



SO ORDERED.

SIGNED June 14, 2013.

  
ROBERT SUMMERHAYS  
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION

IN RE:

PICCADILLY RESTAURANTS, LLC,  
*ET AL.*,

DEBTORS

\* CASE NO. 12-51127  
\*  
\* (JOINT ADMINISTRATION)<sup>1</sup>  
\*  
\* CHAPTER 11  
\*  
\* JUDGE ROBERT SUMMERHAYS

**ORDER (I) APPROVING EXPENSE REIMBURSEMENT  
AGREEMENT WITH CEF FUNDING II, L.L.C. REGARDING PROPOSED  
RESTRUCTURING RELATED TO THE MASTER LEASE AGREEMENTS,  
(II) GRANTING CEF FUNDING II, L.L.C. AN ALLOWED ADMINISTRATIVE  
EXPENSE PRIORITY CLAIM WITH PRIORITY  
AS PROVIDED IN 11 U.S.C. § 503(b)(1), (3)(D), AND (4),  
AND (III) GRANTING RELATED RELIEF**

Considering the *Motion (I) to Approve Expense Reimbursement Agreement with CEF  
Funding II, L.L.C. Regarding the Proposed Restructuring Related to the Master Lease*

<sup>1</sup> Jointly administered with *In re Piccadilly Food Service, LLC*, 12-51128 (Bankr. W.D. La. 2012), and *In re Piccadilly Investments, LLC*, 12-51129 (Bankr. W.D. La. 2012).

*Agreements, (II) Granting CEF Funding II, L.L.C. an Allowed Administrative Expense Priority Claim with Priority as Provided in 11 U.S.C. § 503(B)(1), (3)(D), and (4), and (III) for Related Relief* (the “Motion”) (Docket #841) filed herein on May 24, 2013, by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”),<sup>2</sup> by the Debtors, the hearing having been held on June 4, 2013 (the “Hearing”), and the Court concluding that (a) it has jurisdiction over this Motion, pursuant to 28 U.S.C. §§ 157 and 1334, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (b) the relief requested in the Motion is in the best interests of the Debtors’ estates and creditors, (c) sufficient notice was given herein; (d) no pleading or response having been filed in opposition to the Motion, and no objection having been lodged to the relief sought in the Motion, and this Order being consistent with the relief pled for in the Motion;

**IT IS ORDERED** that the Motion is hereby **GRANTED**.

**IT IS FURTHER ORDERED** that the Debtors are hereby authorized to (a) execute the Reimbursement Agreement (as defined in the Motion), and (b) perform the obligations set forth in the Reimbursement Agreement. A copy of the Reimbursement Agreement is attached to this Order as **Exhibit 1**.

**IT IS FURTHER ORDERED** CEF Funding, LLC is hereby allowed an administrative expense priority claim with priority as provided in 11 U.S.C. § 503(b)(1), (3)(D), and (4), and §507(a)(2) in an amount equal to the reasonable fees and costs incurred by Lender (including reasonable attorneys’ fees and costs) in connection with the Proposed Transaction (as defined in the Motion).

---

<sup>2</sup> The debtors in these Chapter 11 cases include Piccadilly Restaurants, LLC, Piccadilly Food Service, LLC, and Piccadilly Investments, LLC.

**IT IS FURTHER ORDERED** that the Debtors are authorized to execute and deliver all instruments and documents, and take such other actions as may be necessary or appropriate to implement and effectuate this Order.

**IT IS FURTHER ORDERED** that this Order shall be binding upon and shall inure to the benefit of the Debtors, and their respective successors and assigns, as well as any subsequently appointed Chapter 11 or Chapter 7 trustee.

###

This Order was prepared and is being submitted by:

R. PATRICK VANCE (#13008)  
ELIZABETH J. FUTRELL (#05863)  
MARK A. MINTZ (#31878)  
TYLER J. RENCH (#34049)  
Jones Walker LLP  
201 St. Charles Avenue, 51st Floor  
New Orleans, Louisiana 70170  
Telephone: (504) 582-8000  
Direct Facsimile: (504) 589-8194  
Email: [pvance@joneswalker.com](mailto:pvance@joneswalker.com)  
Email: [efutrell@joneswalker.com](mailto:efutrell@joneswalker.com)  
Email: [mmintz@joneswalker.com](mailto:mmintz@joneswalker.com)  
Email: [trench@joneswalker.com](mailto:trench@joneswalker.com)

**Attorneys for Piccadilly Restaurants, LLC,  
Piccadilly Food Service, LLC, and  
Piccadilly Investments, LLC**

# **Exhibit 1**

June \_\_\_\_, 2013

Piccadilly Restaurants, LLC  
3232 South Sherwood Forest Boulevard  
Baton Rouge, LA 70816  
Attention: Thomas J. Sandeman

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Master Lease dated as of March 30, 2001 (the “**Master Lease I**”) in effect between Circus Property I, LLC, as landlord (“**Circus I**”), and Piccadilly Restaurants, LLC, as tenant (“**Tenant**”), successor by assignment to Piccadilly Cafeterias, Inc., and that certain Master Lease dated as of July 31, 2001 (the “**Master Lease II**”) in effect between Circus Property II, LLC, as landlord (“**Circus II**”), and Tenant, as tenant, successor by assignment to Piccadilly Cafeterias, Inc. (collectively, Master Lease I and Master Lease II are defined as the “**Master Leases**”). CEF Funding II, L.L.C. (“**Lender**”) holds first priority liens on the real property subject to the Master Leases. Tenant has requested that the properties corresponding to GE Loan Nos. 427362, 427365 and 427367 and currently subject to Master Lease I be substituted or assigned into Master Lease II, and the properties corresponding to GE Loan Nos. 427351, 427453 and 427456 and currently subject to Master Lease II be substituted or assigned into Master Lease I (with the corresponding loan documents modified or substituted accordingly) (the “**Proposed Transaction**”).

The Proposed Transaction remains subject to (i) approval by Lender, Circus I and Circus II, including final documentation acceptable to Lender in its sole discretion, (ii) receipt of appropriate final, non-appealable bankruptcy court orders acceptable to Lender in its sole discretion authorizing the Proposed Transaction (the “**Bankruptcy Court Approvals**”), and (iii) Tenant’s agreement to pay or reimburse Lender for all reasonable out-of-pocket fees and costs, (including legal fees and costs) incurred by Lender and/or any of its affiliates (the “**Legal Costs**”) in connection with the Proposed Transaction and obtaining the Bankruptcy Court Approvals (collectively, the “**Legal Work**”) whether or not the Proposed Transaction closes and/or the Bankruptcy Court Approvals are obtained. The Debtors hereby agree to pay and reimburse the Legal Costs incurred by Lender in connection with the Legal Work consistent with and as set forth in this letter.

To evidence your agreement to pay the Legal Costs, please sign and return this letter, along with a deposit of \$25,000 by a wire transfer of such amount to:

Bank: Deutsche Bank/Bankers Trust  
New York, New York  
ABA#: 021001033  
Acct Name: GE Capital Franchise Finance Corporation  
Acct Number: 50268523  
Reference: Circus Property I, LLC and Circus Property II, LLC – Attention: Kristina DeBusschere

{N2643151.3}  
4819-5743-8483.1

The parties agree and acknowledge that Lender is not obligated to begin incurring the Legal Costs until the Bankruptcy Court approves execution of this fee letter.

Lender will charge the deposit for out-of-pocket fees and expenses incurred by Lender in connection with the Proposed Transaction, including, the Legal Costs. It is expressly understood that Lender may hereafter require you to replenish the deposit as a condition to Lender's agreement to continue with the Legal Work. If the Proposed Transaction closes, the remaining deposit (net of fees and expenses) would be applied toward any fees due at closing. If the Proposed Transaction does not close, then the balance of the deposits (net of fees and expenses), if any, shall be returned to Tenant.

Tenant agrees and acknowledges that no commitment has been made by Lender, Circus I or Circus II to enter into the Proposed Transaction, to amend or modify the Master Leases or the loan documents held by Lender with respect to the properties subject to the Master Leases, or enter into any other transaction, and that any commitment with respect to the Proposed Transaction shall be evidenced, if agreed to, pursuant to separate documentation.

This letter may be executed in counterparts and this letter and all matters relating in any way to this letter shall be governed by, and construed in accordance with, the laws of the State of Arizona.

Sincerely,

**CEF FUNDING II, L.L.C.**, a Delaware limited liability company,

By: **GE CAPITAL FRANCHISE FINANCE CORPORATION**, a Delaware corporation, as Sub-servicer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its Authorized Signatory

AGREED TO AND ACCEPTED this  
\_\_\_ day of June, 2013:

**PICCADILLY RESTAURANTS, LLC**

By: \_\_\_\_\_  
Name: Thomas J. Sandeman  
Its: Chief Executive Officer