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**From:** [REDACTED]  
**Sent:** Mon 6/20/2011 7:46:36 PM  
**Subject:** Swanson loan current status

I am available by telephone the balance of the day or tomorrow.

Here is a recap of current status:

Swanson has agreed that I immediately upon the loan closing become a manager of the LLC with him to stay on as co-mg. The LLC operating agreement will be amended so that several enumerated actions would require both managers' consent (bankruptcy, sale, amendment, admission of new mbrs, recap, refi or any action otherwise outside of normal course etc) and his term as a manager would automatically end upon any financial default.

Swanson asks that if he can get TD to extend for a little longer than 12 months - say 14 months- that the second be due simultaneously. TD has not agreed to this yet.

He asks that no interest be charged on then then unaccrued portion of the interest reserve - ie interest @ 18% is charged on the "reserve" as the interest accrues.  
A full year's (or somewhat longer) interest would be payable in full even if the loan is repaid before maturity with the unaccrued balance treated (in effect) as a prepayment penalty.

I would earn a point on closing and a bonus on sale of 3% of the gross sales price not to exceed \$1 million.

He would like to target July 11 as a closing date.

I'd like to retain a lawyer to represent the lender. See Michael N Jonas of Klein & Jonas (who represented the bankruptcy in the Prosser matter and sale of 130 El Bravo) or Craig Kelley of Kelley & Fulton. Due to Jonas' recent experience (and long time real estate lender experience) and Kelley's availability over the next few weeks, I'd favor Jonas. I already discussed the manager concept and he has told me that it would work without running afoul of the unenforceability issues we discussed.

Have you decided what entity would be the lender?

Thanks.