

## **PLEDGE AGREEMENT**

**This Agreement is to define what a Pledge of Funds is, how it will be used, and repayment of Pledges.**

### **Pledge of Funds:**

**All Pledge Money paid to Tsunami Books Inc will be in one of three forms:**

- 1) Loans to Tsunami Books Inc.**
  - a) All Pledges of \$50. or more will be Viewed as Loans to Tsunami Books Incorporated unless Pledger gives notice in 2017 that repayment is not wanted under any circumstance. (see Gifts)**
  - b) All Pledges Loaned \$10,000. or more will accrue 2% interest per annum, with first payment due no later than 49 (forty nine) months after the beginning of the first Five-Year lease with Morgan Dollar LLC.**
  - c) All Pledges Loaned under \$10,000. will be interest free, with first payment due no later than 49 (forty nine) months after the beginning of the first Five-Year lease with LANDLORD Morgan Dollar LLC**
  
- 2) Gifts. Because Gifts to a Business are taxable as income, and gifts (up to \$14,000, married couples up to \$28,000) to an individual are not: If an Individual's Pledge Money is given with written notice that repayment is not wanted under any circumstance, said Pledges will be seen as Gifts to Scott Landfield, President and General Manager of Tsunami Books Inc. Gifts must be under \$14,000. Gifts from one individual to another are not subject to gift-tax reporting requirements when under \$14,000 (or \$28,000 for married couples).**
  - a) All Gifts to Scott Landfield will be contributed to the capital of Tsunami Books Inc, and will be considered the same as all other Loans with the following exceptions:**
    - a1) For the first 48 months of this agreement, Landfield will "Forgive" all of his Loans equal to any losses the Company may take on any give year;**
    - a2) If funds for Loan repayment become available, all other Pledgers' Loans will be fully repaid before Landfield's Loan is considered for repayment.**
  - b) For ease of bookkeeping, all individual Pledges of less than \$50. will be viewed as Gifts to Scott Landfield to be contributed to the capital of Tsunami Books unless requested to be viewed as loans.**
  
- 3) Advertising/Public Relations. From Business to Business only.**

**How Pledges Will Be Used:**

**100% of Pledge Money paid by cash or check, or in person via credit card, will go into a dedicated Tsunami Books Rent Account (TBRA).**

**97% of all Pledges paid through Tsunami Books' website—tsunamibooks.org – will go into a TBRA (3% will be used to pay for website processing fees).**

**The TBRA will be held in a Money Market Account at Oregon Community Credit Union until such time as a Five-Year Lease is agreed by Tenant and Landlord. At that time all TBRA funds will be transferred to an Escrow account, which will be used exclusively for Monthly Rent. If no lease is forthcoming by January 31, 2018, all money will be returned to Pledgers**

**The TBRA will be used exclusively for the payment of monthly rent to Morgan Dollar LLC for the first 48 of its initial 60 Month Lease Agreement. Throughout the length of the 60 month Lease Agreement the full monthly rent for 2585 and 2595 Willamette will be deposited directly from the TBRA into a Morgan Dollar Account on the last day of each month, to be considered rent for the next month. Tsunami Books Inc. will deposit funds into the TBRA as they are available. Such funds can be of any amount at any time, it being understood that at no time will TBRA fall below such funds needed to pay the next twelve months rent. If at any time TBRA funds fall below a twelve month level, Tsunami will be considered in default.**

**Repayment of Loans:**

**It is the intention of this Agreement that at the end of 48 months of the 60 month Agreement, all funds in the TBRA in excess of what is necessary to pay rent for the final twelve months will be paid to all Loan Holders using the following formula:**

- 1) All loan holders will be paid in equal amounts until all loans are repaid.  
Repayment is likely only in the event there are funds remaining in the TBRA in excess of what is needed to pay the final 12 months.**

**LOAN**\_\_\_\_\_

**GIFT**\_\_\_\_\_

**ADVERTISING/PR**\_\_\_\_\_

**PERMANENT ADDRESS**\_\_\_\_\_

**EMAIL ADDRESS**\_\_\_\_\_