

MEMORANDUM

To: Whitewater Community Development Authority

From: Patrick Cannon
Executive Director

Re: Slipstream
Request to modify Loan Agreement

Date: January 20, 2015

In 2013, the CDA entered into a Capital Catalyst Loan Agreement with Slipstream LLC for \$102,500. The note carries an interest rate of 4%.

The original note was for a two year period. Under the terms of the note, Slipstream was to pay 12 months worth of interest after one year. Then every quarter, they were to pay 25% of the outstanding principal balance plus interest. The entire note would then be retired at the end of two years. James Jackson was the CFO at that time and he negotiated the terms. Mr. Jackson is no longer with the company.

At the conclusion of the initial year, Slipstream paid the interest charge. In December, the initial quarterly payment was due. In discussing this with Representative of the company, they were not aware of the quarter principal payment. They did pay the interest charge.

In addition to this note, the CDA also has two other notes to Slipstream and/or Choton Basu for \$42,000 and \$32,000 respectively. At this time, these notes are not delinquent.

As per the attached letter, Slipstream is requesting a modification to the repayment schedule of their outstanding notes. They would like to convert the notes into an equity position. They feel this will greatly benefit both the CDA and Slipstream. Based upon their conversion schedule, the notes would convert into approximately 3.9% ownership in the company.

Please let me know if you have any questions or need any additional information.

