

MUCHNICK, GOLIEB & GOLIEB, ■.

MEMORANDUM

TO: Steve Hanson
FROM: Howard W. Muchnick
SUBJECT: Life Hotel: Monies Needed
DATE: July 7, 2017

Monies Available (All amounts in millions)

New Loan Amount	\$40
Existing Loan	<u>36</u>
New Money	\$4.0
<u>Application of New Money:</u>	
Fund interest and Operating Reserve	(2)
Held back until EBITA of 3.8 million is attained	<u>(1)</u>
Balance: Available to Life Hotel; None will be used for loan repayment	1
Remaining cash from existing loan	.2
Additional monies that David believes the bank will make available due to the additional rooms	<u>.5</u>
Projected Cash Availability	1.7

Cash Needs

Required to complete construction	2.2	
Less reduction in contingency amount and deferred payment	(.2)	
Mortgage recording tax	.1	
Fees: Miscellaneous	<u>.2</u>	
Construction	2.3	
Accounts payable ¹	.45	
Restaurant needs ²	.9	
Less: .2 from each of David and you	<u>(.4)</u>	
	<u>.5</u>	
	<u>3.25</u>	<u>3.25</u>
<u>Cash Needs</u>		<u>1.55</u>

HWM

HWM/el

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¹ David believes the amount is \$300,000 and that he can have the amount of \$50,000 paid monthly from the operating reserve.

² David believes its \$.661