

	consummated is referred to as the " <i>Closing Date</i> ."
Repayment & Maturity Date:	<p>The advance will be repaid in accordance with the amortization schedule outlined below:</p> <p>Amortization: To be determined mutually with management based on projected monthly financials.</p> <p>Maturity Date: Four (4) years from the Closing Date.</p>
Interest:	Interest Rate: Prime rate + 3.75 (equivalent to 8% per annum), payable monthly in cash; the Notes will bear interest at a rate five percent (5%) above the otherwise applicable interest rate during the continuance of a default or event of default. Interest on the Notes will be computed on the basis of a 360-day year comprising twelve 30-day months.
Fees:	Third party administration fee of 0.25% of the Commitment annually as long as the Notes are outstanding and HCP requires third party administration services. Upon the Closing, the Borrower shall pay to HCP a closing fee of 1.5% of the Commitment.
Mandatory Prepayments:	Customary and appropriate, including, without limitation: (i) 100% of net proceeds received from the sale or other disposition of material assets of the Borrower or its subsidiaries, so long as after giving effect to the asset sale the Borrower's creditworthiness is not impaired subject to the Lenders credit judgment of the remaining collateral (a " <i>Permitted Asset Sale</i> "); all other material asset sales shall be prohibited, (ii) 100% of the net proceeds received by the Borrower from the issuance or sale of equity, so long as no event of default has or is expected to occur, (iii) change of control, and (iv) all excess insurance proceeds, in each case with such customary and reasonable exceptions as may be agreed.
Warrants:	In connection with the purchase of the Notes, at the Closing Date the Borrower will issue to the Lenders fully separable and transferable, detachable warrants (the " <i>Warrants</i> ") to purchase such number of shares of Common Stock of the Borrower equal to the MBTH Warrants as outlined in the Overhang Recapitalization below. The term of the Warrants will be ten years from the Closing Date. The Warrants may be exercised in whole or in part at any time during their term. The Warrants shall have a strike price equal to a fully-diluted post-money enterprise value of approximately \$10.7 million. ¹ All Warrants shall have cashless exercise rights.
Registration & Board Rights:	<p>The Company shall register the Common Stock underlying the Warrants for re-sale within 6 months of closing. Until the Notes are repaid in full, the Lenders will have the right to appoint a mutually acceptable HCP representative as an observer to the Board of Directors with reimbursement for reasonable travel and out of pocket costs incurred in attending board meetings. In addition, HCP shall have the right to designate</p> <p>The Board of Directors shall initially consist of no more than 7 members. Hale shall have the right to appoint independent board representation</p>

¹ We understand the Enterprise Value of the Company to be approximately \$10.7 million as of this Term Sheet date but have not yet been able to determine the fully diluted enterprise value of the Company. Given the proposed Overhang Recapitalization outlined below, we propose choosing a post money valuation for both HCP and MBTH and basing warrants on that valuation which would be the lower of the Enterprise Value on signing of this term sheet and Closing.