

EXHIBIT 1

EXHIBIT B

From: Friedman, Adam H.
Sent: Tuesday, September 10, 2019 11:52 AM
To: 'jwaxman@morrisjames.com' <jwaxman@morrisjames.com>
Subject: sugarfina DIP Loan

Jeff- my client is pleased to offer these terms for the DIP Loan, which we think are superior to the existing DIP Loan terms.

We are available to meet with the Debtors and look forward to the opportunity to provide a better DIP Loan. Regarding the sale, please send me the APA in word.

Thanks, Adam

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TERM SHEET

This term sheet describes the terms of a proposed financing transaction (the “**Transaction**”) between Sugarfina Acquisition Corp. (Paul L. Kessler and Scott Kaufman principals) and participants, or their assignee (the “**Purchaser**”) and Sugarfina, Inc. and affiliates (the “**Company**” or “**Sellers**”).

- (i) **DIP Loan Amount:** \$5,000,000 term loan DIP Facility
- (ii) **Interest Rate:** 6% (Default rate of 8%)
- (iii) **Origination Fee:** *None*
- (iv) **Repayment Premium:** *None*
- (v) **Success Fee:** *None*
- (vi) **Budget:** Borrower will comply with the terms of the debtor in possession budget (the “**DIP Budget**”) approved by the Bankruptcy Court.
- (vii) **Lender Expenses.** On the Closing Date, all lender fees and expenses incurred through the Closing Date and payable from the DIP Facility advance.
- (viii) **DIP Collateral and Superpriority Claims:** The DIP Facility will be secured by a senior secured lien and security interest in all of the assets of the Borrower and its wholly-owned subsidiaries, whether consisting of real, personal, tangible or intangible property (collectively, the “**DIP Liens**”)(collectively, the “**Collateral**”).

Pursuant to section 364(c)(1), (2) and 364(d)(1) of the Bankruptcy Code, the Purchaser will be granted and shall have a valid, binding, continuing, enforceable, fully-perfected first priority, priming senior security interest in and lien upon all Collateral.

SFCC’s existing \$5mm lien shall be adequately protected by the \$13mm stalking horse bid from Candy Cube that the Debtor has obtained. If the buyer elects not to proceed, the DIP facility will be increased to \$10mm to satisfy the Serene loan in full, as determined by the Bankruptcy Court.

The Purchaser will be granted an allowed superpriority administrative claim (the “**DIP Lender Superpriority Claims**”) in accordance with section 364(c)(1) of the Bankruptcy Code, having a priority in right of payment over any and all other obligations, liabilities and indebtedness of the Borrower, now in existence or hereafter incurred by the Borrower and

over any and all administrative expenses or priority claims of any kind including as specified in, or ordered pursuant to, sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726(b) (to the extent permitted by law), 1113 and 1114 of the Bankruptcy Code, whether arising in the Borrower’s chapter 11 cases or in any superseding chapter 7 case concerning the Borrower. The DIP Lender Superpriority Claims shall be payable from and have recourse to all pre-petition and post-petition property of the Borrower and all proceeds thereof. Notwithstanding the foregoing, the DIP Lender Superpriority Claims will be subject to a carveout for certain allowed administrative expenses.

- (ix) **Maturity Date** : the earlier of (i) the date which is six (6) months following the Petition Date, (ii) the consummation of a sale of all or substantially all of the assets of the Debtors pursuant to section 363 of the Bankruptcy Code per the Milestones below.
- (x) **Milestones**: the milestones in the existing SFCC DIP loan proposal are acceptable.
- (xi) **Credit Bid**: DIP Lender may credit bid its DIP loan at the section 363 sale.
- (xii) **Offer to Purchase**: DIP Lender intends to submit an asset purchase agreement to acquire substantially all of the assets for a purchase price of not less than \$14 million. Debtors shall provide a copy of the draft APA to the DIP Lender and the DIP Lender will provide a definitive agreement within 5 days from receipt.

ACCEPTED AND AGREED TO THIS __ DAY OF September, 2019

SUGARFINA ACQUISITION CORP.

By: _____
Name: _____
Its: _____

SUGARFINA, INC

By: _____
Name: _____
Its: _____