

**Subject:** [No Subject]  
**From:** Robert Eschbach (eschbachlaw@yahoo.com)  
**To:** majestictheatres@yahoo.com;  
**Date:** Tuesday, July 15, 2014 2:27 PM

July 8, 2014

Tim Burke  
c/o Susan Cartu  
6650 Birchton Avenue  
West Hills, California 91307

Dear Mr. Burke:

I am writing on behalf of my clients, Jim and Katie Troccoli, individually and as shareholders of Stone Soup Entertainment. The Troccolis have advised me that there has been a breakdown in the relationship between you and them that may have been prompted by the news that funds have been obtained to acquire digital equipment for the Majestic Theater in Streator.

In reviewing the business arrangements between the parties, and the finances, it is my understanding that you, individually, own the Majestic Theater real property, which is subject to a note and mortgage with First Farmer's Bank of Indiana. That mortgage balance is approximately \$134,000.00.

It is also my understanding that the corporation has loaned you \$15,000.00 which remains owing to the corporation, and that Katie has essentially run the theater for the past five years and has been paid only \$300.00 in all that time.

It is also my understanding that you, Katie and Jim together own the Will Rogers Theater building in Charleston as tenants in common, meaning you each have an undivided one-third interest in that property. That property is also encumbered by a note and mortgage, also with First Farmer's Bank of Indiana, with a mortgage balance of approximately \$80,000.00. It is also my understanding that the Troccolis have invested \$20,000.00 of their own money into improvements, primarily electric, at the Will Rogers. I have been advised that you have indicated a willingness in the past to release your interest in the Will Rogers to the Troccolis.

It appears as though there is little or no equity in either of the theater buildings.

In order to dissolve the business relationships between you and the Troccolis, and to do so in an amicable manner, the Troccolis have authorized me to make the following proposal:

1. That you would quitclaim your interest in the Will Rogers Theater to Katie and Jim.

2. That you would convey your interest in the Majestic Theater to Katie and Jim, or to a corporation, to be determined at a later date.

3. You would relinquish your stock in the corporation.

4. In exchange for the above, Katie and Jim would release you from any claim for the debt of \$15,000.00 owed to the corporation. Additionally, Katie and Jim would refinance the Majestic and pay you a lump sum of \$10,000.00.

5. Any items of personal property you may have stored at the Majestic that aren't being currently used in the operation of the theater would be your sole property and you would remove them at your convenience.

I would appreciate hearing your thoughts on this proposal at your earliest convenience.

Very truly yours,

ROBERT M. ESCHBACH

RME/klr

cc: Katie and Jim Troccoli

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