LLLP, as borrowers (the “25.2M Pre-Petition Borrowers”, and together with the 42M Pre-Petition Borrowers, the “Pre-Petition Borrowers”), Land Resource Group, Inc., Roaring River Holding Company, Inc., LR Riversea, LLC, and Land Resource Watts Bar, LLC, as company guarantors (the “25.2M Pre-Petition Guarantors”, and together with the 42M Pre-Petition Guarantors, the “Pre-Petition Guarantors”), and KeyBank as agent and lender (“the 25.2M Pre-Petition Lender”, and together with the 42M Pre-Petition Lenders, the “Pre-Petition Lenders”), and Ward, as guarantor (as thereafter modified and amended on August 6, 2008, September 18, 2008 and October 15, 2008)(the “25.2M Pre-Petition Credit Agreement”, and together with the 42M Pre-Petition Credit Agreement, the “Pre-Petition Credit Agreements”);

(c) the revolving credit obligations arising under the Notes (as defined under the Pre-Petition Credit Agreements), as the same have been, and may from time to time hereafter be amended, restated or otherwise modified (the “Pre-Petition Revolving Credit Obligations”);

(d) letter of credit obligations (collectively, the “Pre-Petition Letter of Credit Obligations”) arising under the Pre-Petition Credit Agreements, as the same have been, and may from time to time hereafter be amended, restated or otherwise modified; and

(e) the guaranty obligations of the Pre-Petition Guarantors, arising under the Pre-Petition Credit Agreements (collectively, the “Guaranty of Payment Obligations”) (hereinafter, the Pre-Petition Credit Agreements, the Pre-Petition Revolving Credit Obligations, the Pre-Petition Letter of Credit Obligations, the Guaranty of Payment Obligations and all collateral, security, pledge and ancillary documents executed in connection therewith at any time, including without limitation, the Pre-Petition Liens

(defined below), shall hereinafter be collectively referred to as the “Pre-Petition Transaction Documents”); and

(9) Granting the Debtors such other and further relief as the Court deems necessary, appropriate, equitable, proper, and consistent with the terms of this Order, the Motion and the DIP Loan Documents; and due deliberation having been had; and sufficient cause appearing therefore:

**THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:**

A. On October 30, 2008 (the “Petition Date”), the Debtors filed voluntary petitions for relief with this Court under chapter 11 of the Bankruptcy Code (the “Cases”). The Debtors are in possession of their property, and are operating and managing their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On or about November 21, 2008, the United States Trustee appointed an official committee of unsecured creditors (the “Committee”) pursuant to section 1102 of the Bankruptcy Code. The Committee conducted its initial organizational meeting on November 25, 2008;

B. This Court has jurisdiction over the Cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2);

C. [Intentionally Omitted];

D. The Pre-Petition Borrowers and Pre-Petition Guarantors are obligated to the Pre-Petition Lenders pursuant to the Pre-Petition Transaction Documents;

E. To secure the 42M Pre-Petition Facility Obligations (as defined below) under those Pre-Petition Transaction Documents relating to the 42M Pre-Petition Credit Agreement, the 42M Pre-Petition Borrowers granted to the 42M Pre-Petition Lenders security interests in all of the 42M Pre-Petition Borrowers’ Collateral (as defined in those Pre-Petition Transaction Documents applicable to the 42M Pre-Petition Credit Agreement), including without limitation,

Land and Improvements, all existing and future Personal Property, Accounts, Intangible Property, Leases, Revenues, Contracts, Permits and Plans, Books and Records, equipment, inventory, goods, documents, instruments, chattel papers, accounts, accounts receivable, deposit accounts and contract rights, commercial tort claims, stock, and proceeds of any of the foregoing. For purposes of the foregoing, the defined terms shall have the meaning ascribed to them in those Pre-Petition Transaction Documents applicable to the 42M Pre-Petition Credit Agreement. All of the foregoing liens and security interests shall be referred to herein as the “42M Pre-Petition Liens”;

F. To secure the 25.2M Pre-Petition Facility Obligations (as defined below), the 25.2 Pre-Petition Borrowers granted to the 25.2M Pre-Petition Lenders security interests in all of the 25.2M Pre-Petition Borrowers’ Collateral (as defined in those Pre-Petition Transaction Documents applicable to the 25.2M Pre-Petition Credit Agreement), including without limitation, Land and Improvements, all existing and future Personal Property, Accounts, Intangible Property, Leases, Revenues, Contracts, Permits and Plans, Books and Records, equipment, inventory, goods, documents, instruments, chattel papers, accounts, accounts receivable, deposit accounts and contract rights, commercial tort claims, stock, and proceeds of any of the foregoing. For purposes of the foregoing, the defined terms shall have the meaning ascribed to them in those Pre-Petition Transaction Documents applicable to the 25.2M Pre-Petition Credit Agreement. All of the foregoing liens and security interests shall be referred to herein as the “25.2M Pre-Petition Liens,” and together with the 42M Pre-Petition Liens, the “Pre-Petition Liens”.

G. Without prejudice to the rights of any other party (but subject to the limitations thereon described below in decretal paragraph 28), the Debtors stipulate and agree that, in accordance with the Pre-Petition Transaction Documents, the Pre-Petition Borrowers and the Pre-Petition Guarantors are truly and justly indebted to the Pre-Petition Lenders, without defense, counterclaim or offset of any kind, and that as of the Petition Date, the 42M Pre-Petition Borrowers and the 42M Pre-Petition Guarantors were liable to the 42M Pre-Petition Lenders in

the aggregate principal amount of \$38,640,340.62, plus interest, costs and attorneys' fees under the 42M Pre-Petition Credit Agreement (the "42M Pre-Petition Facility Obligations"), and the 25.2M Pre-Petition Borrowers and the 25.2M Pre-Petition Guarantors were liable to the 25.2M Pre-Petition Credit Agreement Lenders in the aggregate principal amount of \$21,227,819, plus interest, costs and attorneys' fees under the 25.2M Pre-Petition Credit Agreement (the "25.2M Pre-Petition Facility Obligations"), and together with the 42M Pre-Petition Facility Obligations, the "Pre-Petition Obligations"), respectively, plus interest, fees, costs and expenses as allowed under the applicable Pre-Petition Transaction Documents. Without prejudice to the rights of any other party (but subject to the limitations thereon described below in decretal paragraph 28), the Debtors further stipulate and agree that the Pre-Petition Obligations are not avoidable nor subject to reduction, disallowance or subordination of any kind.

H. Without prejudice to the rights of any other party (but subject to the limitations thereon described below in decretal paragraph 28), the Debtors further stipulate and agree that the Pre-Petition Obligations are secured by valid, enforceable, duly perfected liens and security interests granted by the Pre-Petition Borrowers to the Pre-Petition Lenders on their respective Pre-Petition Collateral as set forth in the Pre-Petition Transaction Documents.

I. Without prejudice to the rights of any other party (but subject to the limitations thereon described below in decretal paragraph 28), the Debtors acknowledge and agree that all of the cash generated from the sale, disposition or other realization of any assets or property subject to the 42M Pre-Petition Liens, wherever located, constitutes cash collateral as defined in section 363 of the Bankruptcy Code ("Cash Collateral") in which the 42M Pre-Petition Lenders have a first, valid and perfected security interest (the "42M Cash Collateral"). The 42M Pre-Petition Lenders have consented to the use of the 42M Cash Collateral, provided that (i) such use is consistent with the purposes set forth in this Order and the 42M DIP Credit Agreement, (ii) is in accordance with the budget for the 42M DIP Credit Agreement (the "Budget") attached to this



Order as Exhibit 1, (iii) is not prohibited by this Order or the 42M DIP Credit Agreement and (iv) the 42M Pre-Petition Lenders receive the adequate protection provided in this Order.

J. Without prejudice to the rights of any other party (but subject to the limitations thereon described below in decretal paragraph 28), the Debtors acknowledge and agree that all cash generated from the sale, disposition or other realization of any assets or property subject to the 25.2M Pre-Petition Liens, wherever located, constitutes Cash Collateral in which the 25.2M Pre-Petition Lenders have a first, valid and perfected security interest (the “25.2M Cash Collateral”). The 25.2M Pre-Petition Lenders have consented to the use of the 25.2M Cash Collateral, provided that (i) such use is consistent with the purposes set forth in this Order and the 25.2M DIP Credit Agreement, (ii) is in accordance with the Budget, (iii) is not prohibited by this Order or the 25.2M Credit Agreement and (iv) the 25.2M Pre-Petition Lenders receive the adequate protection provided in this Order.

K. The authority granted herein to enter into the DIP Loan Documents and obtain funds thereunder, and to use the Pre-Petition Lenders’ respective Cash Collateral, is critical to avoid immediate and irreparable harm to the Debtors and their assets, businesses and business relationships. The entry of this Order is in the best interests of the Debtors’ respective estates and their creditors as its implementation will, among other things, provide working capital necessary to sustain the operation of the Debtors’ existing businesses and avoid an immediate liquidation, as well as to preserve the going concern value of the Debtors’ assets pending such further disposition as may be appropriate.

L. The Debtors are presently unable to obtain, in the ordinary course of their businesses or otherwise, unsecured credit allowable under Sections 364(a) or 364(b) of the Code, or secured credit pursuant to Sections 364(c) or 364(d) of the Code, except from the DIP Lenders on the terms and conditions contained in this Order. The DIP Lenders have indicated a willingness to provide the DIP Borrowers with certain loans as contemplated herein, but solely on the terms and conditions set forth in this Order and the DIP Loan Documents. After considering

all of the alternatives, the Debtors have concluded, in the exercise of their best and reasonable business judgment, that the interim financing to be provided by the DIP Lenders under the terms of this Order represents the best working capital financing available to the Debtors under the circumstances.

M. Based on the Motion, the supporting Declaration in Support of Petitions and First Day Pleadings of J. Robert Ward (the “First Day Declaration”) and the record of the interim hearings held upon the Motion on November 5, 2008 and December 2, 2008 (collectively, the “Interim Hearing”) and the Final Hearing, the terms of the postpetition financing authorized hereby are fair and reasonable under the circumstances involved in these Cases, reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

N. Based on the Motion, the First Day Declaration and the record of the Interim Hearing and the Final Hearing, good cause has been shown for the entry of this Order and the Court concludes that entry of this Order is in the best interests of the Debtors and their estates and creditors. Among other things, entry of this Order will, pending such disposition of the Debtors’ assets as may be determined to be appropriate, minimize disruption of the Debtors’ business and operations and permit the Debtors to meet payroll and other operating expenses, and instill confidence in potential purchasers of the Debtors’ assets and/or recapitalization efforts by demonstrating an ability to maintain normal operations. The financing arrangement authorized hereunder is vital to the Debtors’ estates and operations. Consummation of such financing therefore is in the best interests of the Debtors’ estates.

O. Based on the Motion, the First Day Declaration and the record of the Interim Hearing and the Final Hearing, the Court finds that the DIP Lenders and the Debtors have negotiated the terms and conditions of the Interim Order and this Order and the DIP Loan Documents in good faith and at arm’s length, and any credit extended by the DIP Lenders on or after the date of entry of the Interim Order pursuant to the terms of the DIP Loan Documents, the

Interim Order and this Order, shall be and hereby is, deemed to have been extended in “good faith” for purposes of Section 364(e) of the Bankruptcy Code.

P. All of the Post-Petition Obligations (as defined below) incurred and transfers made pursuant to the Interim Order and this Order and the DIP Loan Documents are made for “fair consideration” and “reasonably equivalent value,” as such terms are used in section 548 of the Bankruptcy Code or any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law.

Q. The Debtors have provided adequate and sufficient notice of the Final Hearing and the relief requested in the Motion by providing notice to (i) the Office of the United States Trustee for the Middle District of Florida (the “U.S. Trustee”); (ii) the Pre-Petition Lenders; (iii) the DIP Lenders; (iv) creditors holding the 20 largest unsecured claims against the Debtors on a consolidated basis as identified in the Debtors’ chapter 11 petitions pursuant to Bankruptcy Rule 1007(d) as well as counsel for the Committee; (v) the Internal Revenue Service; (vi) all known guarantors of the Debtors’ obligations pursuant to the Pre-Petition Transaction Documents; and (vii) all other known holders, if any, of secured claims against any of the Debtors’ assets. Such notice is appropriate, adequate and proper under the circumstances involved in these Cases and it complies with the requirements of sections 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002 and 4001(c).

**BASED ON THE FOREGOING, IT IS HEREBY ADJUDGED, ORDERED AND DECREED:**

1. The Motion is granted subject to the terms and conditions set forth in this Order. Any objections that have not previously been withdrawn are hereby overruled. This Order shall become effective immediately upon its entry.

2. Subject to the terms and conditions contained in this Order, the DIP Borrowers and the DIP Guarantors are hereby authorized and directed to execute and deliver, to the DIP

Lenders, the DIP Loan Documents and such additional documents, instruments and agreements as may be reasonably required to effectuate the purposes of this Order. Upon the entry of this Order, LR Buffalo Creek, LLC and LR Riversea LLC shall become limited guarantors of the 42M DIP Credit Agreement, and, notwithstanding any other provision in this Order, shall be liable to the 42M DIP Lenders as guarantors only to the extent of the amount of funds advanced post-petition pursuant to the 42M DIP Credit Agreement for purposes of funding the direct operating expenses of LR Buffalo Creek, LLC and LR Riversea, LLC, respectively (collectively, the “LR Buffalo and LR Riversea Limited Guarantees”). Each of the DIP Borrowers and the DIP Guarantors is authorized and directed to comply with and perform all of the terms and conditions contained therein. The failure to reference or discuss any particular provision of the DIP Loan Documents in this Order shall not affect the validity or enforceability of any such provision and the DIP Loan Documents are hereby approved in their entirety and are incorporated herein by reference.

3. Without limiting the foregoing, subject to the terms of the DIP Credit Agreements, the Budget applicable to each respective DIP Credit Agreement and this Order, the DIP Borrowers are immediately authorized to borrow money constituting Post-Petition Advances under and pursuant to the terms of the respective DIP Loan Documents to which they are parties up to a maximum amount of \$1,825,364 under the 42M DIP Credit Agreement, and \$299,446 under the 25.2M DIP Credit Agreement, respectively. Notwithstanding the foregoing, the aforementioned maximum facility limits shall increase in amount(s) equal to amount(s) advanced under each of the DIP Credit Agreements on account of or relating to the Debtors’ reimbursement of the DIP Lenders’ Expenses (as such term defined in paragraph 9 below).

4. Subject to the terms and conditions contained in the DIP Loan Documents and this Order, the Debtors may use Post-Petition Advances under each of the DIP Credit Agreements to (x) fund operating and maintenance costs and other general corporate purposes as set forth in and limited by the Budget applicable to each respective DIP Credit Agreement, or as otherwise

agreed upon by the DIP Lenders in writing as to each respective DIP Credit Agreement following written notice to counsel for the Committee, and (y) pay (1) all fees and expenses required to be paid under the DIP Loan Documents, and (2) subject to the terms of this Order, reasonable professional fees and expenses incurred by the Pre-Petition Lenders and the DIP Lenders in accordance with each of the DIP Credit Agreements and/or the Pre-Petition Transaction Documents provided, however, that if the DIP Lenders, in their sole discretion, advance funds or other extensions of credit in excess of any covenants, formulae, Budget or other terms and conditions contained in any of the DIP Loan Documents, such advances, and any other indebtedness in excess of such amount, shall constitute Post-Petition Obligations entitled to the benefits of the DIP Loan Documents and this Order.

5. The 42M DIP Borrowers and the 25.2M DIP Borrowers shall have continuing authority to borrow Post-Petition Advances, the repayment of which shall be guaranteed by the 42M DIP Guarantors and 25.2M DIP Guarantors, respectively, but only: (i) on the conditions set forth in this Order and the DIP Loan Documents; and (ii) to the extent and in the amounts provided for in the Budget and as permitted by each of the DIP Credit Agreements or as otherwise agreed upon by the DIP Lenders in writing following prior written notice to counsel for the Committee.

6. All loans made to the DIP Borrowers on or after the date of entry of the Interim Order under the DIP Loan Documents and interest thereon, and all fees, costs, expenses, indebtedness, obligations and other liabilities arising or incurred on or after the date of the entry of the Interim Order and owing by the DIP Borrowers and the DIP Guarantors to the DIP Lenders under the DIP Loan Documents, the Interim Order, and this Order shall hereinafter be referred to as the “Post-Petition Obligations.” Post-Petition Obligations shall: (i) be evidenced by the books and records of the DIP Lenders in accordance with the DIP Loan Documents; (ii) bear interest at a rate of prime plus 2% per annum, which interest shall accrue and be payable on the Maturity

Date; (iii) be secured in the manner specified in this Order and in the DIP Loan Documents; (iv) be payable and applied in accordance with the terms of this Order and the DIP Loan Documents; and (v) comply with and otherwise be governed by the terms set forth in the DIP Loan Documents.

7. From and after the date of the entry of the Interim Order, until: (a) the indefeasible payment in full in cash of the Post-Petition Obligations and satisfaction in full of the Pre-Petition Obligations; and (b) the termination of any obligations under this Order and the DIP Loan Documents, the Debtors are hereby authorized and directed to remit, and shall remit, immediately upon receipt thereof, (i) to KeyBank as agent for the 42M DIP Facility Lenders all of the 42M Cash Collateral in their possession, custody or control arising from, or constituting proceeds of property subject to the 42M Pre-Petition Liens or proceeds of 42M Post-Petition Collateral (as defined below) attributable thereto, and (ii) to KeyBank as agent for the 25.2M DIP Facility Lenders all of the 25.2M Cash Collateral in their possession, custody or control arising from, or constituting proceeds of property subject to the 25.2M Prepetition Liens or proceeds of 25.2 Post-Petition Collateral (as defined below) attributable thereto. Cash Collateral remitted to the DIP Lenders shall be applied first to Pre-Petition Obligations until such Obligations have been paid in full, and then to Post-Petition Obligations. The Debtors shall instruct any bank other than KeyBank holding funds of the Debtors on or after the Petition Date constituting Cash Collateral in which the 42M DIP Facility Lenders or the 42M Pre-Petition Lenders have an interest to transfer all such funds on a daily basis by wire transfer to the Land Resource Cash Collateral Account (as defined in the Order Granting Debtors' Emergency Motion for Authority to (1) Continue Use of Existing Business Forms and Records; and (2) Maintain Existing Corporate Bank Accounts and Cash Management System) (the "Cash Management Order"). The Debtors shall instruct any bank other than KeyBank holding funds of the Debtors on or after the Petition Date constituting Cash Collateral in which the 25.2M DIP Facility Lenders or the 25.2M Pre-Petition Lenders have an interest to transfer all such funds on a daily basis by wire transfer to the

Point Peter Cash Collateral Account (as defined in the Cash Management Order). All Cash Collateral or other proceeds of Collateral (as defined below) remitted, or deemed to be remitted, to KeyBank as agent for the DIP Lenders shall be applied by the DIP Lenders in accordance with this paragraph until payment in full of the Pre-Petition Obligations and the Post-Petition Obligations.

8. Subject to the terms of the DIP Credit Agreements and this Order, if any of the Debtors receive (i) federal, state or local income tax refunds, or (ii) proceeds from the sale of any or all of their assets, or (iii) insurance proceeds or proceeds from any condemnation proceeding relating to any Collateral, the Debtors shall, and are hereby authorized and directed to, pay such proceeds or refunds to the DIP Lenders for application as provided in this Order and the DIP Credit Agreements.

9. Subject to the procedures set forth in this paragraph 9, the Debtors are authorized and directed to pay or reimburse the DIP Lenders for all reasonable present and future fees, costs and expenses, including, without limitation, the fees of the DIP Lenders' counsel and financial advisor, paid or incurred by the DIP Lenders at any time in connection with the negotiation or documentation of the financing transactions authorized by and provided for in this Order and the DIP Loan Documents, matters relating to the administration of these Cases, or the enforcement of the DIP Lenders' rights under this Order or the DIP Loan Documents (collectively, the "DIP Lenders' Expenses"), all of which unpaid DIP Lenders' Expenses shall be and hereby are included as part of the principal amount of the Post-Petition Obligations and shall be deemed a Superpriority Claim (as defined below), and shall be secured by the Collateral and afforded all of the rights, priorities and protections afforded to the DIP Lenders in respect of the Post-Petition Obligations under this Order and the DIP Loan Documents. The DIP Lenders shall serve copies of the monthly invoices, in a form consistent with the United States Trustee Guidelines for Applications for Compensation, evidencing or supporting the DIP Lenders' Expenses upon the Debtors, counsel to the Committee, and the United States Trustee, each of whom shall have

fourteen (14) days from the receipt of the invoice to object to the reasonableness of the DIP Lenders' Expenses. If no objection is timely served upon the Debtors, counsel to the DIP Lenders, and counsel to the Committee, the Debtors are authorized to pay the DIP Lenders' Expenses. In the event of an objection to the reasonableness of the DIP Lenders' Expenses, the Debtors are authorized to pay that portion of the DIP Lenders' Expenses that are not opposed, and upon motion and a hearing the Court shall adjudicate the objection to the payment of the balance of the DIP Lenders' Expenses.

10. The respective maturity date under each of the DIP Credit Agreements shall be that date which is the earlier of: (a) February 2, 2009, (b) the date a sale (or in the event of a series of sales, the last sale) of all or substantially all of the assets of the 42M DIP Borrowers or the 25.2M DIP Borrowers, as the case may be, is approved and consummated under section 363 of the Bankruptcy Code, or (c) the effective date of a plan of reorganization or liquidation of the 42M DIP Borrowers or the 25.2M DIP Borrowers, as the case may be (the "Maturity Date"). All amounts outstanding under the DIP Credit Agreements shall be due and payable in full at maturity.

11. (A) Subject to the Carve-Outs (as defined below), as security for the full and timely payment of all Post-Petition Obligations arising under the 42M DIP Credit Agreement and DIP Loan Documents related thereto, the 42M DIP Facility Lenders are hereby granted a valid, perfected and enforceable security interest and lien upon all real and personal property of the 42M DIP Borrowers, the 42M DIP Guarantors, the 42M Pre-Petition Borrowers and the 42M Pre-Petition Guarantors, whether now owned or hereafter acquired or arising, whether tangible or intangible, and regardless of where located (all such property being referred to herein as the "42M Post-Petition Collateral"), provided however, that (i) the 42M Post-Petition Collateral shall not extend to, constitute, or encompass any proceeds of avoidance actions arising under chapter 5 of the Bankruptcy Code (the "Avoidance Actions"), (ii) the 42M DIP Facility Lenders shall be entitled to share, on account of and to the full extent of any and all allowed unsecured deficiency



claims they may hold, in any distribution of any such Avoidance Action proceeds on a *pro rata* basis with all other allowed unsecured claims; and (iii) the security interest granted to the 42M DIP Facility Lenders in property of LR Buffalo Creek, LLC and LR Riversea, LLC shall only secure the LR Buffalo and LR Riversea Limited Guarantees.

(B) Subject to the Carve-Outs (as defined below), as security for the full and timely payment of all Post-Petition Obligations arising under the 25.2M DIP Credit Agreement and DIP Loan Documents related thereto, the 25.2M DIP Facility Lenders are hereby granted a valid, perfected and enforceable security interest and lien upon all real and personal property of the 25.2M DIP Borrowers, the 25.2M DIP Guarantors, the 25.2M Pre-Petition Borrowers, and the 25.2M Pre-Petition Guarantors, whether now owned or hereafter acquired or arising, whether tangible or intangible, and regardless of where located (all such property being referred to herein as the “25.2M Post-Petition Collateral” and together with the 42M Post-Petition Collateral, the “Collateral”), provided, however that (i) the 25.2M Post-Petition Collateral shall not extend to, constitute, or encompass any proceeds of Avoidance Actions, and (ii) the 25.2 DIP Facility Lenders shall entitled to share, on account of and to the full extent of any and all allowed unsecured deficiency claims they may hold, in any distribution of any such Avoidance Action proceeds on a *pro rata* basis with all other allowed unsecured claims.

12. **The liens and security interests herein granted to the DIP Lenders in any and all Collateral that is not subject to any other properly perfected, valid, non-avoidable and enforceable liens or security interests that were a matter of public record and permitted to exist under the terms of the Pre-Petition Transaction Documents as of the Petition Date shall have first and paramount priority pursuant to Section 364(c)(2) of the Bankruptcy Code, subject only to the Carve-Outs (as defined below).** The liens and security interests granted herein to the DIP Lenders in any and all Collateral that is subject to properly perfected, valid, non-avoidable and enforceable liens or security interests that were a matter of public record and permitted to exist as of the Petition Date under the terms of the Pre-Petition Transaction

Documents, including those of the Pre-Petition Lenders (the “Permitted Liens”), shall have a second priority pursuant to Section 364(c)(3) of the Bankruptcy Code, subject only to the Permitted Liens and the Carve-Outs. The liens and security interests herein granted to the DIP Lenders shall, pursuant to Section 364(d)(1) of the Bankruptcy Code, prime any other liens (other than the Permitted Liens) not perfected and a matter of public record under applicable law as of the Petition Date or that are otherwise avoidable or can be set aside for any reason, subject in each case to the Carve-Outs. In addition, any security interest or lien granted upon any of the Collateral which is avoided or otherwise preserved for the benefit of any of the Debtors’ estates under Section 551 or any other provision of the Bankruptcy Code shall be subordinate to the liens and security interests of the DIP Lenders upon the Collateral, and the Adequate Protection Liens granted pursuant to paragraph 15 below. The DIP Lenders and the Pre-Petition Lenders shall not be subject to the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Collateral.

13. The liens and security interests granted herein for the benefit of the DIP Lenders, together with the adequate protection liens granted to the Pre-Petition Lenders, pursuant to paragraph 15 below, are and shall be valid, perfected, enforceable, nonavoidable and effective by operation of law as of the date of this Order without any further action by the Debtors, the DIP Lenders, or the Pre-Petition Lenders and without the execution, filing, or recordation of any financing statements, security agreements, mortgages, or other documents. If the DIP Lenders hereafter request the Debtors to execute and deliver to the DIP Lenders financing statements, security agreements, collateral assignments, mortgages, or other instruments or documents considered by the DIP Lenders to be reasonably necessary or desirable to further evidence the perfection of the liens and security interests granted in this Order, the Debtors are hereby authorized and directed to execute and deliver all such financing statements, security agreements, mortgages, collateral assignments, instruments, and documents, and the DIP Lenders are hereby

authorized to file or record, in their sole discretion, such documents; provided that all such documents shall be deemed to have been filed or recorded as of the Petition Date.

14. In addition to the liens and security interests granted to the DIP Lenders, pursuant to this Order, all of the Post-Petition Obligations (including, without limitation, all Post-Petition Advances) are hereby granted as, and shall constitute, superpriority administrative expense claims (“Superpriority Claims”) in the Cases of the Debtors, in accordance with Section 364(c)(1) of the Bankruptcy Code, with priority over any and all administrative expenses of the Debtors, whether heretofore or hereafter incurred, of the kind specified in 11 U.S.C. §§ 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726 or 1114, subject to the Carve-Outs provided in paragraph 17 below. Notwithstanding anything to the contrary in this Order, the Superpriority Claims shall not be paid from any proceeds of Avoidance Actions.

15. As adequate protection to the Pre-Petition Lenders for any diminution in value in the Pre-Petition Collateral resulting from the Debtors’ use of Cash Collateral after the Petition Date or the Debtors’ use, sale or disposition of the other Pre-Petition Collateral, the Pre-Petition Lenders are hereby granted: Superpriority Claims and valid, binding and enforceable liens (the “Adequate Protection Liens”) in all Collateral to secure an amount that is equal to the sum of the aggregate diminution, if any, subsequent to the Petition Date, in the value of the Pre-Petition Collateral, caused by (i) the aggregate reduction in the amount of Pre-Petition Collateral available to satisfy the Pre-Petition Obligations as a consequence of depreciation, use, sale, loss, decline in market price or otherwise of the Pre-Petition Collateral, or (ii) the sum of the aggregate amount of all cash proceeds of Pre-Petition Collateral or the aggregate fair market value of all non-cash Pre-Petition Collateral that is used to satisfy any other expenses of, or claims against, Debtors other than the Pre-Petition Obligations. The Adequate Protection Liens granted to the Pre-Petition Lenders are subject only to (i) the Carve-Outs, (ii) the Superpriority Claims and liens on the Collateral to secure obligations owed to the DIP Lenders under the DIP Credit Agreements, and (iii) the Permitted Liens, if any.

16. Except to the extent that the Pre-Petition Lenders may otherwise agree in writing, the Debtors shall not seek to modify or terminate the adequate protection afforded to the Pre-Petition Lenders in this Order. Notwithstanding any other provision of this Order, the grant of adequate protection to the Pre-Petition Lenders pursuant hereto is without prejudice to the right of the Pre-Petition Lenders to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the rights of the Debtors or any other party in interest to contest any such modification. In addition, the Pre-Petition Lenders do not waive, and expressly reserve, any and all claims, causes of action, defenses, rights and remedies they have pursuant to any or all of the Pre-Petition Transaction Documents, the Bankruptcy Code and/or other applicable law against the Debtors, any officer, director, employee, agent or other representative of the Debtors, and any other third party.

17. Notwithstanding any other provision of this Order or the DIP Credit Agreements, but subject to the limitations on the use of Cash Collateral and other Collateral as set forth in this Order and the DIP Credit Agreements, including, without limitation, the provisions of paragraph 19 below, the liens, security interests and Superpriority Claims granted to the DIP Lenders and the Pre-Petition Lenders pursuant to this Order and the DIP Loan Documents shall be subject to (i) a limited carve-out (the “General Carve-Out”) for (a) the payment of any unpaid fees payable pursuant to 28 U.S.C. § 1930 (including, without limitation, fees under 28 U.S.C. § 1930(a)(6)), (b) the fees due to the Clerk of the Court, (c) payments to be made to certain employees of the Debtor pursuant to such incentive compensation plan as may be approved by the Bankruptcy Court in amounts not to exceed those set forth in the term sheet attached hereto as Exhibit 2, (d) the actual fees and expenses incurred by professionals retained by an order of the Court entered pursuant to Sections 327 or 1103(b) of the Bankruptcy Code, including fees attributable to time entries for the periods on or prior to the occurrence of the Termination Date, provided they are within the amounts set forth in the Budget and are subsequently allowed by the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, and, (e) following the occurrence of any Termination Event, the payment of allowed professional fees and

disbursements incurred after any Termination Date (including fees attributable to time entries for the periods after the occurrence of the Termination Date) by all Professionals retained in these proceedings, pursuant to Sections 327, 328 or 1103(a) of the Bankruptcy Code, in an aggregate amount not to exceed \$75,000 (\$50,000 for Debtor Professionals, and \$25,000 for Committee Professionals, as hereafter defined) to the extent such amounts are not otherwise payable from any unused portion of retainers; (ii) an additional limited carve-out for the reasonable fees and expenses of Committee Professionals (as hereafter defined) in the amount of \$125,000 (the “Additional Committee Professional \$125K Carve-Out”); and (iii) an additional limited carve-out in the amount of \$150,000 for the benefit of the Debtors’ estates and to be remitted to any appointed Chapter 7 Trustee in the event the Debtors’ cases are converted to cases under Chapter 7 of the Bankruptcy Code (the “Additional \$150K Carve-Out”, and together with the General Carve-Out and the Additional Committee Professional \$125K Carve-Out, the “Carve-Outs”).

18. So long as no Termination Event (as defined below) has occurred, the Debtors are authorized to use the Post-Petition Advances and the Cash Collateral in accordance with and limited to the amounts in the Budget to pay such compensation and expense reimbursements of professional persons retained by the Debtors (the “Debtor Professionals”) and professional persons retained by the Committee (the “Committee Professionals”) as may be awarded by the Court pursuant to Section 328, 330 or 331 of the Bankruptcy Code (the “Professional Expenses”), it being understood, however, that the Budget shall not include any amount for the Additional Committee Professional 125K Carve-Out. The Additional Committee Professional 125K Carve-Out shall instead be funded, following the sale of all or substantially all of the Debtors’ assets, from the Cash Collateral or the proceeds realized from the sale of the Collateral. Debtor Professionals and the Committee Professionals shall be permitted to submit to the Debtors, with copies to counsel for the DIP Lenders, periodic statements (but no more frequently than on a monthly basis) for services rendered and reimbursable expenses incurred by them (the “Conditional Professional Expenses”). The DIP Lenders shall advance on Monday of each week

the amounts set forth in the Budget, and allocated for such fees and expenses; said funds shall be advanced by wire transfer to and segregated and escrowed in an escrow account maintained by counsel for the Debtors for payment to the Committee Professionals and the Debtor Professionals, in accordance with the procedures which may be approved by the Court for the payment of professionals (the “Professional Expense Escrow”). Funds deposited in the Professional Expense Escrow shall be available and may be used solely for the payment of the Conditional Professional Expenses and the Professional Expenses (to the extent not previously paid). DIP Lenders shall have a first priority lien on all funds in the Professional Expense Escrow and any amounts not payable to any Professionals shall be returned to DIP Lenders for application on account of the Obligations. Notwithstanding the occurrence of the Termination Event, or anything to the contrary contained in the Interim Order and/or this Order, DIP Lenders shall be obligated to continue to fund the Professional Expense Escrow in the manner provided herein, subject to the \$75,000 cap set for in paragraph 17 above, during any time they continue to provide Post-Petition Advances and/or consent to the use of the Cash Collateral. Nothing in this subparagraph shall prejudice or impair the rights of either the Debtors’ Professionals or the Committee Professionals to request an award of compensation in excess of the amounts set forth in the Budget (the “Unbudgeted Professional Expenses”) or the rights of the DIP Lenders to object to the amount or reasonableness of the Professional Expenses or the Unbudgeted Professional Expenses. In no event, however, shall the DIP Lenders be responsible for the payment of Unbudgeted Professional Expenses or any amounts in excess of the General Carve-Out and the Additional Committee Professional \$125K Carve-Out nor shall any of the Collateral be surcharged, under Section 506(c) or any other provision of the Bankruptcy Code or otherwise, for the payment of Unbudgeted Professional Expenses or any other Professional Expenses not subject to the General Carve-Out and the Additional Committee Professional \$125K Carve-Out. Any claim for Unbudgeted Professional Expenses shall be subordinate to the Superpriority Claims granted to the DIP Lenders and Pre-Petition Lenders pursuant to paragraphs 14 and 15 of the Interim Order and this Order. Notwithstanding the foregoing, nothing herein shall be deemed as a consent to the

allowance of the fees or expenses of any professionals retained by the Debtor or the Creditors' Committee or a waiver of the rights of the Pre-Petition Lenders or the DIP Lenders to object to any requests for allowance of any fees or expenses.

19. Pursuant to the DIP Loan Documents, no portion of the Post-Petition Advances, the Collateral or Cash Collateral of the Pre-Petition Lenders or the DIP Lenders may be used to (i) investigate, prepare for, commence or prosecute any action, counterclaim or objection with respect to the claims, liens or security interests of the Pre-Petition Lenders or the DIP Lenders, or the conduct of the Pre-Petition Lenders or the DIP Lenders, or (ii) investigate, prepare for, prosecute, defend or otherwise contest any claim (as defined in Section 101(5) of the Bankruptcy Code) or any action against or otherwise adverse to the Pre-Petition Lenders or the DIP Lenders, provided, however, that this exclusion shall not apply to reasonable costs and fees in an amount not to exceed \$25,000 related solely and exclusively to the investigation of the claims, liens and security interests of the Pre-Petition Lenders by the Creditors' Committee. This paragraph 19 shall not apply to the use of the Additional \$150K Carve-Out by any chapter 7 trustee that may be appointed in these cases.

20. Except as otherwise specifically provided herein, the automatic stay provisions of Section 362 of the Bankruptcy Code are hereby modified to the extent necessary to effectuate the provisions of this Order, without the need for filing further pleadings or application to or order of this Court. **Upon the occurrence and during the continuance of any event of default as defined in the DIP Loan Documents (“Event of Default”), and if such Event of Default is not cured after three (3) business days written notice of the Event of Default by the DIP Lenders to the Debtors and their counsel, counsel to the Committee, and to the U.S. Trustee, the DIP Lenders and the Pre-Petition Lenders may file a motion to terminate the automatic stay which shall be served by hand delivery, facsimile or overnight mail on counsel to the Debtors, counsel to the Committee and the Office of the United States Trustee, and the Court shall conduct a hearing on an expedited emergency basis (the**

Debtors and the DIP Lenders consent to the Court conducting a hearing on three (3) days' notice) in order to act on the motion to terminate the automatic stay under section 362 for the purpose of allowing the DIP Lenders and the Pre-Petition Lenders to exercise all of their rights and remedies under this Order, the DIP Loan Documents, the Pre-Petition Transaction Documents, and applicable law, including, without limitation, to: (a) declare all principal of, and accrued interest on, the Post-Petition Obligations under the DIP Loan Documents to be immediately due and payable, and (b) exercise all other rights and remedies provided for in this Order and applicable law, including, without limitation, the right to take possession of and sell or otherwise dispose of the Collateral in accordance with the terms of the Uniform Commercial Code and to apply the proceeds toward satisfaction of the Pre-Petition Obligations and the Post-Petition Obligations. The only issue that may be raised or addressed at such hearing is whether an Event of Default has occurred.

21. Notwithstanding anything herein to the contrary, the Debtors shall no longer, pursuant to this Order or otherwise, be authorized to borrow funds hereunder or to use Collateral, Cash Collateral, Post-Petition Collateral, Pre-Petition Collateral, or any proceeds of any of the foregoing (and any obligation of the DIP Lenders to make loans or advances hereunder shall be terminated) following the date written notice is provided to the Debtors, counsel to the Debtors, counsel to the Creditors' Committee and to the U.S. Trustee (the "Termination Date") of the earliest to occur of any of the following events (any such event shall be referred to as a "Termination Event"):

(a) material non-compliance by the Debtors with any of the terms, provisions or covenants of this Order;

(b) any Event of Default under any of the DIP Loan Documents shall have occurred and be continuing beyond any applicable cure period;

(c) failure by the Debtors to pay interest, principal or fees when due under the DIP Credit Agreements;



(d) any representations, warranties or covenants (including, without limitation, financial covenants) contained in the DIP Loan Documents are found to be materially incorrect;

(e) breach by the Debtors of any affirmative or negative covenants (including, without limitation, financial covenants) under any of the DIP Loan Documents;

(f) the occurrence of any material damage to, or loss of, the Debtors' assets;

(g) the grant of any superpriority administrative expense claim or any lien that is pari passu with or senior to those of the DIP Lenders or the Pre-Petition Lenders;

(h) the reversal, revocation or modification of this Order in a manner adverse to the DIP Lenders;

(i) failure by the Debtors to obtain Bankruptcy Court approval of the sales procedures identified and proposed in the Debtors' Emergency Motion for Orders Pursuant to 11 U.S.C. §§ 105, 363, 365 and 1146 And Fed. R. Bankr. P. 2002, 6004, 6006 and 9014 (A) Approving (i) Bidding Procedures, (ii) Form and Manner of Sale Notices, and (iii) Sale Hearing Date and (B) Authorizing and Approving (i) Sale of a Portion of or Substantially all of the Debtors' Assets Free and Clear of Certain Liens, Claims, and Encumbrances, and (ii) Assumption and Assignment of Executory Contracts and Unexpired Leases filed on December 8, 2008 [Docket No. 137] on or before December 19, 2008;

(j) failure by the Debtors to obtain Bankruptcy Court approval of and consummate the sale of all or substantially all of the Debtors' assets, on or before January 22, 2009;

(k) the filing by the Debtors of a plan of reorganization that fails to provide for the payment in full on the plan's effective date of the Pre-Petition Obligations and Post-Petition Obligations owed to the Pre-Petition Lenders and the DIP Lenders;

(l) the filing of an adversary proceeding or contested matter challenging the validity, enforceability or priority of the Pre-Petition Obligations or the Pre-Petition

Lenders' liens and security interests in the Pre-Petition Collateral and/or asserting claims against the Pre-Petition Lenders as referenced in paragraph 28 below, other than the Committee's filing of an adversary proceeding or contested matter challenging the 42M Pre-Petition Lenders' rights, liens, and security interests in the Grey Rock Collateral (as defined in paragraph 28(B) within the time specified in paragraph 28(B) hereof); and

(m) the Maturity Date.

22. In reviewing or approving the Budget, seeking to collect the Post-Petition Obligations, or to enforce any of the rights and remedies of the DIP Lenders under the DIP Loan Documents and this Order, and by taking any other actions pursuant to this Order, the DIP Lenders shall not have any liability to any third party and shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner" or "operator" with respect to the operation or the management of the Debtors, as such terms, or any similar terms, are used in the Comprehensive, Environmental Response, Compensation and Liability Act, as amended ("CERCLA," 42 U.S.C. §§ 9601, et seq.), or in any other federal or state statute or otherwise.

23. **Nothing contained in this Order or the DIP Loan Documents, nor any action or inaction of the Pre-Petition Lenders or the DIP Lenders, shall be deemed to be a consent by either of them to any charge, lien, assessment or claim against any of the Collateral under Sections 506(c) or 552 of the Bankruptcy Code or otherwise, other than the Carve-Outs. In light of their agreement to subordinate their liens and superpriority claims to the Carve-Outs and Permitted Liens, as applicable, the rights of the estate under section 506(c) of the Bankruptcy Code or otherwise to surcharge the Collateral securing Pre-Petition Obligations owed to the Pre-Petition Lenders and Post-Petition Obligations owed to the DIP Lenders are waived.**

24. Except to the extent that the DIP Lenders may otherwise agree in writing, (a) the Debtors shall not seek, and it shall constitute a Termination Event should any Debtor seek, any order: (i) dismissing the chapter 11 case of any Debtor under Sections 305 or 1112 of the Bankruptcy Code or otherwise; or (ii) converting the chapter 11 case of any Debtor under section 1112 of the Bankruptcy Code or otherwise; and (b) neither the Debtors nor any party acting on behalf of the Debtors (including any Creditors' Committee) may seek to (i) borrow money from any person other than the DIP Lenders to the extent that the repayment of any such borrowing is to be secured pursuant to Section 364(d)(1) of the Code by a lien or security interest that is senior or equal to the liens and security interests held by the DIP Lenders or the Pre-Petition Lenders or, pursuant to Section 364(c)(1), senior or equal to the Superpriority Claims held by the DIP Lenders or the Pre-Petition Lenders, or (ii) to use Cash Collateral other than as provided by this Order and the Budget without the consent of the DIP Lenders and Pre-Petition Lenders.

25. Consistent with Section 364(e) of the Bankruptcy Code, if any or all of the provisions of this Order are hereafter modified, vacated or stayed: (a) such stay, modification or vacation shall not affect the validity of any obligation, indebtedness, liability, security interests or liens granted or incurred by the Debtors to the DIP Lenders or the Pre-Petition Lenders on or after the date of the Interim Order and prior to the effective date of such stay, modification or vacation, or the validity and enforceability of any security interests, liens, priority or right authorized or created hereby pursuant to the DIP Loan Documents; and (b) any indebtedness, obligation or liability incurred by the Debtors to the DIP Lenders on or after the date of the Interim Order and prior to the effective date of such stay, modification or vacation shall be governed in all respects by the provisions of this Order, and the DIP Lenders shall be entitled to all the rights, remedies, privileges and benefits, including the priority, security interests and liens granted herein and pursuant to the DIP Loan Documents, with respect to any such indebtedness, obligation or liability.

26. The signature of an authorized representative of the Debtors appearing on any one or more of the agreements, certificates, instruments, or documents contemplated by or referenced in this Order, shall bind the Debtors with respect to documents executed and other actions taken pursuant to this Order.

27. The provisions of this Order shall be immediately and fully effective upon entry by the Court and any actions taken pursuant hereto shall survive entry of, and shall take precedence with respect to any conflicting order (i) which may be entered confirming any plan of reorganization or (ii) which may be entered dismissing any of the Debtors' chapter 11 cases or converting any of the Debtors' chapter 11 cases to cases under chapter 7 of the Bankruptcy Code. As provided by this Order and the DIP Loan Documents, the priority of the liens and security interests granted to the DIP Lenders, the priority of the Superpriority Claims granted to the DIP Lenders, the priority of the Adequate Protection Liens and Superpriority Claims granted to the Pre-Petition Lenders, and all rights of the DIP Lenders and the Pre-Petition Lenders and all obligations of the Debtors, shall continue after appointment of any chapter 11 trustee or a trustee in any superseding chapter 7 case under the Bankruptcy Code, and such claims, liens, security interests and rights shall maintain their priority until satisfied and discharged in accordance with the terms of the DIP Loan Documents and this Order.

28. (A) **Subject to the provisions of paragraph 28(B) below, the findings contained in paragraphs G, H, I and J shall be binding upon all parties in interest and their respective successors and assigns, including but not limited to, the Debtors, any trustee or other fiduciary hereafter appointed in the Cases or in any subsequent chapter 7 case as a legal representative of the Debtors' estates, and any Creditors' Committee, unless (a) the Committee or other party in interest (other than any of the Debtors) has filed an adversary proceeding or contested matter (subject to limitations on the payment of fees and expenses incurred in connection with such undertaking as set forth in this Order) with this Court**

challenging the validity, enforceability or priority of the Pre-Petition Obligations or the Pre-Petition Lenders' liens and security interests in the Pre-Petition Collateral, and/or asserting claims against the Pre-Petition Lenders, not later than the date that is 60 days from the first date of the appointment of the Committee in these cases, and (b) this Court rules in favor of the plaintiff in any such timely filed adversary proceeding or contested matter. If no such adversary proceedings or contested matters are brought in this Court on or before the expiration of said 60-day deadline (i) the Pre-Petition Obligations shall constitute allowed claims in accordance with Section 506(a) of the Bankruptcy Code for all purposes in these Cases and any subsequent chapter 7 cases, (ii) the Pre-Petition Lenders' liens and security interests on the Pre-Petition Collateral shall be deemed to be valid, legal, binding, perfected, not subject to avoidance or subordination (subject only to the Carve-Outs and any applicable Permitted Liens), and not subject to any other further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto such as a chapter 11 or chapter 7 trustee, and (iii) any and all claims of the Debtors' estates against the Pre-Petition Lenders shall be deemed to have been waived and released.

(B) Notwithstanding the provisions of Section 28(A), with respect to the 42M Pre-Petition Lenders' rights, liens, and security interests in that portion of the Pre-Petition Collateral identified in that certain Collateral Assignment of Documents dated as of February 29th, 2008 and executed by Land Resource in favor of KeyBank (as agent to the 42M Pre-Petition Lenders) (the "Grey Rock Collateral"), the findings contained in paragraphs G, H, I and J shall be binding upon all parties in interest and their respective successors and assigns, including but not limited to, the Debtors, any trustee or other fiduciary hereafter appointed in the Cases or in any subsequent chapter 7 case as a legal representative of the Debtors' estates, and any Creditors' Committee, unless (a) the Committee or other party in interest (other than any of the Debtors) has filed an adversary proceeding or contested matter (subject to limitations on the payment of fees and expenses

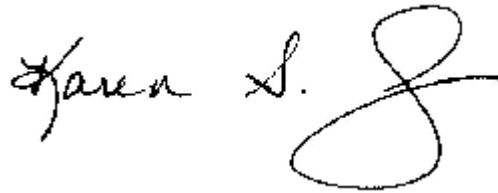
incurred in connection with such undertaking as set forth in this Order) with this Court challenging the validity, enforceability or priority of the 42M Pre-Petition Lenders' rights, liens and security interests in the Grey Rock Collateral not later than the date that is 120 days from the first date of the appointment of the Committee in these cases, and (b) this Court rules in favor of the plaintiff in any such timely filed adversary proceeding or contested matter. If no such adversary proceedings or contested matters are brought in this Court on or before the expiration of said 120-day deadline, then (i) the 42M Pre-Petition Lenders' rights, liens, and security interests in the Grey Rock Collateral shall be deemed to be valid, legal, binding, perfected, not subject to avoidance or subordination (subject only to the Carve-Outs and any applicable Permitted Liens), and not subject to any other further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto such as a chapter 11 or chapter 7 trustee, and (ii) any and all claims of the Debtors' estates against the 42M Pre-Petition Lenders relating to the 42M Pre-Petition Lenders' rights, liens, and security interests in the Grey Rock Collateral shall be deemed to have been waived and released.

29. The provisions of this Order and the Interim Order shall be binding upon and inure to the benefit of the DIP Lenders, the Pre-Petition Lenders, and the Debtors and their respective successors and assigns (including, without limitation, any chapter 7 or 11 trustee or other fiduciary hereafter appointed for or on behalf of the Debtors or with respect to any of the Debtors' property). In the event of any conflict between the terms of the Interim Order and this Order, the terms of this Order shall control.

30. The rights and remedies of the DIP Lenders and the Pre-Petition Lenders specified herein are cumulative and not exclusive of any rights or remedies that they may have under this Order, any of the DIP Loan Documents, Pre-Petition Transaction Documents or otherwise. In addition, to the extent any of the terms and conditions of the DIP Loan Documents are in conflict with the terms and conditions of this Order, the provisions and intent of this Order

shall control. The Debtors and DIP Lenders are hereby authorized, upon prior written notice to counsel for the Committee, (i) to implement, in accordance with the terms of the DIP Credit Agreement, any non-material modifications to the DIP Loan Documents without further order of this Court, and (ii) to agree upon and enter into any written amendments or modifications to the Budget without further order of this Court. Notwithstanding any other provision of this Order, the DIP Lenders shall not have any obligations or commitments to extend any Post-Petition Advances pursuant to this Order until the conditions precedent provided for herein and in the DIP Loan Documents have been satisfied, including, without limitation, J. Robert Ward's written consent to the terms of this Order in form and substance acceptable to the DIP Lenders.

**DONE and ORDERED** in Orlando, Florida on December 22, 2008.

A handwritten signature in black ink, appearing to read "Karen S. Jennemann", with a large, stylized flourish at the end.

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Karen S. Jennemann  
United States Bankruptcy Judge

**Copy furnished to:** Jordi Gusó, Esq., BERGER SINGERMAN, P.A., 200 S. Biscayne Blvd., Ste. 1000, Miami, FL 33131

**Exhibit 1**

Budget



**Land Resource**  
**DIP Budget - \$42mm Facility**  
 Prepared by Management as of 12/17/08

	Week	1	2	3	4	5	6	7	8	9	10	11	12	13				
(Whole US\$)	Ending	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	DIP Total
Beginning Cash Balance <sup>(1)</sup>	\$	20,000	\$ 20,000	\$ 20,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	
Merchant Services Account					-	-	-	-	-	-	-	-	-	-	-	-	-	-
COBRA Participant Payments					-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Collections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Cash Disbursements:																		
Operating Cash Disbursements																		
Payroll & Benefits		-	-	-	52,700	-	35,900	-	45,100	38,500	37,100	2,500	66,300	400	37,100	2,500	39,400	357,500
Rent		-	-	-	-	-	-	-	4,750	-	250	-	-	4,750	-	-	-	9,750
Relocation Expense		-	-	-	15,000	-	-	-	-	-	1,000	-	-	-	-	-	-	16,000
IT Outsource		-	-	-	-	5,000	-	-	-	5,000	-	-	-	5,000	-	-	-	15,000
Data Room		-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	-	-	3,000
Preparation of Assets for Sale		-	-	-	-	10,000	-	-	-	-	-	1,200	-	-	-	-	-	11,200
Iron Mountain File Storage		-	-	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000	3,000
Sales Force Migration		-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Cell Phones		-	-	-	900	-	-	-	900	-	-	-	900	-	-	-	900	3,600
Website Hosting - BK Information		-	-	-	-	-	100	-	-	-	100	-	-	-	100	-	-	300
Office Supplies / Postage		-	-	-	-	250	-	-	-	250	-	-	-	250	-	-	-	750
Travel		-	-	-	11,200	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	71,200
Travel - B. Ward		-	-	-	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	16,250
Property Maintenance (Excl CH)		-	-	-	41,900	2,475	5,175	31,725	6,425	6,825	8,425	16,725	6,425	6,825	8,425	9,725	6,425	157,500
Insurance (Excl CH)		-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	550	1,550
D&O premium/deductible (Excl CH)		-	-	-	-	60,410	-	-	-	-	-	-	-	-	-	-	-	60,410
Temp Labor		-	-	-	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	36,400
Utility Deposit		-	-	-	4,500	-	-	-	-	-	-	-	-	-	-	-	-	4,500
Utility Expense		-	-	-	-	-	-	-	-	400	1,500	800	-	1,900	-	-	-	4,600
Total Operating Cash Disbursements	-	-	-	-	135,250	87,185	50,225	41,775	66,225	60,025	60,425	31,275	83,675	28,175	54,675	21,275	57,325	777,510
Professional Fees																		
Debtor's Financial Advisor - GACC <sup>(2)</sup>	-	-	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-	-	275,000
Debtor's Investment Banker <sup>(2)</sup>	-	-	-	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	35,000	-	-	435,000
Debtor's Bankruptcy Counsel <sup>(2)</sup>	-	-	-	-	50,000	50,000	50,000	50,000	25,000	25,000	25,000	15,000	-	-	-	-	-	290,000
Legal Expense - 3rd Party Noticing	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000	-	-	-	5,000	15,000
Creditor's Committee Legal Fees	-	-	-	-	-	-	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	-	125,000
Trustee Payment - Quarterly	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,000	-	18,000
Termination Event Profess. Fee Carve Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,000	75,000
Total Professional Fees	-	-	-	-	115,000	115,000	127,500	132,500	102,500	102,500	102,500	92,500	82,500	77,500	72,500	30,500	80,000	1,233,000
Overhead Allocation to CH <sup>(3)</sup>	-	-	-	-	(20,835)	(19,971)	(17,255)	(14,255)	(16,230)	(15,570)	(15,450)	(10,605)	(15,975)	(9,885)	(11,875)	(4,205)	(13,035)	(185,146)
Operating Cash Flow	-	-	-	-	(229,415)	(182,214)	(160,470)	(160,020)	(152,495)	(146,955)	(147,475)	(113,170)	(150,200)	(95,790)	(115,300)	(47,570)	(124,290)	(1,825,364)
Debt Service Costs																		
[OPEN]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[OPEN]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[OPEN]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[OPEN]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	-	-	-	-	229,415	182,214	160,470	160,020	152,495	146,955	147,475	113,170	150,200	95,790	115,300	47,570	124,290	1,825,364
Net Cash Inflow (Outflow) Before DIP	-	-	-	-	(229,415)	(182,214)	(160,470)	(160,020)	(152,495)	(146,955)	(147,475)	(113,170)	(150,200)	(95,790)	(115,300)	(47,570)	(124,290)	(1,825,364)
DIP Activity - Draw / (Repayment)	-	-	-	-	229,415	182,214	160,470	160,020	152,495	146,955	147,475	113,170	150,200	95,790	115,300	47,570	124,290	1,825,364
Net Cash Inflow (Outflow) After DIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Ending Cash Balance	\$	20,000	\$ 20,000	\$ 20,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	
Summary of DIP Credit Facility - \$42 mm Line																		
Beginning Balance <sup>(4)</sup>	\$	39,000,000	\$ 39,000,000	\$ 39,000,000	\$ 38,999,307	\$ 39,228,722	\$ 39,410,936	\$ 39,571,406	\$ 39,731,426	\$ 39,883,921	\$ 40,030,876	\$ 40,178,351	\$ 40,291,521	\$ 40,441,721	\$ 40,537,511	\$ 40,652,811	\$ 40,700,381	\$ 38,999,307
Net Activity		-	-	-	229,415	182,214	160,470	160,020	152,495	146,955	147,475	113,170	150,200	95,790	115,300	47,570	124,290	1,825,364
Ending Balance		39,000,000	39,000,000	39,000,000	39,228,722	39,410,936	39,571,406	39,731,426	39,883,921	40,030,876	40,178,351	40,291,521	40,441,721	40,537,511	40,652,811	40,700,381	40,824,671	40,824,671
Maximum		40,700,000	40,700,000	41,000,000	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671	40,824,671
Availability	\$	1,700,000	\$ 1,700,000	\$ 2,000,000	\$ 1,595,949	\$ 1,413,735	\$ 1,253,265	\$ 1,093,245	\$ 940,750	\$ 793,795	\$ 646,320	\$ 533,150	\$ 382,950	\$ 287,160	\$ 171,860	\$ 124,290	\$ -	

**Notes:**

- 1) Cash is presented on a book basis (net of float). Beginning cash balance is an estimate.
- 2) Professional Fees reflect weekly invoicing with proceeds remitted to a fee trust for professional fee payments.
- 3) Overhead Allocation to Cumberland Harbour (\$25.2mm) facility reflects a 10% allocation percentage of Operating Cash Disbursements (excluding Property Maintenance and Insurance for non-CH properties) and Professional Fees.
- 4) Beginning loan balance is an estimate.

**Land Resource**  
**DIP Budget - \$25.2mm Facility**  
Prepared by Management as of 12/17/08

	Week	1	2	1	2	3	4	5	6	7	8	9	10	11	12	13																		
(Whole US\$)	Ending	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	DIP Total																
Beginning Cash Balance <sup>(1)</sup>	\$	5,000	\$	5,000	\$	5,000	\$	9,200	\$	9,200	\$	9,200	\$	9,200	\$	9,200	\$	9,200																
Merchant Services Account					-	-	-	-	-	-	-	-	-	-	-	-	-	-																
COBRA Participant Payments					-	-	-	-	-	-	-	-	-	-	-	-	-	-																
Cash Collections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$															
Cash Disbursements:																																		
Operating Cash Disbursements																																		
Payroll & Benefits - CH		-	-	-	4,000	-	4,000	-	4,000	-	4,000	-	4,000	-	500	-	500	-	21,000															
Insurance - CH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Sales Office Mortgage Pmt - CH		-	-	-	-	-	4,500	-	-	-	4,500	-	-	-	-	-	-	-	9,000															
Utilities - CH		-	-	-	-	1,200	-	-	-	1,200	-	-	-	1,200	-	-	-	-	3,600															
Telephone - CH		-	-	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	500	2,500															
Utility Deposits		-	-	-	1,400	-	-	-	-	-	-	-	-	-	-	-	-	-	1,400															
Property Maintenance - CH		-	-	-	250	475	1,125	125	125	475	1,125	125	125	475	1,125	125	125	-	5,800															
Total Operating Cash Disbursements		-	-	-	5,650	1,675	9,625	1,125	4,125	1,675	9,625	125	5,125	1,675	1,625	125	1,125	-	43,300															
Professional Fee																																		
Professional Fees - ESI		-	-	-	-	-	-	-	-	-	-	-	14,000	-	-	-	-	-	14,000															
Legal Fees - King & Spalding Carve Out		-	-	-	-	-	-	-	-	-	55,000	-	-	-	-	-	-	-	55,000															
Trustee Payment - Quarterly		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	2,000															
Total Professional Fees		-	-	-	-	-	-	-	-	-	55,000	-	14,000	-	-	2,000	-	-	71,000															
Overhead Allocation from LR <sup>(2)</sup>		-	-	-	20,835	19,971	17,255	14,255	16,230	15,570	15,450	10,605	15,975	9,885	11,875	4,205	13,035	-	185,146															
Operating Cash Flow		-	-	-	(26,485)	(21,646)	(26,880)	(15,380)	(20,355)	(17,245)	(25,075)	(10,730)	(21,100)	(11,560)	(13,500)	(4,330)	(14,160)	-	(228,446)															
Debt Service Costs																																		
[OPEN]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
[OPEN]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
[OPEN]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
[OPEN]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Total Debt Service Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Total Cash Disbursements		-	-	-	26,485	21,646	26,880	15,380	20,355	17,245	80,075	10,730	35,100	11,560	13,500	6,330	14,160	-	299,446															
Net Cash Inflow (Outflow) Before DIP		-	-	-	(26,485)	(21,646)	(26,880)	(15,380)	(20,355)	(17,245)	(80,075)	(10,730)	(35,100)	(11,560)	(13,500)	(6,330)	(14,160)	-	(299,446)															
DIP Activity - Draw / (Repayment)		-	-	-	26,485	21,646	26,880	15,380	20,355	17,245	80,075	10,730	35,100	11,560	13,500	6,330	14,160	-	299,446															
Net Cash Inflow (Outflow) After DIP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$															
Ending Cash Balance	\$	5,000	\$	5,000	\$	5,000	\$	9,200	\$	9,200	\$	9,200	\$	9,200	\$	9,200	\$	9,200																
Summary of DIP Credit Facility - \$25.2 mm Line																																		
Beginning Balance <sup>(3)</sup>	\$	21,663,960	\$	21,663,960	\$	21,663,960	\$	21,327,570	\$	21,354,055	\$	21,375,701	\$	21,402,581	\$	21,417,961	\$	21,438,316	\$	21,455,561	\$	21,535,636	\$	21,546,366	\$	21,581,466	\$	21,593,026	\$	21,606,526	\$	21,612,856	\$	21,663,960
Net Activity		-	-	-	26,485	21,646	26,880	15,380	20,355	17,245	80,075	10,730	35,100	11,560	13,500	6,330	14,160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299,446	
Ending Balance		21,663,960	21,663,960	21,663,960	21,354,055	21,375,701	21,402,581	21,417,961	21,438,316	21,455,561	21,535,636	21,546,366	21,581,466	21,593,026	21,606,526	21,612,856	21,627,016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,627,016	
Maximum		22,000,000	22,000,000	22,000,000	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	21,627,016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,627,016	
Availability	\$	336,040	\$	336,040	\$	336,040	\$	272,961	\$	251,315	\$	224,435	\$	209,055	\$	188,700	\$	171,455	\$	91,380	\$	80,650	\$	45,550	\$	33,990	\$	20,490	\$	14,160	\$	-	-	

**Notes:**

- Cash is presented on a book basis (net of float). Beginning cash balance is an estimate.
- Overhead Allocation to Cumberland Harbour (\$25.2mm) facility reflects a 10% allocation percentage of Operating Cash Disbursements (excluding Property Maintenance and Insurance for non-CH properties) and Professional Fees.
- Beginning loan balance is an estimate.

**Exhibit 2**

Term Sheet

Case 6:08-bk-10159-ABB

Doc

Page 196 of 196

## EXHIBIT A

## Incentive Payout calculation (example)

Plan Participant	Incentive Allocation	\$10 MM	\$20 MM	\$30 MM
Mark Rogers	20%	\$ 30,000	\$ 60,000	\$ 99,600
John Alvarez	20%	30,000	60,000	99,600
Bob Miggins	20%	30,000	60,000	99,600
Kevin Hutchinson	20%	30,000	60,000	99,600
Chad Treadwell	20%	30,000	60,000	99,600
	100%	\$ 150,000	\$ 300,000	\$ 498,000