



## Worth Group Capital

Growth Capital -- Business Solutions -- Strategic Partnerships

Worth Group Capital LLC  
1621 Central Ave.  
Cheyenne, WY 82001

July 15, 2019

Branded Entertainment Inc.  
552 East Charleston Blvd.  
Las Vegas, NV 89104

RE: Commitment Letter for \$5,000,000.00 Credit Facility Growth and Expansion Plan for Branded Entertainment Inc.

Dear Mr. Sanger,

Based on the information provided to Worth Group Capital, we are pleased to present this Commitment Letter to Branded Entertainment Inc. With proper loan documentation, Branded Entertainment Inc. will be approved for a total credit facility of \$5M. \$4M will be provided by Worth Group Capital and \$1M provided by Branded Entertainment Inc. as their 20%.

Once the loan is approved, we will be comfortable providing a minimum of \$1M to Branded Entertainment Inc. as part of their first draw that can be utilized to pay back any bridge financing that may have been acquired by Branded Entertainment Inc. The first draw will take place 60 days after the \$1M is deposited with the assigned and acting fiduciary.

In this regard we present the following for your review:

**Approved Credit Facility for Branded Entertainment Inc.**

**Summary of Principle Terms**

**Borrower:** **Branded Entertainment Inc.**

552 East Charleston Blvd.  
Las Vegas, NV 89104

**Lender:** Worth Group Capital

**Purpose:** Credit Facility to provide funding to Branded Entertainment Inc..

**Loan**

**Amount:** \$4,000,000.00

**Loan Term:** Four (4) year term, with four (4) year renewal option, at same interest rate.

**Interest**

**Rate:** The interest rate of 4.5% will be fixed at closing.

**Disbursement**

**Fee:** The disbursement fee of 3.0% will be paid out on the first draw.

**Repayment:** The interest will be paid quarterly at the end of each quarter.

**Collateral:** First Deed of Trust on the assets of Branded Entertainment Inc.

**Covenants:** Maintain a Debt Service Coverage annually of at least 1.20X or greater which is defined as Net Income plus Depreciation Expense, Amortization Expense and Interest Expense less distributions to shareholder and owners divided by Interest Expense.

**Additional Terms and Conditions:**

**Financial Statements:** Borrower would agree to deliver to Lender, within one hundred fifty (150) days after the close of year end, a Statement of Condition or Balance Sheet and its Profit & Loss Statement. All such statements shall be in a form, scope and detail satisfactory to Lender. Borrower shall also provide an annual rent roll with the above statement. Borrower shall agree to deliver to Lender within thirty (30) days after filing a complete copy of the Federal Tax Return on Borrower.

**No Additional Liens:** Borrowers would agree not to grant or allow any security interest, pledge, lien, or other encumbrance on any of its assets that constitute a portion of the Collateral, except those in favor of the Lender (current lien will be paid off with funds from first draw)

**Events of Default:** Such specified events as Lender may require, including, without limitation, the following: a) the failure to timely repay the proposed loan or any other indebtedness owing from time to time by Borrower to Lender; b) incorrect or misleading representations or warranties by Borrower to Lender; c) non-compliance with covenants or warranties; d) bankruptcy, insolvency or dissolution of Borrower; e) a change in control of Borrower that is not a natural person.

**Remedies:** Upon the occurrence of an Event of Default, Lender would have such specified remedies as Lender may require, including, without limitation, the option to declare the entire outstanding balance due under the proposed loan to be immediately due and payable.

**Conditions Precedent to Closing:**

The closing of the proposed loan would be subject to the following conditions precedent:

**Completion of Due Diligence:** Completion of Lender and its counsel of their due diligence investigation, including, without limitation, a full business and legal analysis of Borrower, the Collateral and the Transaction contemplated herein. If, as a result of further investigation and analysis by Lender and its counsel, Lender discovers adverse information and/or impediments in closing the proposed loan, Lender may require that the proposed transaction be restructured or, in Lender's sole and absolute discretion, not entered into by the parties.

**Loan Documentation:** Borrower would execute and deliver such loan documentation as Lender may request, in form and substance satisfactory to Lender and its counsel. The proposed facility would be evidenced by a loan agreement, promissory note, security agreement, financing statements, deed of trust, assignment of rents & leases, Beneficial Ownership form, environmental indemnity, and such other agreements, instruments and documents as Lender and its counsel may require in their sole and absolute discretion. The loan documents would contain special purpose entity covenants and such further representations, warranties, covenants, events of default, remedies and general provisions as Lender and its counsel deem necessary and would otherwise be satisfactory in form and substance to Lender and its counsel.

**Legal Opinions:** Lender would receive a legal opinion from counsel for Borrower to be paid by borrower: 1) as to the due authorization and delivery of all loan documentation executed by Borrower, 2) as to the validity and binding effect of such documentation on Borrower, 3) as to the enforceability of such loan documentation, 4)

satisfactory review of the existing land lease, and 5) such other matters as Lender and its counsel may request.

**Insurance:** If real property is acquired by Branded Entertainment Inc. then the lender would receive evidence of Builders Risk, Liability and Hazard Insurance in amounts and in form and substance satisfactory to Lender.

**Real Property Prerequisites:** If real property is acquired by Branded Entertainment Inc. then the lender would receive the following: a) a current commitment for a mortgagee's title insurance binder for the proposed loan for the benefit of Lender at Borrower's expense, agreeing to insure the Lender's lien on the collateral as a first lien and subject to no exceptions other than as agreed upon by the Lender in its sole discretion; b) the appraisal provided by the Borrower must be acceptable to the Lender.; c) a survey if required of the Property acceptable to the Lender prepared by a licensed surveyor or engineer acceptable to the Lender; d) a flood certificate indicating the Property is not located within a designated flood zone or Borrower to provide evidence of flood insurance; e) A reliance letter for the existing environmental phase one report or an updated report by a consultant acceptable to Lender indicating that the Property is free of any environmental concerns; f) A satisfactory property condition report by a consultant acceptable to Lender indicating no repairs are needed or recommended. If deferred maintenance is needed a 125% escrow reserve account will be opened and held until the repairs are completed.

**Fee and Reimbursement of Expenses:** In addition to the origination fees stated above the Borrower would be required to reimburse Lender for all out-of-pocket costs incurred by Lender in connection with the proposed loan including, without limitation, appraisals, fees of counsel, lien search charges, construction budget review & inspections, and the costs of any audits, including any environmental audits. Such expenses would be reimbursed by Borrower whether or not the proposed loan is closed.

This letter of approval shall expire if a fully executed copy of this letter is not received on or before 5:00 p.m. on Friday, August 16, 2019.

This Commitment Letter may not be relied upon by any third party and is being delivered to the Borrower with the understanding that neither it nor its substance shall be disclosed to any third party except the Lender and those who are in a confidential relationship to the Borrower such as its legal counsel and accountants.

This Commitment Letter does not attempt to describe all of the terms, conditions and requirements that would pertain to the facility, but rather is intended to outline certain basic items around which the facility will be structured. This Commitment Letter is not intended to limit the scope of discussion or negotiation of any and all matters not inconsistent with the specific matters set forth herein. The funding of the facility is subject to all of the above terms and the execution and delivery of definitive legal documentation containing such terms, conditions, covenants, representations and warranties applicable to the Borrower as the Lender in its sole discretion may

determine. Upon closing, such documentation will govern and control in the event of any inconsistencies with this proposal.

After you have had the opportunity to review the foregoing Commitment Letter, please feel free to contact us with any further questions.

Sincerely,

*Justin Ely*

Justin Ely

CEO

Worth Group Capital LLC

Acknowledged and Accepted this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Borrower:

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

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

