

Side Letter Agreement

Yes

☐ Involves construction work to the mortgaged property?

Material Covenant

← → **B** *I* U  

[Material Covenants Entered Here]

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Due Date Option

On or before the date that is

30

days after the date of the Disbursement



SAMPLE

December 15, 2023

LOANDOCOLUTIONS  
111 East St  
San Diego, CA 11111

Re: **\$1,000,000.00** Loan (the "**Loan**") by LOANDOCOLUTIONS, a California corporation ("**Lender**"), to LLC **BORROWER**, a California limited liability company ("**Borrower**"), to be guaranteed by **JOHN TEST** ("**Guarantor**").

Ladies and Gentlemen:

Reference is made to that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith (the "**Mortgage**") executed by Borrower for the benefit of Lender, which Mortgage secures the Promissory Note of even date herewith (the "**Note**") executed by Borrower evidencing the Loan, which Loan is governed by that certain Loan Agreement entered into between Borrower and Lender of even date herewith (the "**Loan Agreement**"). The Mortgage encumbers certain real property located in the County of **Los Angeles**, State of **California** as described in the Mortgage (the "**Mortgaged Property**"). In connection with the Loan, Guarantor executed and delivered that certain Guaranty of even date herewith (the "**Guaranty**"). Unless otherwise defined herein, each term used herein with its initial letter capitalized shall have the same meaning as set forth in the Loan Agreement, the Mortgage or the Note. This letter agreement is intended as a formal legal agreement and constitutes one of the Loan Documents. Borrower and Guarantor are entering into this letter agreement in order to induce Lender to make the Loan.

With respect to the disbursement of the proceeds of the Loan (the "**Disbursement**"), Borrower has advised Lender that Borrower will be unable (prior to the scheduled closing date) to satisfy certain material covenants and conditions required by Lender and is unable to deliver to Lender (in form and substance reasonably satisfactory to Lender) certain documents, evidences and showings (which unsatisfied covenants and undelivered items are referred to herein as the "**Material Covenants**"), which Material Covenants are listed in Exhibit "A" attached hereto and made a part hereof for all purposes. Lender has agreed to enter into the Loan and to make the Disbursement notwithstanding the failure of Borrower to satisfy the Material Covenants prior to the scheduled closing date, based solely upon Borrower's agreement that the Material Covenants (in form and substance reasonably satisfactory to Lender) will be performed, completed and satisfied and the required items delivered to Lender on or before the Deadline Date set forth on Exhibit "A" attached hereto.

Borrower states and agrees with Lender that the Material Covenants shall be performed, completed and satisfied and the required items delivered to Lender on or before the Deadline Date and that Borrower shall pay any and all costs attendant to the performance, completion or satisfaction of the Material Covenants.

Borrower and Guarantor agree that Borrower's failure to perform, complete or satisfy the Material Covenants on or before the Deadline Date shall, at Lender's written election, constitute an Event of Default, and, notwithstanding the terms of the Mortgage, without any cure period, with the result that Lender shall have the right (at its sole option) to immediately exercise any and all rights and remedies available to it.

Borrower and Guarantor agree that if Borrower fails to perform, complete or satisfy the Material Covenants on or before the Deadline Date then, at Lender's sole option and discretion, the interest rate on the outstanding principal balance of the Loan shall thereafter accrue and be payable at the Default Rate commencing on the Deadline Date and Borrower's monthly principal and interest payment shall be recalculated based on the Default Rate commencing with the Payment Due Date following the Deadline Date. Imposition of the Default Rate of interest shall not limit any other remedies available to Lender, including without limitation acceleration of the Indebtedness, foreclosure, and enforcement of the Guaranty.

This letter may be delivered to Lender in multiple counterparts, including facsimile counterparts. Borrower and Guarantor agree to deliver to Lender an original hard copy signed counterpart for each signatory whose

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signature is supplied by facsimile within three Business Days after the closing of the Loan. Should Lender accept such facsimile counterparts and fund the Loan in reliance thereon, the failure to deliver such original hard copy signed counterparts within such three Business Day period shall constitute an Event of Default.

Nothing contained herein shall be deemed to constitute an amendment or modification of the Mortgage or the other Loan Documents, nor as a waiver of any rights or remedies of Lender.

If the foregoing is agreeable to you, kindly so indicate by executing a copy of this letter as herein below provided and returning the same to us.

**SIGNATURE(S) ON FOLLOWING PAGE(S)**

SAMPLE

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December 15, 2023

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**BORROWER:**

**LLC BORROWER,**  
a California limited liability company

By: \_\_\_\_\_  
**JOHN TEST,**  
Manager

**GUARANTOR:**

\_\_\_\_\_  
**JOHN TEST**

**SIGNATURE(S) CONTINUED ON FOLLOWING PAGE(S)**

SAMPLE

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**ACCEPTED AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:**

**LENDER:**

**LOANDOC SOLUTIONS,  
a California corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SAMPLE

**EXHIBIT "A"**

**(Schedule of Material Covenants)**

On or before the date that is **thirty (30)** days after the date of the Disbursement (the "**Deadline Date**"), Borrower shall provide Lender with evidence satisfactory to Lender that all of the following Material Covenants have been satisfied to Lender's satisfaction:

[Material Covenants Entered Here]

Borrower's failure to complete each and every item above or to provide to Lender evidence of said completion and of payment of all costs related thereto, in each case, on or before the Deadline Date shall, at Lender's written election, constitute an Event of Default.

NOTE: ALL SUBMISSIONS OF MATERIAL COVENANTS TO LENDER SHALL BE MADE TO:

LOANDOC SOLUTIONS  
111 East St  
San Diego, CA 11111

**BORROWER'S INITIALS:** \_\_\_\_\_

**GUARANTOR'S INITIALS:** \_\_\_\_\_

SAMPLE