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ELECTRONICALLY
FILED
Superior Court of California,
County of San Francisco
02/08/2024
Clerk of the Court
BY: AUSTIN LAM
Deputy Clerk

7 SUPERIOR COURT STATE OF CALIFORNIA

8 COUNTY OF SAN FRANCISCO

9
10 U.S. BANK NATIONAL ASSOCIATION,

Case No.:

CGC-24-612213

11 Plaintiff,

12 vs.

COMPLAINT FOR FORECLOSURE OF
TRUST DEED

13
14 EDINBURGH CASTLE, A CALIFORNIA
15 GENERAL PARTNERSHIP, HAE S.
16 MOODY, AN INDIVIDUAL, TAY YOUNG
17 KIM, AN INDIVIDUAL, DOES 1-20,

18 Defendants.

19 Plaintiff alleges:

- 20 1. Plaintiff, U.S. Bank National Association, ("U.S. Bank"), is and at all times
21 mentioned was a National Bank with offices located in San Diego County,
22 California, and was authorized to engage in and engaging in the business of
23 banking in California as a National Bank.
24 2. Defendant, Edinburgh Castle, ("Edinburgh"), is, and at all times mentioned was,
25 a California General Partnership, located in the County of San Francisco,
26 California.
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- 1 3. Defendant Hae S. Moody, ("Moody"), an individual, is, and at all times
2 mentioned was, a resident of the County of San Francisco, California, and
3 personally guaranteed payment of the promissory note from Edinburgh in favor
4 of U.S. Bank, dated January 16, 2009, in the principal amount of \$706,000.00.
- 5 4. Defendant Tay Young Kim, ("Kim"), an individual, is, and at all times mentioned
6 was, a resident of San Francisco County, California, and personally guaranteed
7 payment of the promissory note from Edinburgh dated January 16, 2009, in the
8 principal amount of \$706,000.00.
- 9 5. On January 16, 2009, Edinburgh, as borrower, obtained a loan from U.S. Bank in
10 the principal amount of \$706,000.00. The loan was memorialized in a written
11 promissory note dated January 16, 2009, ("the Note"). A true and correct copy of
12 the Note is attached hereto as Exhibit A and is made a part hereof. Moody and
13 Kim as general partners of Edinburgh duly signed the Note.
- 14 6. Under the terms of the Note, Edinburgh agreed to repay the principal amount of
15 the loan plus interest at variable rates in initial monthly installments of \$4,693.00
16 commencing one month from the initial disbursement of monies under the Note,
17 ("monthly installments"). The monthly installments were subsequently adjusted
18 to \$5,506.00. The monthly installments were due on the same day each month as
19 the date of the initial disbursement on the Note. The Note was due and payable
20 25 years from the date of the Note. A late charge of up to 5.00% of the unpaid
21 portion of the regularly scheduled payment may be charged if any monthly
22 installment is more than 10 days late.
- 23 7. On the same day and as part of the same transaction, Edinburgh executed a trust
24 deed conveying certain real property to U.S. Bank as trustee and beneficiary to
25 secure payment of the Note, (the trust deed"). The trust deed was recorded
26 February 27, 2009, as Document No. 2009-I727465-00 in the records of the San
27
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1 Francisco County Assessor-Recorder. A true and correct copy of the trust deed is
2 attached hereto as Exhibit B and made a part hereof. That property is located in
3 San Francisco County and is described as follows, ("the property):

4 All that certain real property situated in the City and County of San Francisco,
5 State of California, described as follows:

6 Beginning at a point on the Northerly line of Geary Street, distant thereon 192
7 feet 6 inches Easterly from the Easterly line of Polk Street; running thence
8 Easterly along the said line of Geary Street 27 feet 6 inches; thence at a right angle
9 Northerly 120 feet to the Southerly line of Cedar Street; thence at a right angle
10 Westerly along the said line of Cedar Street 27 feet 6 inches; thence at a right
11 angle Southerly 120 feet to the beginning.

12 Being a portion of Western Addition Block No. 11.
13 Assessor's Parcel Number Lot 011, Block 0693

14 The physical address of the property is 950 Geary Street, San Francisco,
15 California 94109.

- 16 8. Defendant Edinburgh is the record owner of the property.
- 17 9. Plaintiff, U.S. Bank, is now, and at all times mentioned since January 16, 2009,
18 has been the lawful owner and holder of the Note and the beneficiary of the trust
19 deed.
- 20 10. The Note provides that, should a default occur in the payment of any installment
21 when due, or a failure to pay property taxes when due, or in the performance of
22 any obligation in the trust deed securing payment of the Note, the whole sum of
23 principal and interest shall become immediately due at the election of the holder
24 of the Note. The trust deed provides that, should a default occur in the payment
25 of any debt secured by the trust deed, or in the performance of any obligation in
26 the Note or trust deed, all sums secured by the trust deed shall, at the election of
27 the beneficiary, become immediately due and payable.

1 11. Edinburgh has failed and refused to make payments of \$5,506.00, due on
2 March 27, 2023, and in subsequent months, as they became due. By reason of
3 these defaults, U.S. Bank elected to declare the whole sum of principal and
4 interest immediately due and payable. The whole sum consists of a principal
5 balance of \$439,499.13 plus interest of \$37,402.94 as of January 9, 2024, at 9.83
6 percent per annum amounting to \$476,902.07 principal and interest due and
7 payable as of January 9, 2024. Interest on the principal balance due amounts to
8 \$118.36 per day for each additional day from January 9, 2024, to the date of entry
9 of judgment.

10
11 12. By the terms of the trust deed, Edinburgh promised that if any action were
12 commenced on the Note or trust deed, Edinburgh would pay U.S. Bank's
13 reasonable attorney's fees and that these charges would also become a lien on the
14 property. By reason of the above-mentioned defaults by Edinburgh it has become
15 necessary for U.S. Bank to employ Donald P. Brigham, an attorney at law duly
16 licensed to practice law in all courts of the State of California, to commence and
17 prosecute this foreclosure action.

18 13. On January 16, 2009, Moody, became obligated to repay the Note under the
19 terms of an Unconditional Guarantee, ("Moody guarantee"). As a result of the
20 default of Edinburgh under the terms of the Note, Moody is liable under the
21 Moody guarantee to pay U.S. Bank all sums due and owing under the Note. A
22 true and correct copy of the Moody guarantee is attached hereto as Exhibit C and
23 made a part hereof.

24 14. On January 16, 2009, Kim, became obligated to pay the Note under the terms of
25 an Unconditional Guarantee, ("the Kim guarantee"). As a result of the default of
26 Edinburgh under the terms of the Note, Kim is obligated under the Kim
27 guarantee to pay U.S. Bank all sums due and owing under the Note. A true and
28

1 correct copy of the Kim guarantee is attached hereto as Exhibit D and made a
2 part hereof.

3 15. On January 16, 2009, Edinburgh and U.S. Bank entered into a "SBA Fee Deferral
4 Agreement, ("Fee Deferral Agreement"), that was a condition of the loan from
5 U.S. Bank to Edinburgh for the \$706,000.00 loan represented by the Note attached
6 hereto as Exhibit A. Under the Fee Deferral Agreement, U.S. Bank agreed to pay
7 the SBA a fee of \$18,532.50, ("the SBA Fee"), and defer collection of the SBA Fee
8 from Edinburgh for a period of five years after the final disbursement of the loan
9 funds under the Note attached hereto as Exhibit A. U.S. Bank also agreed under
10 the Fee Deferral Agreement, to waive reimbursement of the SBA Fee, and release
11 any Security Interest, provided there was no default under the Note for five
12 years from the date of final disbursement of the loan and Edinburgh made a
13 request for waiver of the SBA Fee and paid the costs of releasing the Security
14 Interest. A true and correct copy of the Fee Deferral Agreement is attached hereto
15 as Exhibit E and made a part hereof.

16
17 16. Reimbursement of U.S. Bank's payment of the SBA Fee, was secured by a trust
18 deed executed by Edinburgh on January 16, 2009, ("the Fee Deferral Trust
19 Deed"), conveying the same property identified in paragraph 7 above, to U.S.
20 Bank as trustee and beneficiary. The Fee Deferral Trust Deed was recorded
21 February 27, 2009, as Document No. 2009-I727466-00 in the Records of the San
22 Francisco Assessor-Recorder. A true and correct copy of the Fee Deferral Trust
23 Deed is attached hereto as Exhibit F and made a part hereof.

24 17. As a result of the default of Edinburgh under the terms of the Note attached
25 hereto as Exhibit A, U.S. Bank's deferral of the reimbursement of the SBA Fee has
26 terminated, and the SBA Fee in the amount of \$18,532.50 is immediately due and
27 payable by Edinburgh to U.S. Bank, without demand by U.S. Bank. Under the
28

1 terms of the Fee Deferral Agreement, if this amount is not paid within 15 days of
2 the event terminating the Fee Deferral Agreement, Edinburgh shall be obligated
3 to pay U.S. Bank, in addition to payment of \$18,532.50, a service charge of 7% per
4 annum until payment in full, including all accrued service charges, is made.
5 Failure to pay these amounts, when due, is also a default under the Fee Deferral
6 Agreement.

7 WHEREFORE, U.S. Bank prays judgment as follows:

- 8 1. Against Edinburgh, Moody, and Kim for the total sum of \$476,902.07,
9 principal and interest, together with interest at the rate of \$118.36 per day
10 from January 9, 2024, to the date of entry of judgment;
- 11 2. Against Edinburgh, Moody, and Kim, for attorney's fees in an amount that
12 the court adjudges reasonable;
- 13 3. Adjudging that all rights, claims, ownership, liens, titles, and demands of all
14 Defendants are subsequent to and subject to the lien of the trust deeds;
- 15 4. Adjudging that the trust deeds be foreclosed, that the property be sold
16 according to law by a receiver duly appointed by the court, or a levying
17 officer, that the proceeds of the sale be applied in payment of the amounts
18 due to U.S. Bank, first under the trust deed, and any surplus funds be then
19 paid under the Fee Deferral Trust Deed, that each Defendant and all persons
20 claiming under each Defendant, after execution of U.S. Bank's trust deeds,
21 whether as lien claimant, lessee, lessor, judgment creditor, or claimant under
22 a junior trust deed, purchaser, lienholder, or otherwise, be barred and
23 foreclosed from all rights, claims, interests, or equity of redemption in the
24 property and every part of the property when time for redemption has
25 elapsed;
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- 1 5. Adjudging that Edinburgh, Moody and Kim are personally liable for
- 2 payment of the obligation secured by the trust deed;
- 3 6. Adjudging that Edinburgh is liable for payment of the obligation secured by
- 4 the Fee Deferral Trust Deed;
- 5 7. That a deficiency judgment be ordered against Edinburgh, Moody, and Kim,
- 6 for any deficiency under the Note following proceedings prescribed by law;
- 7 8. That a deficiency judgment be ordered against Edinburgh for any deficiency
- 8 under the Fee Deferral Agreement following proceedings prescribed by law;
- 9 9. That a receiver be appointed for the purpose of assessing the condition of the
- 10 property and the preparation of a Phase 1 Environmental Report;
- 11 10. Permitting U.S. Bank or any parties to this action to become a purchaser at the
- 12 foreclosure sale;
- 13 11. Directing the receiver or levying officer, after the time for redemption has
- 14 elapsed, to execute a deed to the purchaser of the property at sale, and
- 15 directing that the purchaser be let into possession of the property on
- 16 production of the receiver or levying officer's deed;
- 17 12. For costs of suit herein incurred; and
- 18 13. For any other and further relief as the court may deem proper.
- 19
- 20

21 Dated: 02/05/2024

Brigham Law Firm

22
23 By: Donald P. Brigham

24 Donald P. Brigham, Attorney for U.S.
25 Bank, Plaintiff
26
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EXHIBIT A



A handwritten signature in black ink, appearing to read 'Muel', written over a horizontal line.

NOTE

SBA Loan #	PLP 328-065-5006
SBA Loan Name	Edinburgh Castle
Date	January 16, 2009
Loan Amount	706,000.00
Interest Rate	Variable
Borrower	Edinburgh Castle, a California General Partnership
Operating Company	N/A
Lender	U.S. Bank National Association

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of Seven Hundred Six Thousand and 00/100 Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Collateral" means any property taken as security for payment of this Note or any guarantee of this Note.

"Guarantor" means each person or entity that signs a guarantee of payment of this Note.

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

This Note will mature in 25 years from date of Note.

The interest rate on this Note will fluctuate. The initial interest rate is 6.33% per year. This initial rate is the prime rate in effect on the first business day of the month in which SBA received the loan application, plus 2.33%. The initial interest rate must remain in effect until the first change period begins.

Borrower must pay principal and interest payments of \$4,693.00 every month, beginning one month from the month of initial disbursement on this Note; payments must be made on the same day as the date of initial disbursement on this Note in the months they are due.

Lender will apply each installment payment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, then to pay any late fees, and will apply any remaining balance to reduce principal.

Lender may require Borrower to pay an additional amount into an escrow account for payment of real estate taxes and required insurance related to commercial real estate securing the loan.

The interest rate will be adjusted every 2 years (the "change period").

The "Prime Rate" is the prime rate in effect on the first business day of the month (as published in the Wall Street Journal) in which SBA received the application, or any interest rate change occurs.

The adjusted interest rate will be 2.33% above the Prime Rate. Lender will adjust the interest rate on the first calendar day of each change period. The change in interest rate is effective on that day whether or not Lender gives Borrower notice of the change.

Lender must adjust the payment amount at least annually as needed to amortize principal over the remaining term of the note.

If SBA purchases the guaranteed portion of the unpaid principal balance, the interest rate becomes fixed at the rate in effect at the time of the earliest uncured payment default. If there is no uncured payment default, the rate becomes fixed at the rate in effect at the time of purchase.

Loan Prepayment:

Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note. Borrower may prepay 20% or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20% and the Loan has been sold on the secondary market, Borrower must:

- a. Give Lender written notice;
- b. Pay all accrued interest; and
- c. If the prepayment is received less than 21 days from the date Lender receives the notice, pay an amount equal to 21 days' interest from the date lender receives the notice, less any interest accrued during the 21 days and paid under subparagraph b., above.

If Borrower does not prepay within 30 days from the date Lender receives the notice, Borrower must give Lender a new notice.

SBA 147: Note Page 2 Continuation

Continuation of "..."

Subsidy Recoupment Fee. When in any one of the first three years from the date of initial disbursement Borrower voluntarily prepays more than 25% of the outstanding principal balance of the loan, Borrower must pay to Lender on behalf of SBA a prepayment fee for that year as follows:

- a. During the first year after the date on which the loan is first disbursed, 5% of the total prepayment amount;
- b. During the second year after the date on which the loan is first disbursed, 3% of the total prepayment amount; and
- c. During the third year after the date on which the loan is first disbursed, 1% of the total prepayment amount.

All remaining principal and accrued interest is due and payable 25 years from date of Note.

Late Charge: If a payment on this Note is more than 10 days late, Lender may charge Borrower a late fee of up to 5.00% of the unpaid portion of the regularly scheduled payment.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

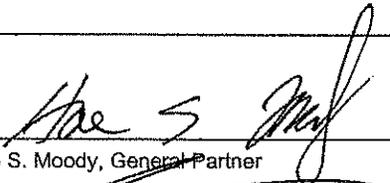
10. STATE-SPECIFIC PROVISIONS:

N/A

11. BORROWER'S NAME(S) AND SIGNATURE(S):

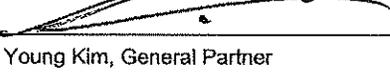
By signing below, each individual or entity becomes obligated under this Note as Borrower.

Edinburgh Castle, a California General Partnership



Hae S. Moody, General Partner

Date 2/16/09



Tay Young Kim, General Partner

Date 2/16/09

EXHIBIT B

8322

Recording requested by and after recording return to:

Nancy Arden
U.S. BANK N.A.
LM CA HB-2 CLOSING AUDIT DEPT.
9918 HIBERT ST.
SAN DIEGO CA 92131



San Francisco Assessor-Recorder
Phil Ting, Assessor-Recorder
DOC- 2009-I727465-00
Acct 11-FIDELITY NATIONAL Title Company
Friday, FEB 27, 2009 13:00:00
Ttl Pd \$70.00 Rcpt # 0003626080
REEL J837 IMAGE 0521
ogi/GG/4-13

ANT#457860 APN 693/11
950 GEARH STREET
Check as applicable:

THE PROMISSORY NOTE(S) SECURED BY THIS DEED OF TRUST MAY PROVIDE FOR A VARIABLE RATE OF INTEREST.



TRUST DEED, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES
(INCLUDING FIXTURE FILING UNDER UNIFORM COMMERCIAL CODE)

1st-CRE

CALIFORNIA REAL ESTATE

This California Trust Deed, Security Agreement and Assignment of Rents and Leases (Including Fixture Filing Under Uniform Commercial Code) ("Deed of Trust") is made and entered into by the undersigned borrower(s), guarantor(s) and/or other obligor(s)/pledgor(s) (collectively the "Trustor") in favor of U.S. Bank N.A., having a mailing address of 9918 HIBERT ST., SAN DIEGO, CA 92131 (the "Trustee"), for the benefit of U.S. BANK N.A. (the "Beneficiary"), as of the date set forth below.

ARTICLE I. CONVEYANCE/MORTGAGED PROPERTY

1.1 Grant of Deed of Trust/Security Interest. Trustor, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the Obligations described in Section 1.3 below, irrevocably grants, bargains, sells, and conveys to Trustee and its successors in trust and assigns, forever, in trust, with power of sale, all of Trustor's estate, right, title, interest, claim and demand in and to the Mortgaged Property described in Section 1.2 below, whether now existing or hereafter acquired. To the extent any of the Mortgaged Property is personal property, Trustor, as debtor, grants to Beneficiary, as secured party, a security interest therein together with a security interest in all other personal property of whatsoever nature which is located on or used or to be used in connection with any of the Mortgaged Property, and any products or proceeds of any thereof, pursuant to the Uniform Commercial Code of the State of California (the "UCC"), on the terms and conditions contained herein. Beneficiary hereby assigns such security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the "Mortgaged Property" except as otherwise specified herein.

1.2 "Mortgaged Property" means all of the following, whether now owned or existing or hereafter acquired by the Trustor, wherever located: all the land described below or in Exhibit A attached hereto and all tenements, hereditaments, rights-of-way, easements, appendages, licenses, privileges and appurtenances thereto belonging or in any way appertaining, including without limitation all of the right, title and interest of Trustor in and to any avenues, streets, ways, alleys, vaults, strips or gores of land adjoining that property, all rights to water, water stock, drains, drainage and air rights relating to that property, and all claims or demands of Trustor either in law or in equity in possession or expectancy of, in and to that property (the "Land"), together with all buildings, structures, standing timber, timber to be cut, fixtures, equipment, inventory and furnishings used in connection with the Land and improvements; all materials, contracts, drawings and personal property relating to any construction on the Land; and all other improvements now or hereafter constructed, affixed or located thereon (the "Improvements") (the Land and the Improvements collectively the "Premises"); TOGETHER with any and all leases or other agreements for the use or occupancy of the Premises, all the rents, issues, royalties and profits (including mineral, oil and gas rights and profits) or any proceeds therefrom and all security deposits and any guaranty of a tenant's obligations thereunder; all awards as a result of condemnation, eminent domain or other decrease in value of the Premises and all insurance and other proceeds of the Premises; and any and all rights of Trustor in any and all accounts, rights to payment, contract rights, chattel paper, documents, instruments, licenses, contracts, agreements and general intangibles relating to any of the Mortgaged Property, including, without

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EP

limitation, income and profits derived from the operation of any business on the Premises or attributable to services that occur or are provided on the Premises or generated from the use and operation of the Mortgaged Property.

The Land is described as follows (or in Exhibit A hereto if the description does not appear below):

See Attached Exhibit "A"

1.3 "Obligations" means (a) the obligations contained herein; (b) the payment of \$ 706,000.00 with interest thereon and all other amounts payable according to one or more of the following (check as applicable):

the terms of a promissory note in the principal amount of \$ 706,000.00 dated JANUARY 16, 2009 made by Edinburgh Castle, a California General Partnership

("Borrower"), payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

a guaranty dated _____ made by Trustor to the benefit of Beneficiary

Other: _____

and any and all extensions, renewals, modifications or replacements of any of the above, whether the same be in greater or lesser amounts (the above being collectively referred to as the "Note"); (c) any and all sums advanced or expenditures made by Beneficiary subsequent to the execution of this Deed of Trust for the maintenance or preservation of the Mortgaged Property or advanced or expended by Beneficiary pursuant to any provision of this Deed of Trust subsequent to its execution, together with interest thereon; and (d) additional sums and interest thereon which may hereafter be loaned to or guaranteed by Trustor, or Trustor's successors or assigns, when evidenced by a promissory note, guaranty or other document reciting that such sums are secured by this Deed of Trust.

1.4 Homestead. The Premises are not the homestead of the Trustor. If so, the Trustor releases and waives all rights under and by virtue of the homestead exemption laws of the State of California. (are)(are not)

ARTICLE II. WARRANTIES AND COVENANTS

In addition to all other warranties and covenants of the Trustor under the Note and any other instrument, document or agreement evidencing or securing the Obligations ("Loan Documents"), which are expressly incorporated herein as part of this Deed of Trust, including the covenants to pay and perform all Obligations, and while any part of the credit granted the Trustor under the Loan Documents is available or any Obligations of the Trustor to the Beneficiary are unpaid or outstanding, the Trustor continuously warrants to the Beneficiary and the Trustee and agrees as follows:

2.1 Warranty of Title/Possession. The Trustor warrants that it has sole and exclusive title to and possession of the Premises, excepting only the following "Permitted Encumbrances": restrictions and easements of record, and zoning

ordinances (the terms of which are and will be complied with, and in the case of easements, are and will be kept free of encroachments), taxes and assessments not yet due and payable and those Permitted Encumbrances set forth on Exhibit B attached hereto (except that if no Exhibit B is attached, there will be no additional Permitted Encumbrances). The lien of this Deed of Trust, subject only to Permitted Encumbrances, is and will continue to be a valid first and, except as permitted in section 2.3, only lien upon all of the Mortgaged Property.

2.2 Maintenance; Waste; Alteration. The Trustor will maintain the Premises in good and tenantable condition and will restore or replace damaged or destroyed improvements with items of at least equal utility and value. The Trustor will not commit or permit waste to be committed on the Premises. The Trustor will not remove, demolish or materially alter any part of the Premises without the Beneficiary's prior written consent, except the Trustor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility. The replacement fixture will be subject to the priority lien and security of this Deed of Trust.

2.3 Transfer and Liens. The Trustor will not, without the prior written consent of the Beneficiary, which may be withheld in the Beneficiary's sole and absolute discretion, either voluntarily or involuntarily (a) sell, assign, lease or transfer, or permit to be sold, assigned, leased or transferred, any part of the Premises, or any interest therein; or (b) pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance upon any part of the Premises or interest therein, except for the Permitted Encumbrances. Notwithstanding the foregoing, if the Premises consists of one to four units of residential property, the Trustor may, without obtaining the consent of the Beneficiary, encumber the Premises with one or more mortgages or deeds of trust which are subordinate to the lien of this Deed of Trust. Beneficiary has not consented and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust.

2.4 Escrow. After written request from the Beneficiary, the Trustor will pay to the Beneficiary sufficient funds at such time as the Beneficiary designates, to pay (a) the estimated annual real estate taxes and assessments on the Premises; and (b) all property or hazard insurance premiums when due. Interest will not be paid by the Beneficiary on any escrowed funds. Escrowed funds may be commingled with other funds of the Beneficiary. All escrowed funds are hereby pledged as additional security for the Obligations.

2.5 Taxes, Assessments and Charges. To the extent not paid to the Beneficiary under 2.4 above, the Trustor will pay before they become delinquent all taxes, assessments and other charges now or hereafter levied or assessed against the Premises, against the Beneficiary based upon this Deed of Trust or the Obligations secured by this Deed of Trust, or upon the Beneficiary's interest in the Premises, and deliver to the Beneficiary receipts showing timely payment.

2.6 Insurance. The Trustor will continually insure the Premises against such perils or hazards as the Beneficiary may require, in amounts, with acceptable co-insurance provisions, not less than the unpaid balance of the Obligations or the full replacement value of the Improvements, whichever is less. The policies will contain an agreement by each insurer that the policy will not be terminated or modified without at least thirty (30) days' prior written notice to the Beneficiary and will contain a mortgage clause acceptable to the Beneficiary; and the Trustor will take such other action as the Beneficiary may reasonably request to ensure that the Beneficiary will receive (subject to no other interests) the insurance proceeds from the Improvements. The Trustor hereby assigns all insurance proceeds to and irrevocably directs, while any Obligations remain unpaid, any insurer to pay to the Beneficiary the proceeds of all such insurance and any premium refund; and authorizes the Beneficiary to endorse the Trustor's name to effect the same, to make, adjust or settle, in the Trustor's name, any claim on any insurance policy relating to the Premises. The proceeds and refunds will be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

2.7 Condemnation. Any compensation received for the taking of the Premises, or any part thereof, by a condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Premises, or any part thereof, shall be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

2.8 Environmental Matters. Except as specifically disclosed by Trustor to Beneficiary in writing prior to the execution of this Deed of Trust, Trustor represents and warrants as follows. There exists no uncorrected violation by the Trustor of any federal, state or local laws (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "**Environmental Laws**"). The term "**Hazardous Substances**" will mean any hazardous or toxic wastes, chemicals or other substances, the generation, possession or existence of which is prohibited or governed by any Environmental Laws. The Trustor is not subject to any judgment, decree, order or citation, or a party to (or threatened with) any litigation or administrative proceeding, which asserts that the Trustor (a) has violated any Environmental Laws; (b) is required to clean up, remove or take remedial or other action with respect to any Hazardous Substances (collectively "**Remedial Action**"); or (c) is required to pay all or a portion of the cost of any Remedial Action, as a potentially responsible party. Except as disclosed on the Borrower's environmental questionnaire provided to the Beneficiary,

there are not now, nor to the Trustor's knowledge after reasonable investigation have there ever been, any Hazardous Substances (or tanks or other facilities for the storage of Hazardous Substances) stored, deposited, recycled or disposed of on, under or at any real estate owned or occupied by the Trustor during the periods that the Trustor owned or occupied such real estate, which if present on the real estate or in soils or ground water, could require Remedial Action. To the Trustor's knowledge, there are no proposed or pending changes in Environmental Laws which would adversely affect the Trustor or its business, and there are no conditions existing currently or likely to exist while the Loan Documents are in effect which would subject the Trustor to Remedial Action or other liability. The Trustor currently complies with and will continue to timely comply with all applicable Environmental Laws; and will provide the Beneficiary, immediately upon receipt, copies of any correspondence, notice, complaint, order or other document from any source asserting or alleging any circumstance or condition which requires or may require a financial contribution by the Trustor or Remedial Action or other response by or on the part of the Trustor under Environmental Laws, or which seeks damages or civil, criminal or punitive penalties from the Trustor for an alleged violation of Environmental Laws. In the event of any such circumstance or condition, the Trustor agrees, at its expense and at the request of the Beneficiary, to permit an environmental audit solely for the benefit of the Beneficiary, to be conducted by the Beneficiary or an independent agent selected by the Beneficiary and which may not be relied on by the Trustor for any purpose. This provision shall not relieve the Trustor from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws. Any provision of this Deed of Trust to the contrary notwithstanding, if Trustor fails to perform its obligations under this subsection 2.8, any funds advanced by Beneficiary to pay for any and all remedial and removal action to clean up the Mortgaged Property and mitigate exposure to liability from any Hazardous Substance shall not be secured by the lien of this Deed of Trust but rather shall be covered by the separate Indemnity Agreement regarding hazardous substances executed concurrently herewith.

2.9 Assignments. The Trustor will not assign, in whole or in part, without the Beneficiary's prior written consent, the rents, issues or profits arising from the Premises.

2.10 Right of Inspection. The Beneficiary may at all reasonable times enter and inspect the Premises.

2.11 Waivers by Trustor. To the greatest extent that such rights may then be lawfully waived, the Trustor hereby agrees for itself and any persons claiming under the Deed of Trust that it will waive and will not, at any time, insist upon or plead or in any manner whatsoever claim or take any benefit or advantage of (a) any exemption, stay, extension or moratorium law now or at any time hereafter in force; (b) any law now or hereafter in force providing for the valuation or appraisal of the Premises or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or pursuant to the decree, judgment or order of any court of competent jurisdiction; (c) to the extent permitted by law, any law now or at any time hereafter made or enacted granting a right to redeem from foreclosure or any other rights of redemption in connection with foreclosure of, or exercise of any power of sale under, this Deed of Trust; (d) any statute of limitations now or at any time hereafter in force; or (e) any right to require marshalling of assets by the Beneficiary.

2.12 Assignment of Rents and Leases. Trustor hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Beneficiary all of Trustor's right, title and interest now existing and hereafter arising in and to the leases, subleases, concessions, licenses, franchises or other agreements, either oral or written, now existing and hereafter arising which affect the Premises, Trustor's interest therein and any improvements located thereon, together with any and all security deposits, guarantees of the lessees' obligations (including any and all security thereunder) and other security under any such leases, subleases, concessions, licenses, franchises or other agreements (all of the foregoing, and any and all extensions, modifications and renewals thereof, shall be collectively referred to herein as the "Leases"), and hereby gives to and confers upon Beneficiary the right to collect all the income, rents, issues, profits, royalties and proceeds from the Leases and any business conducted on the Premises and any and all prepaid rent and security deposits thereunder (collectively, the "Rents"). This Deed of Trust is intended by Beneficiary and Trustor to create and shall be construed to create an absolute assignment to Beneficiary of all of Trustor's right, title and interest in and to the Leases and shall not be deemed to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Loan Documents. Trustor irrevocably appoints Beneficiary its true and lawful attorney at the option of Beneficiary at any time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and apply the same to the Obligations. Notwithstanding the foregoing assignment of Rents, so long as no default hereunder (as described in Article III) has occurred and remains uncured, Trustor shall have a revocable license, to collect all Rents, and to retain the same. Upon the occurrence and during the continuance of any such default, Trustor's license to collect and retain Rents shall terminate automatically. While any such default remains uncured, (a) Beneficiary may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the obligations secured by this Deed of Trust, enter upon any portion of the Premises and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts), and (b) without demand by Beneficiary therefor, Trustor shall promptly deliver to Beneficiary all prepaid rents, deposits relating to Rents, and all other Rents then held by or thereafter collected by Trustor, whether prior to or during the continuance of any default. Any Rents collected by or delivered to Beneficiary may be applied by Beneficiary against the obligations secured by this Deed of Trust, less all expenses, including attorneys' fees and disbursements, in such order as Beneficiary shall determine in its sole and absolute discretion. No application of Rents against any obligation secured by this Deed of Trust or other action taken by

Beneficiary under this Section 2.12 shall be deemed or construed to cure or waive any default, or to invalidate any other action taken in response to such default, or to make Beneficiary a mortgagee-in-possession of the Premises. Trustor hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Trustor thereunder to Beneficiary following receipt of any written notice from Beneficiary that states that a default remains uncured and that all such amounts are to be paid to Beneficiary. Trustor further authorizes and directs all such tenants to pay all such amounts to Beneficiary without any right or obligation to inquire as to the validity of Beneficiary's notice and regardless of the fact that Trustor has notified any such tenants that Beneficiary's notice is invalid or has directed any such tenants not to pay such amounts to Beneficiary.

2.13 Fixture Filing. From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the Uniform Commercial Code, with respect to the Improvements and for this purpose the name and address of the debtor is the name and address of the Trustor as set forth in this Deed of Trust and the name and address of the secured party is the name and address of the Beneficiary as set forth in this Deed of Trust. The Mortgaged Property includes goods which are or may become so affixed to real property as to become fixtures. If any of the Mortgaged Property is of a nature such that a security interest therein can be perfected under the Uniform Commercial Code, this Deed of Trust shall also constitute the grant of a security interest to the Beneficiary and serve as a Security Agreement, and Trustor authorizes the filing of any financing statements and agrees to execute other instruments that may be required for the further specification, perfection or renewal of such security interest.

ARTICLE III. DEFAULTS AND REMEDIES

The Beneficiary may enforce its rights and remedies under this Deed of Trust upon default. A default will occur if the Trustor fails to comply with the terms of any Loan Documents (including this Deed of Trust or any guaranty by the Trustor) or a demand for payment is made under a demand loan, or the Trustor defaults on any other mortgage affecting the Land, or if any other obligor fails to comply with the terms of any Loan Documents for which the Trustor has given the Beneficiary a guaranty or pledge. Upon the occurrence of a default, the Beneficiary may declare the Obligations to be immediately due and payable.

3.1 Beneficiary's and Trustee's Right to Perform. Upon the occurrence of any default, Beneficiary or Trustee, but without the obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligations hereunder, may: (a) make any payments or do any acts required of Trustor hereunder in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Premises for such purposes; (b) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following paragraph; and (d) in exercising any such powers, pay necessary expenses, employ counsel and pay a reasonable fee therefor. All sums so expended shall be payable on demand by Trustor, be secured hereby (except as otherwise provided in Section 2.8) and bear interest at the highest default or post-maturity rate of interest specified in the Note from the date advanced or expended until repaid.

3.2 Remedies on Default. Upon the occurrence of any default, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary, and Beneficiary may:

- (a) Have a receiver appointed as a matter of right on an ex parte basis without notice to Trustor and without regard to the sufficiency of the Mortgaged Property or any other security for the Obligations and, without the necessity of posting any bond or other security, such receiver shall take possession and control of the Mortgaged Property and shall collect and receive all of the rents, issues and profits thereof;
- (b) Foreclose this Deed of Trust pursuant to a judicial foreclosure proceeding or otherwise realize upon the Mortgaged Property;
- (c) Cause Trustee to exercise its power of sale; or
- (d) Sue on the Note as permitted under applicable law.

3.3 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare a default for failure to do so.

3.4 Remedies Cumulative. The rights and remedies accorded by this Deed of Trust shall be in addition to, and not in substitution of, any rights or remedies available under now existing or hereafter arising applicable law. All rights and remedies provided for in this Deed of Trust or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently or successively. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver of any default shall not constitute a waiver of any subsequent or other default. Beneficiary shall be subrogated to the claims and liens of those whose claims or liens are discharged or paid with the loan proceeds hereof.

ARTICLE IV. TRUSTEE

4.1 General Powers and Duties of Trustee. At any time or from time to time, without liability therefor and without notice and without affecting the liability of any person for the payment of the Obligations, upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust and the Note for endorsement (in case of full

reconveyance, for cancellation or retention), Trustee may: (a) consent to the making of any map or plat of the Premises; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the Mortgaged Property.

4.2 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon payment of its fees, Trustee shall reconvey, without warranty, the Mortgaged Property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

4.3 Powers and Duties on Default. Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of its election to cause the Mortgaged Property to be sold to satisfy the Obligations, and shall cause such notice to be recorded and otherwise given according to law. Thereafter, Trustee shall execute a written notice of sale, and shall cause such notice to be recorded and otherwise given as required by law. Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of breach, Trustee, without demand on Trustor, shall sell the Mortgaged Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Trustor agrees that such a sale (or a sheriff's sale pursuant to judicial foreclosure) of all the Mortgaged Property as real estate constitutes a commercially reasonable disposition thereof, but that with respect to all or any part of the Mortgaged Property which may be personal property Trustee shall have and exercise, at Beneficiary's sole election, all the rights and remedies of a secured party under the UCC. Whenever notice is permitted or required hereunder or under the UCC, ten (10) days shall be deemed reasonable. Trustee may postpone sale of all or any portion of the Mortgaged Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed and bill of sale conveying the Mortgaged Property so sold, but without any covenant or warranty, express or implied. The recital in such deed and bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Trustor or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title search and title insurance and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums secured hereby in such order as Beneficiary may determine; and the remainder, if any, may be deposited by Trustee with the clerk of the superior court or municipal court, as applicable, of the county in which the sale took place, as provided in California Civil Code § 2924j.

4.4 Reassignment of Security Interest. At the request of Beneficiary, Trustee shall reassign to Beneficiary the security interest created hereby and after such reassignment Beneficiary shall have the right, upon the occurrence or continuance of any default, to realize upon the personal property subject to this Deed of Trust, independent of any action of Trustee, pursuant to the UCC.

4.5 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto except Beneficiary of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

4.6 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

4.7 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

ARTICLE V. MISCELLANEOUS

In addition to all other miscellaneous provisions under the Loan Documents which are expressly incorporated as a part of this Deed of Trust, the following provisions will also apply:

5.1 Trustor's Right to Possession. Trustor may be and remain in possession of the Mortgaged Property for so long as it is not in default hereunder or under the terms of the Note and Trustor may, while it is entitled to possession of the Mortgaged Property, use the same.

5.2 Maximum Interest. No provision of this Deed of Trust or of the Note shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Note provided for, neither Trustor nor its successors or assigns shall be obligated to pay that portion of such interest which is in excess of the maximum permitted by law, and the right to demand the payment of any such excess shall be and is hereby waived and this Section 5.2 shall control any provision of this Deed of Trust or the Note which is inconsistent herewith.

5.3 Attorneys' Fees and Legal Expenses. In the event of any default under this Deed of Trust, or in the event that any dispute arises relating to the interpretation, enforcement or performance of any obligation secured by this Deed of Trust, Beneficiary shall be entitled to collect from Trustor on demand all fees and expenses incurred in connection therewith, including but not limited to fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, arbitrators, mediators and court reporters. Without limiting the generality of the foregoing, Trustor shall pay all such costs and expenses incurred in connection with: (a) arbitration or other alternative dispute resolution proceedings, trial court actions and appeals; (b) bankruptcy or other insolvency proceedings of Trustor, any guarantor or other party liable for any of the obligations secured by this Deed of Trust or any party having any interest in any security for any of those obligations; (c) judicial or nonjudicial foreclosure on, or appointment of a receiver for, any of the Mortgaged Property; (d) post-judgment collection proceedings; (e) all claims, counterclaims, cross-claims and defenses asserted in any of the foregoing whether or not they arise out of or are related to this Deed of Trust; (f) all preparation for any of the foregoing; and (g) all settlement negotiations with respect to any of the foregoing.

5.4 Prepayment Provisions. If at any time after default and acceleration of the Obligation there shall be a tender of payment of the amount necessary to satisfy such indebtedness by or on behalf of the Trustor, its successors or assigns, the same shall be deemed to be a voluntary prepayment such that the sum required to satisfy such indebtedness in full shall include, to the extent permitted by law, the additional payment required under the prepayment privilege as stated in the Note.

5.5 Time of the Essence. Time is of the essence with respect to payment of the Obligations, the performance of all covenants of the Trustor and the payment of taxes, assessments, and similar charges and insurance premiums.

5.6 Subrogation. The Beneficiary will be subrogated to the lien of any deed of trust, mortgage or other lien discharged, in whole or in part, by the proceeds of the Note or other advances by the Beneficiary, in which event any sums otherwise advanced by the Beneficiary shall be immediately due and payable, with interest at the default rate set forth in the Loan Documents from the date of advance by the Beneficiary to the date of payment by the Trustor, and will be one of the Obligations secured by this Deed of Trust.

5.7 Choice of Law. This Deed of Trust will be governed by the laws of the state in which the Mortgaged Property is located. For all other purposes, the choice of law specified in the Loan Documents will govern.

5.8 Severability. Invalidity or unenforceability of any provision of this Deed of Trust shall not affect the validity or enforceability of any other provision.

5.9 Entire Agreement/Demand Obligations. This Deed of Trust is intended by the Trustor and the Beneficiary as a final expression of this Deed of Trust and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Deed of Trust. No parol evidence of any nature shall be used to supplement or modify any terms. IN THE EVENT ANY OF THE OBLIGATIONS SECURED HEREBY IS PAYABLE UPON DEMAND, NEITHER THIS DEED OF TRUST NOR ANYTHING CONTAINED HEREIN SHALL BE DEEMED TO ALTER, LIMIT, OR OTHERWISE IMPINGE UPON THE DEMAND CHARACTER OF SUCH OBLIGATIONS.

5.10 Joint Liability; Successors and Assigns. If there is more than one Trustor, the liability of the Trustors will be joint and several, and the reference to "Trustor" shall be deemed to refer to each Trustor and to all Trustors. The rights, options, powers and remedies granted in this Deed of Trust and the other Loan Documents shall extend to the Beneficiary and to its successors and assigns, shall be binding upon the Trustor and its successors and assigns, and shall be applicable hereto and to all renewals, amendments and/or extensions hereof.

5.11 Indemnification. Except for harm arising from the Beneficiary's or the Trustee's willful misconduct, the Trustor hereby indemnifies and agrees to defend and hold the Beneficiary and the Trustee harmless from any and all losses, costs, damages, claims and expenses (including, without limitation, attorneys' fees and expenses) of any kind suffered by or asserted against the Beneficiary or the Trustee relating to claims by third parties arising out of the financing provided under the Loan Documents or related to the Mortgaged Property (excluding, however, the Beneficiary's failure to perform its obligations relating to Environmental Matters described in Section 2.8 above) or the exercise by the Beneficiary or the Trustee of any of their respective powers, rights and remedies under this Deed of Trust. This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of this Deed of Trust and Obligations due the Beneficiary.

5.12 Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid, (b) received by overnight delivery service, (c) received by telex, (d) received by telecopy, (e) received through the internet, or (f) when personally delivered.

5.13 Release of Rights of Dower, Homestead and Distributive Share. To the fullest extent permitted by applicable law, each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the Mortgaged Property, will not avail itself of any appraisal, valuation, redemption, stay, extension or exemption laws, or any so-called "moratorium laws", existing or hereafter enacted, to hinder the enforcement or foreclosure of this Deed of Trust, and hereby waives the benefit of such laws.

5.14 Copy. The Trustor hereby acknowledges the receipt of a copy of this Deed of Trust, together with a copy of each promissory note secured hereby, and all other documents executed by the Trustor in connection herewith.

5.15 Riders. The rider(s) attached hereto and recorded together with this Deed of Trust are hereby fully incorporated into this Deed of Trust. [Check applicable box(es)] Condominium Rider Second Deed of Trust Rider Construction Loan Rider Other(s) (Specify) Borrower's Certificate and Indemnity Regarding Hazardous Substances; Small Business Administration Program Rider

IN WITNESS WHEREOF, the undersigned has/have executed this Deed of Trust as of JANUARY 16, 2009

(Individual Trustor)

Printed Name N/A

Edinburgh Castle

Trustor Name (Organization)

a California General Partnership

By Hae S. Moody

(Individual Trustor)

Printed Name N/A

Name and Title Hae S. Moody
General Partner

By Tay Young Kim

Name and Title Tay Young Kim
General Partner

(Beneficiary Address)

9918 HIBERT ST.
SAN DIEGO, CA 92131

(Trustor Address)

950 Geary Street
San Francisco, CA 94109

State of _____)

County of _____)

On _____ before me, _____, (here insert name and title of the officer)
personally appeared Hae S. Moody and Tay Young Kim

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California

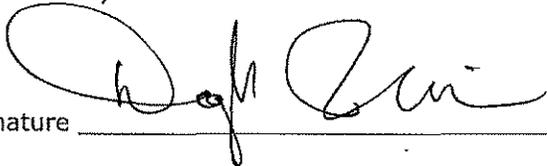
County of San Francisco

On 2/16/2009 before me, Douglas Shin, Notary Public, personally
appeared Hae S Moody and Tay Young Kim

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
~~is/are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on
the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

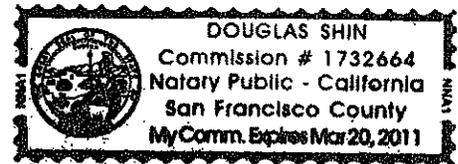


Exhibit "A"

LEGAL DESCRIPTION

All that certain real property situated in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the Northerly line of Geary Street, distant thereon 192 feet 6 inches Easterly from the Easterly line of Polk Street; running thence Easterly along the said line of Geary Street 27 feet 6 inches; thence at a right angle Northerly 120 feet to the Southerly line of Cedar Street; thence at a right angle Westerly along the said line of Cedar Street 27 feet 6 inches; thence at a right angle Southerly 120 feet to the beginning.

Being a portion of Western Addition Block No. 11.

Assessor's Parcel Number

Lot 011, Block 0693

TO BE ATTACHED TO THE DEED OF TRUST OR MORTGAGE:

**BORROWER'S CERTIFICATE AND INDEMNITY
REGARDING HAZARDOUS SUBSTANCES**

In connection with and as partial consideration for the making of a conditional commitment to lend (the "Commitment") of **\$706,000.00** by, U.S. Bank National Association ("Lender"), to **Edinburgh Castle, a California General Partnership**("Borrower"), Borrower hereby certifies to Lender and agrees as follows:

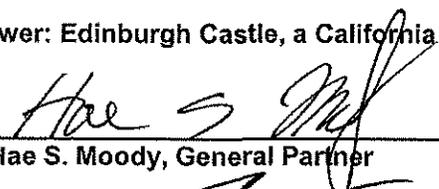
- 1A. Except as disclosed in Section 1B below, Borrower has no knowledge after due investigation of (a) the presence of any "Hazardous Substances" (as defined below) on that certain real property situated in **San Francisco** County, State of **California**, located at **950 Geary Street, San Francisco, CA 94109**, legally described in Exhibit A attached hereto (the "Property"), or (b) any spills, releases, discharges, disposal, storage or manufacture of Hazardous Substances that have occurred or are presently occurring on or onto the Property or any adjacent properties, or (c) any spills or disposal of Hazardous Substances that have occurred or are presently occurring off the Property as a result of any construction on or operation and use of the Property.
- 1B. Information pertaining to Hazardous Substances: _____

2. In connection with the construction on or operation and use of the Property, Borrower represents for itself, its contractors, subcontractors and any other of its agents, that, as of the date of this Certificate, it has no knowledge after due investigation of any failure to comply with all applicable local, state and federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances.
3. Borrower represents and warrants to Lender that it has duly investigated the present and past uses of the Property and has made due inquiry of the appropriate governmental agencies and offices having jurisdiction over the Property and the laws regulating the environment, as to whether the Property or any property in the immediate vicinity of the Property is or has been the site of storage of or contamination by any Hazardous Substances. Borrower will provide Lender with a written summary of its investigations and copies of all inquiries and responses.
4. Borrower agrees to immediately notify Lender if Borrower becomes aware of (a) any Hazardous Substances or other environmental problem or liability with respect to the Property, or any adjacent property, or (b) any lien, action or notice of the nature described in paragraph 2 above. At its own cost, Borrower will take all actions which are necessary or desirable to clean up any Hazardous Substances affecting the Property, including removal, containment or any other remedial action required by applicable governmental authorities.
5. Borrower agrees to indemnify and hold Lender harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines lawsuits and other proceedings and costs and expenses (including attorneys' fees), arising directly or indirectly from or out of, or in any way connected with (a) the inaccuracy of the certifications contained herein, (b) any activities on the Property during Borrower's ownership, possession or control of the Property which directly or indirectly result in the Property or any other property becoming contaminated with Hazardous Substances (c) the discovery of Hazardous Substances on the Property or any other property, and (d) the cleanup of Hazardous Substances from the Property or any other properties. Borrower acknowledges that it will be solely responsible for all costs and expenses relating to the cleanup of Hazardous Substances from the Property or from any other properties which become contaminated with Hazardous Substances as a result of activities on or the contamination of the Property.

6. Borrower's obligations under this Certificate are unconditional and shall not be limited by any nonrecourse or other limitations of liability provided for in any document relating to the Loan ("Loan Documents"). The representations, warranties and covenants of Borrower set forth in this Certificate (including without limitation the indemnity provided for in paragraph 5 above) shall continue in effect and, to the extent permitted by law, shall survive the transfer of the Property pursuant to foreclosure proceedings (whether judicial or nonjudicial), by deed in lieu of foreclosure or otherwise. Borrower acknowledges and agrees that its covenants and obligations hereunder are separate and distinct from its obligations under the Loan and the Loan Documents.
7. Borrower also agrees to pay all costs and expenses incurred in any examination of the property that is required by Lender to determine the presence, nature and extent of any Hazardous Substances. Any such required examination shall be made by a qualified environmental auditor acceptable to Lender.
8. As used in this Certificate, "Hazardous Substances" shall mean: any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, or hazardous, toxic or radioactive substance, (or designated by any other similar term), by any applicable federal, state or local statute, regulation or ordinance now in effect or in effect at any time during either the term of the Loan Documents or the period of time Borrower remains in possession, custody or control of the Property following foreclosure of the Loan Documents or acceptance by Lender of a deed in lieu of foreclosure.
9. This certificate shall be binding upon and inure to the benefit of Lender and Borrower and their respective heirs, representatives, successors and assigns.

IN WITNESS WHEREOF, Borrower has executed this Certificate and Indemnity as of **January 16, 2009**.

Borrower: Edinburgh Castle, a California General Partnership

By: 
Hae S. Moody, General Partner

By: 
Tay Young Kim, General Partner

EXHIBIT C



UNCONDITIONAL GUARANTEE

SBA Loan #	PLP 328-065-5006
SBA Loan Name	Edinburgh Castle
Guarantor	Hae S. Moody
Borrower	Edinburgh Castle, a California General Partnership
Lender	U.S. Bank National Association
Date	January 16, 2009
Note Amount	706,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated January 16, 2009 in the principal amount of Seven Hundred Six Thousand and 00/100 Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a co-guarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Guarantor waives its rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive.

Guarantor waives all rights and defenses that the guarantor may have because the debtor's debt is secured by real property. This means, among other things:

- (1) The creditor may collect from the guarantor without first foreclosing on the real or personal property collateral pledged by the debtor.
- (2) If the creditor forecloses on any real property collateral pledged by the debtor:
 - (A) The amount of the debt may be reduced by only the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.
 - (B) The creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor.

This is an unconditional and irrevocable waiver of any rights and defenses the guarantor may have because the debtor's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Guarantor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed the guarantor's rights of subrogation and reimbursement against the principal by operation of Section 580d of the Code of Civil Procedure or otherwise.

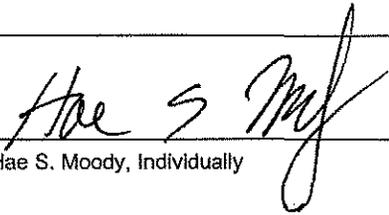
11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

Hae S. Moody



Hae S. Moody, Individually

Date 2/16/09

EXHIBIT D



UNCONDITIONAL GUARANTEE

SBA Loan #	PLP 328-065-5006
SBA Loan Name	Edinburgh Castle
Guarantor	Tay Young Kim
Borrower	Edinburgh Castle, a California General Partnership
Lender	U.S. Bank National Association
Date	January 16, 2009
Note Amount	706,000.00

1. GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

2. NOTE:

The "Note" is the promissory note dated January 16, 2009 in the principal amount of Seven Hundred Six Thousand and 00/100 Dollars, from Borrower to Lender. It includes any assumption, renewal, substitution, or replacement of the Note, and multiple notes under a line of credit.

3. DEFINITIONS:

"Collateral" means any property taken as security for payment of the Note or any guarantee of the Note.

"Loan" means the loan evidenced by the Note.

"Loan Documents" means the documents related to the Loan signed by Borrower, Guarantor or any other guarantor, or anyone who pledges Collateral.

"SBA" means the Small Business Administration, an Agency of the United States of America.

4. LENDER'S GENERAL POWERS:

Lender may take any of the following actions at any time, without notice, without Guarantor's consent, and without making demand upon Guarantor:

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the Collateral, or any guarantee;
- C. Release any Borrower or any guarantor of the Note;
- D. Compromise or settle with the Borrower or any guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by Lender or any other lienholder, at any price Lender chooses; and
- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of Guarantor or create any rights or claims against Lender.

5. FEDERAL LAW:

When SBA is the holder, the Note and this Guarantee will be construed and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, Guarantor may not claim or assert any local or state law against SBA to deny any obligation, defeat any claim of SBA, or preempt federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES:

To the extent permitted by law,

A. Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon Borrower;
- 2) Redeem any Collateral before or after Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after Lender disposes of it.

B. Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

C. Guarantor waives defenses based upon any claim that:

- 1) Lender failed to obtain any guarantee;
- 2) Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed, or underinsured;

- 5) Lender impaired the Collateral;
- 6) Lender did not dispose of any of the Collateral;
- 7) Lender did not conduct a commercially reasonable sale;
- 8) Lender did not obtain the fair market value of the Collateral;
- 9) Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The financial condition of Borrower or any guarantor was overstated or has adversely changed;
- 11) Lender made errors or omissions in Loan Documents or administration of the Loan;
- 12) Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from Guarantor;
- 13) Lender impaired Guarantor's suretyship rights;
- 14) Lender modified the Note terms, other than to increase amounts due under the Note. If Lender modifies the Note to increase the amounts due under the Note without Guarantor's consent, Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) Borrower has avoided liability on the Note; or
- 16) Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL:

Guarantor will preserve the Collateral pledged by Guarantor to secure this Guarantee. Lender has no duty to preserve or dispose of any Collateral.

8. SUCCESSORS AND ASSIGNS:

Under this Guarantee, Guarantor includes heirs and successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. ENFORCEMENT EXPENSES. Guarantor promises to pay all expenses Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. SBA NOT A CO-GUARANTOR. Guarantor's liability will continue even if SBA pays Lender. SBA is not a co-guarantor with Guarantor. Guarantor has no right of contribution from SBA.
- C. SUBROGATION RIGHTS. Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- F. FINANCIAL STATEMENTS. Guarantor must give Lender financial statements as Lender requires.
- G. LENDER'S RIGHTS CUMULATIVE, NOT WAIVED. Lender may exercise any of its rights separately or together, as many times as it chooses. Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.
- H. ORAL STATEMENTS NOT BINDING. Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by Lender as to the Loan.

10. STATE-SPECIFIC PROVISIONS:

Guarantor waives its rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive.

Guarantor waives all rights and defenses that the guarantor may have because the debtor's debt is secured by real property. This means, among other things:

- (1) The creditor may collect from the guarantor without first foreclosing on the real or personal property collateral pledged by the debtor.
- (2) If the creditor forecloses on any real property collateral pledged by the debtor:
 - (A) The amount of the debt may be reduced by only the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.
 - (B) The creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor.

This is an unconditional and irrevocable waiver of any rights and defenses the guarantor may have because the debtor's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Guarantor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed the guarantor's rights of subrogation and reimbursement against the principal by operation of Section 580d of the Code of Civil Procedure or otherwise.

11. GUARANTOR ACKNOWLEDGMENT OF TERMS.

Guarantor acknowledges that Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

12. GUARANTOR NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated as Guarantor under this Guarantee.

Tay Young Kim



Tay Young Kim, Individually

Date 2/16/09

EXHIBIT E

SBA FEE DEFERRAL AGREEMENT

This SBA Fee Deferral Agreement ("Agreement") is entered into this **16th** day of **January, 2009** by and between U.S. Bank National Association, a national banking association, with offices at 9918 Hibert St., San Diego, California 92131 ("Lender") and **Edinburgh Castle, a California General Partnership**, whose address is **950 Geary Street, San Francisco, CA 94109** ("Borrower"), based upon the following:

1. Lender is making a loan to Borrower (the "Loan") pursuant to a loan program of the Small Business Administration of the United States ("SBA"). As a condition of the loan, the SBA requires a fee paid to it in the amount of **\$18,532.50** (the "SBA Fee").

2. Under the terms and conditions of Lender's Loan to Borrower, the SBA Fee is an obligation of the Borrower.

3. Borrower has requested that Lender defer collection of the SBA Fee from Borrower and that Lender pay the SBA its required fee and defer Borrower's reimbursement of the SBA Fee amount.

4. Lender is willing to pay the fee and defer collection of the SBA Fee amount from the Borrower on the terms and conditions set forth in this Agreement. By executing this Agreement, Borrower accepts these terms and conditions.

Agreement

A. Lender will pay to the SBA the SBA Fee when due and will defer collecting the SBA Fee amount from Borrower for a period of five years on the terms and conditions of this Agreement.

B. In the event that there has been no default under this Agreement for a period of five years after the final disbursement of Loan funds, Lender will, upon request, provide a written waiver of reimbursement of the SBA Fee and release any Security Interest, as defined below. The waiver provided for by this Section B is not self-executing and requires Borrower's request to Lender for the waiver and for the release of the Security Interest. Borrower will be responsible for payment of the costs to release any Security Interest.

C. Payment of the SBA Fee will be secured by a [deed of trust/mortgage/commercial security agreement] encumbering property of the Borrower (the "Security Interest") executed and perfected in conjunction herewith. The parties agree that Borrower's obligation to pay the SBA Fee is a current obligation and that the agreement by Lender to defer collection is a forbearance only, not a waiver of the right to collect the SBA Fee from Borrower. Borrower acknowledges and agrees that notwithstanding the language in any other Loan document, the obligation to reimburse the SBA Fee and any other amounts hereunder is not secured by any other Loan document, except for the document creating the Security Interest which specifically references this Agreement.

D. Lender's deferral of collection from Borrower of the SBA Fee amount shall terminate, and Borrower shall immediately be obligated to pay Lender the amount of the SBA Fee, upon the occurrence of any of the following (each of which shall be deemed a default):

i. Prepayment of any principal owing on the Note or tender of any such prepayment. (Payment of principal pursuant to the amortization of principal as set forth in and required by the Note is not a prepayment.)

ii. A payment default under any Loan document (including but not limited to the Note executed in conjunction with the Loan) not cured within any applicable cure period; or

iii. Borrower's failure to comply with all material covenants of the Loan documents, including, if applicable, payment of all taxes or liens which encumber any security for the Loan, after notice and demand for compliance.

iv. Borrower is a debtor in any bankruptcy proceeding

v. Any property in which Lender has a security interest for payment of the Loan or this Agreement is sold or transferred without Lender's agreement, except for the sale of inventory in the normal course of business or for the replacement of equipment; or

Upon the termination of the deferral and the SBA Fee amount becoming due and payable pursuant to this Section D, Borrower shall immediately, without demand, pay Lender an amount equivalent to the SBA Fee. If the amount so owing is not paid within fifteen days of the event terminating the deferral, Borrower shall be obligated to pay Lender, in addition to payment of an amount equivalent to the SBA Fee, a service charge of 7% per annum until payment in full, including all accrued service charges, is made. Failure to promptly pay the amounts required under this Section D, when due, shall be a default under this Agreement.

E. The attached General Conditions are incorporated into this Agreement as though set forth in full.

DATED: January 16, 2009

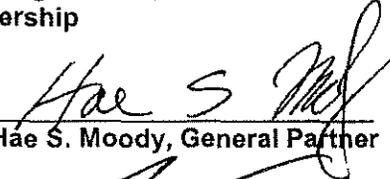
DATED: January 16, 2009

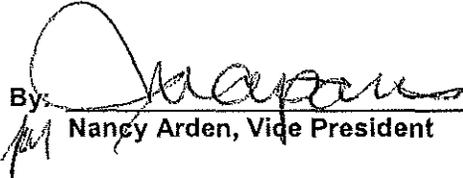
"Borrower"

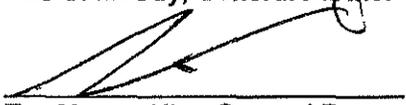
"Lender"

Edinburgh Castle, a California General Partnership

U.S. Bank National Association

By: 
Hae S. Moody, General Partner

By: 
Nancy Arden, Vice President

By: 
Tay Young Kim, General Partner

GENERAL TERMS AND CONDITIONS

1. REPRESENTATIONS AND WARRANTIES.

1.1 Signatories' Representations and Warranties. Each Signatory to the Agreement hereby makes the following representations and warranties for the benefit of the other parties effective upon the execution of this Agreement:

1.1.1 Signatory is either an individual or a qualified business entity authorized to do business in the state where any real property or personal property is located.

1.1.2 All requisite corporate action has been taken by Signatory, if an entity, in connection with Signatory's execution of this Agreement, the agreements, instruments or other documents to be executed by Signatory pursuant to this Agreement, and the consummation of the transactions contemplated hereby and thereby. No consent of any partner, shareholder, member, creditor, investor, judicial or administrative body, governmental or quasi-governmental authority or other third party is required for Signatory to enter into this Agreement and to consummate the transactions contemplated hereby.

1.1.3 In the event Signatory is an entity, the individual executing this Agreement and the agreements, instruments or other documents to be executed by Signatory pursuant to this Agreement on behalf of Signatory has been duly authorized to bind Signatory to the terms and conditions hereof and thereof. Upon execution and delivery by Signatory, this Agreement and each of the agreements, instruments and other documents to be delivered by Signatory in accordance with this Agreement shall be binding upon and enforceable against Signatory in accordance with their respective terms.

2. NO AMENDMENT TO LOAN DOCUMENTS.

Nothing contained in this Agreement shall be construed as constituting an amendment or modification of any term, condition or provision set forth in any of the Loan Documents. All of the terms, conditions and provisions of the Loan Documents shall continue to remain unchanged and in full force and effect, and Borrower acknowledges that the Loan Documents are fully enforceable against the Borrower according to their terms. This Agreement does not modify the payment date for payments under the note executed in conjunction with the Loan (the "Note").

3. NO RELIANCE ON BANK. Borrower acknowledges that it is relying solely on the decision and the advice of its own legal counsel and other consultants in entering into this Agreement, and that neither the Bank nor any of its respective employees,

agents, contractors, attorneys, accountants or other representatives have provided any advice to the Borrower in connection with this Agreement, any of its provisions or any of the transactions contemplated herein, or regarding any legal, financial, tax or other impact this Agreement may have upon Borrower.

4. FURTHER ASSURANCES. Each Signatory shall execute any and all documents and perform any and all acts reasonably necessary or appropriate to consummate the terms and conditions set forth in this Agreement, provided, however, that this provision does not require any party to agree to provisions which are not part of the agreement.

5. NO THIRD PARTY BENEFICIARIES. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to the Agreement and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right or subrogation or action against any party to this Agreement.

6. DESCRIPTIVE HEADINGS. The descriptive headings of the several sections of this Agreement are inserted for convenience and will not be deemed to affect the meaning or construction of any of the provisions hereof.

7. CONSTRUCTION. The parties agree that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement.

8. TERMS GENERALLY. The defined terms in this Agreement will apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" when used in this Agreement will be deemed to be followed by the phrase "without limitation". The words "approval" and "notice" when used in this Agreement will be deemed to be preceded by the word "written". All references to "Exhibit" or "Exhibits" in this Agreement mean the exhibits attached hereto, the terms and conditions of which are made a part hereof. All references to "Section" or "Sections" in this Agreement mean the applicable section of this Agreement unless otherwise specified.

9. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto with respect to the deferral of the reimbursement of the SBA Fee and supersedes any other agreements, negotiations, communications, understandings and commitments whether written or oral, relating thereto. This Agreement may be

modified only in writing and must be signed by all parties to this Agreement.

10. SEVERABILITY. If any one or more of the provisions contained in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

11. TIME OF THE ESSENCE. Time is of the essence in the execution and performance of this Agreement and each of its provisions.

12. GOVERNING LAW/VENUE. This Agreement shall be interpreted, construed and governed by the laws of the state set forth in the Note, if any, and if not so set forth, the law of the state set forth in any document creating a Security Interest, and if not so set forth, in the state where Borrower is resident. Any litigation arising from or relating to this Agreement shall be filed and prosecuted in a state or federal court located in the City of San Diego, County of San Diego, State of California.

13. ATTORNEYS' FEES. In the event of any litigation or other action to construe, interpret or enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' and expert witness fees and costs.

14. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. NOTICES. All notices to be given under this Agreement shall be in writing and either:

(a) Sent by priority overnight delivery by means of a nationally recognized overnight courier which provides for online (Internet) tracking of packages, in which case notice shall be deemed delivered one (1) business day after deposit with such courier, or

(b) By telecopy or similar means, if a copy of the notice is also sent by priority overnight delivery by means of a nationally recognized overnight courier which provides for online (Internet) tracking of packages, in which case notice shall be deemed delivered on transmittal by telecopier or other similar means, provided that a transmission report is generated reflecting the accurate transmission of the notice and the copy is also delivered.

Notice shall be given to the following persons on behalf of the parties and shall be deemed complete only if given to the designated individuals:

Notice to the Borrower:

Notice to the Borrower shall be given at the address to which payment notices are sent. If there is no such address, the address of Borrower that appears on Lender's computerized loan accounting system.

Notice to Lender:

Notice shall be sent to:

Servicing Manager
U.S. Bank, SBA Division
9918 Hibert St.
San Diego, CA 922131

In the event that the SBA Division changes its principal address, notice shall be sent to such changed address.

CLOSING CERTIFICATION
POST CLOSING COMPLIANCE AND DOCUMENT CORRECTION AGREEMENT
AND
LIMITED POWER OF ATTORNEY

In consideration of the loan made by U.S. Bank National Association (the "Lender") to **Edinburgh Castle, a California General Partnership** (the "Borrower") in the amount of \$706,000.00 (the "Loan") and to induce the Lender to make the Loan, the undersigned do(es) hereby represent, certify, covenant, and agree as follows:

1. If any properties pledged as collateral are designated by the Federal Government as falling within the boundaries of a special flood hazard area and Federal Flood Insurance becomes available, the undersigned will purchase and maintain such insurance in the amounts and coverage equal to the lesser of (a) the insurable value of the property, or (b) the maximum limit of coverage available at subsidized rates during the life of the Loan. Borrower(s) and/or Guarantor(s) will not be eligible for any future flood disaster assistance if this flood insurance is not maintained.

2. No life insurance in addition to the amount specified in the Loan documents is to be purchased by the Borrower(s) and/or Guarantor(s) for this Loan and no current policy collaterally assigned or to be collaterally assigned to Lender will be converted until the Loan is fully paid without prior written approval of the Lender. In addition, the undersigned agree(s) to provide any and all insurance forms and financial statements requested by Lender, including, without limitation: (a) business financial statements for Borrower, along with annual tax returns; (b) annual personal financial statements and tax returns for Guarantor(s); (c) annual property tax receipts; and (d) hazard insurance policy/ies covering collateral pledged to U.S. Bank National Association.

3. As of this date, there have been no unremedied adverse changes in the Borrower(s) or Guarantor(s) financial condition, organization, operations or fixed assets and there are no outstanding tax liabilities owed as of this date, including, but not limited to the following: Federal, State & Local income and other taxes, since the loan application was submitted to Lender.

4. F.I.C.A. and Withheld Income Tax of the Borrower are currently being deposited on a regular basis. All other payroll taxes are paid or deposited quarterly. The undersigned hereby certifies that Borrower is current on all Federal and State taxes, including, but not limited to, income taxes, payroll taxes, real estate taxes, and sales taxes, and that all future taxes will be paid when due.

5. All insurance, licenses, permits and/or other approvals necessary to lawfully operate the Borrower's/s' business have been obtained or have been applied for and will be obtained. To the extent that it may later be determined that licenses, permits and/or other approvals are necessary for the lawful conduct of the undersigned(s) business(s), required, the undersigned will immediately secure them and forward copies to Lender once they have been obtained. In addition, the undersigned will maintain full replacement cost coverage on all personal property and improvements which secure the Loan and will increase the insurance coverage, as necessary, to comply with this provision. All policies will name Lender either as an Additional Insured or Mortgage Loss Payee.

6. (a) In consideration of Lender disbursing funds for the closing of the Loan secured by the Property being encumbered, and regardless of the reason for any loss or misplacement or, or inaccuracy in, any loan documentation, the undersigned agree(s) as follows: If any document is lost, misplaced, misstated or inaccurately reflects the true and correct terms and conditions of the Loan, upon request of the Lender, the undersigned will comply with Lender's request to execute, acknowledge, initial and deliver to Lender any documentation Lender deems necessary to replace or correct the lost, misplaced, misstated or inaccurate documents. All documents Lender requests of Borrower(s) and/or Guarantor(s) shall be referred to as "Replacement Documents." The undersigned agree(s) to deliver the Replacement Documents within ten (10) days after receipt by the undersigned of a written request for such replacement. The undersigned also agree(s) that upon request the undersigned will supply additional amounts and/or pay to Lender any additional sum previously disclosed to Borrower(s) and/or Guarantor(s) for any cost or fee associated with the Loan, which for whatever reason it was not collected at closing ("Additional Fees").

(b) Any request under this Agreement may be made by the Lender (including assignees and persons acting on behalf of the Lender) and shall be prima facie evidence of the necessity for same. A written statement addressed to the undersigned, or any of them at the address indicated in the Loan documentation shall be considered conclusive evidence of the necessity for Replacement Documents.

(c) Failure or refusal by the undersigned to comply with the terms of the correction request shall constitute a default under the note and/or mortgage/deed of trust, and shall give Lender the option of declaring all sums secured by the Loan documents immediately due and payable.

(d) If Failure or refusal by the undersigned to execute, acknowledge, initial and deliver the Replacement Documents or provide the Replacement Documents or Additional Fees to Lender more than ten (10) days after being requested to do so by Lender and understanding that Lender is relying on these representations, Borrower(s) agrees to be liable for any and all loss or damage which Lender reasonably sustains thereby, including, but not limited to all reasonable attorney's fees and costs incurred by Lender.

7. **LIMITED POWER OF ATTORNEY.** Notwithstanding the foregoing paragraph, the undersigned, for and in consideration of the approval, closing and funding of the Loan, hereby grant(s) to Lender a **LIMITED POWER OF ATTORNEY** to correct and/or re-execute or initial documents containing typographical or clerical errors discovered in any or all of the closing documentation required to be executed by the undersigned at settlement or during the Loan approval process, including, but not limited to:

(a) Errors with the Borrower(s)' or Guarantor(s)' name(s) including, but not limited to wrong or misspelled names;

(b) Errors with the property address including, but not limited to, wrong or misspelled street, city or town names, incorrect house or street numbers or zip codes;

(c) Errors in the legal description for the property;

(d) Errors with the applicable county name, including wrong or misspelled county names; and

- (e) Errors related to the date of documents, including wrong or incomplete dates.

In the event the Limited Power of Attorney granted pursuant to this section is exercised, Lender will notify the undersigned and will provide a copy of the document(s) executed, initialed and/or corrected on their behalf. The Power of Attorney granted herein is limited to the rights set forth herein and may not be used to increase the interest rate of the Loan, alter the term of the Loan, increase the outstanding principal balance of the Loan or increase the monthly principal and interest payment under the Loan. **The undersigned acknowledge(s) that the grant of the Limited Power of Attorney set forth herein is in exchange for good and valuable consideration and is intended to be coupled with an interest, and the undersigned do(es) hereby make and declare this Limited Power of Attorney to be irrevocable by the undersigned, or otherwise, renouncing all right to revoke this power or to appoint any other person to perform any of the acts enumerated herein.**

8. The undersigned have read all of the Loan documents relating to the Loan and understand(s) the meaning and content of said Loan documents. The undersigned are relying solely on their decision and the advice of their own legal counsel and other consultants in entering into the Loan and executing the Loan documents. Neither the Bank nor any of its respective employees, agents, contractors, attorneys, accountants or other representatives have provided any advice to the undersigned in connection with this Agreement, any of its provisions or any of the transactions contemplated herein, or regarding any legal, financial, tax or other impact the Loan documents may have upon Borrower.

9. The undersigned understand that the Loan documents constitute the entire agreement between Borrower(s) and Lender and that no agent or representative of Lender has made any statement, agreement or representation, either oral or written, in connection with the Loan that would modify, add to or change the terms and conditions set forth in the various documents executed in conjunction with this transaction. It is the intention of both the Lender and the undersigned that the following Disclaimer be incorporated by reference into each of the Loan Documents so executed for this transaction.

**“THIS WRITTEN LOAN AGREEMENT
REPRESENTS THE FINAL AGREEMENT
BETWEEN THE PARTIES
AND SHALL NOT BE CONTRADICTED BY
EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR
SUBSEQUENT ORAL AGREEMENTS
OF THE PARTIES.
THERE ARE NO UNWRITTEN ORAL
AGREEMENTS BETWEEN THE PARTIES.”**

10. The undersigned understand and acknowledge that the representations made herein are material to Lender's decision to close and fund the Loan and that Lender is relying upon these representations in connection with the making of the Loan. The undersigned further acknowledge and understand that the obligations enumerated herein shall survive closing and that any failure to comply with the obligations as set forth herein shall constitute a default under the Loan documents, entitling Lender to pursue any and all remedies set forth in the Loan documents, including, but in no way limited to acceleration of the indebtedness.

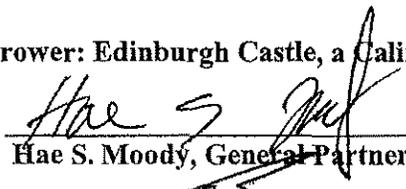
11. Any documents required to be delivered to Lender shall be delivered to the offices of U.S. Bank National Association, 9918 Hibert Street, Suite 301, San Diego, California 92131.

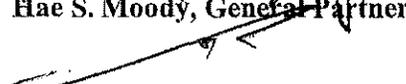
12. This agreement will survive the closing of the Loan, and inure to the benefit of Lender's successors and assigns and binding upon the heirs, successors and assigns of Borrower(s).

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed to be executed as of the date set forth herein.

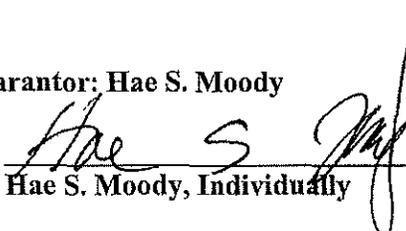
DATED: January 16, 2009

Borrower: Edinburgh Castle, a California General Partnership

By: 
Hae S. Moody, General Partner

By: 
Tay Young Kim, General Partner

Guarantor: Hae S. Moody

By: 
Hae S. Moody, Individually

Guarantor: Tay Young Kim

By: 
Tay Young Kim, Individually

EXHIBIT F

8322

FNT# 45786SKW
APN: 693/11
950 GEARY STREET

Recording requested by and after
recording return to:

Nancy Arden
U.S. BANK N.A.
LM CA HB-2 CLOSING AUDIT DEPT.
9918 HIBERT ST.
SAN DIEGO CA 92131



San Francisco Assessor-Recorder
Phil Ting, Assessor-Recorder
DOC- 2009-1727466-00
Acct 11-FIDELITY NATIONAL Title Company
Friday, FEB 27, 2009 13:00:00
Ttl Pd \$64.00 Rcpt # 0003626081
REEL J837 IMAGE 0522
ogi/GG/4-11

Check as applicable:

THE PROMISSORY NOTE(S) SECURED BY THIS DEED OF TRUST MAY PROVIDE FOR A VARIABLE RATE OF INTEREST.

4-11
EP



**TRUST DEED, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES
(INCLUDING FIXTURE FILING UNDER UNIFORM COMMERCIAL CODE)
CALIFORNIA REAL ESTATE**

SBA Fee
Deferral

This California Trust Deed, Security Agreement and Assignment of Rents and Leases (Including Fixture Filing Under Uniform Commercial Code) ("Deed of Trust") is made and entered into by the undersigned borrower(s), guarantor(s) and/or other obligor(s)/pledgor(s) (collectively the "Trustor") in favor of U.S. Bank N.A., having a mailing address of 9918 HIBERT ST., SAN DIEGO, CA 92131 (the "Trustee"), for the benefit of U.S. BANK N.A. (the "Beneficiary"), as of the date set forth below.

ARTICLE I. CONVEYANCE/MORTGAGED PROPERTY

1.1 Grant of Deed of Trust/Security Interest. Trustor, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the Obligations described in Section 1.3 below, irrevocably grants, bargains, sells, and conveys to Trustee and its successors in trust and assigns, forever, in trust, with power of sale, all of Trustor's estate, right, title, interest, claim and demand in and to the Mortgaged Property described in Section 1.2 below, whether now existing or hereafter acquired. To the extent any of the Mortgaged Property is personal property, Trustor, as debtor, grants to Beneficiary, as secured party, a security interest therein together with a security interest in all other personal property of whatsoever nature which is located on or used or to be used in connection with any of the Mortgaged Property, and any products or proceeds of any thereof, pursuant to the Uniform Commercial Code of the State of California (the "UCC"), on the terms and conditions contained herein. Beneficiary hereby assigns such security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the "Mortgaged Property" except as otherwise specified herein.

1.2 "Mortgaged Property" means all of the following, whether now owned or existing or hereafter acquired by the Trustor, wherever located: all the land described below or in **Exhibit A** attached hereto and all tenements, hereditaments, rights-of-way, easements, appendages, licenses, privileges and appurtenances thereto belonging or in any way appertaining, including without limitation all of the right, title and interest of Trustor in and to any avenues, streets, ways, alleys, vaults, strips or gores of land adjoining that property, all rights to water, water stock, drains, drainage and air rights relating to that property, and all claims or demands of Trustor either in law or in equity in possession or expectancy of, in and to that property (the "Land"), together with all buildings, structures, standing timber, timber to be cut, fixtures, equipment, inventory and furnishings used in connection with the Land and improvements; all materials, contracts, drawings and personal property relating to any construction on the Land; and all other improvements now or hereafter constructed, affixed or located thereon (the "Improvements") (the Land and the Improvements collectively the "Premises"); TOGETHER with any and all leases or other agreements for the use or occupancy of the Premises, all the rents, issues, royalties and profits (including mineral, oil and gas rights and profits) or any proceeds therefrom and all security deposits and any guaranty of a tenant's obligations thereunder; all awards as a result of condemnation, eminent domain or other decrease in value of the Premises and all insurance and other proceeds of the Premises; and any and all rights of Trustor in any and all accounts, rights to payment, contract rights, chattel paper, documents, instruments, licenses, contracts, agreements and general intangibles relating to any of the Mortgaged Property, including, without

limitation, income and profits derived from the operation of any business on the Premises or attributable to services that occur or are provided on the Premises or generated from the use and operation of the Mortgaged Property.

The Land is described as follows (or in Exhibit A hereto if the description does not appear below):

See Attached Exhibit "A"

1.3 "Obligations" means (a) the obligations contained herein; (b) the payment of \$ 18,532.50 with interest thereon and all other amounts payable according to one or more of the following (check as applicable):

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by _____

("Borrower"), payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

the terms of a promissory note in the principal amount of \$ _____ dated _____ made by Borrower, payable to Beneficiary or order (if checked here, said promissory note contains provision for a variable rate of interest),

a guaranty dated _____ made by Trustor to the benefit of Beneficiary

Other: The Terms of that SBA Fee Deferral Agreement executed between Edinburgh Castle, a California General Partnership and U.S. Bank N.A.

and any and all extensions, renewals, modifications or replacements of any of the above, whether the same be in greater or lesser amounts (the above being collectively referred to as the "Note"); (c) any and all sums advanced or expenditures made by Beneficiary subsequent to the execution of this Deed of Trust for the maintenance or preservation of the Mortgaged Property or advanced or expended by Beneficiary pursuant to any provision of this Deed of Trust subsequent to its execution, together with interest thereon; and (d) additional sums and interest thereon which may hereafter be loaned to or guaranteed by Trustor, or Trustor's successors or assigns, when evidenced by a promissory note, guaranty or other document reciting that such sums are secured by this Deed of Trust.

1.4 Homestead. The Premises are not ^(are)_(are not) the homestead of the Trustor. If so, the Trustor releases and waives all rights under and by virtue of the homestead exemption laws of the State of California.

ARTICLE II. WARRANTIES AND COVENANTS

In addition to all other warranties and covenants of the Trustor under the Note and any other instrument, document or agreement evidencing or securing the Obligations ("Loan Documents"), which are expressly incorporated herein as part of this Deed of Trust, including the covenants to pay and perform all Obligations, and while any part of the credit granted the Trustor under the Loan Documents is available or any Obligations of the Trustor to the Beneficiary are unpaid or outstanding, the Trustor continuously warrants to the Beneficiary and the Trustee and agrees as follows:

2.1 Warranty of Title/Possession. The Trustor warrants that it has sole and exclusive title to and possession of the Premises, excepting only the following "Permitted Encumbrances": restrictions and easements of record, and zoning

ordinances (the terms of which are and will be complied with, and in the case of easements, are and will be kept free of encroachments), taxes and assessments not yet due and payable and those Permitted Encumbrances set forth on Exhibit B attached hereto (except that if no Exhibit B is attached, there will be no additional Permitted Encumbrances). The lien of this Deed of Trust, subject only to Permitted Encumbrances, is and will continue to be a valid first and, except as permitted in section 2.3, only lien upon all of the Mortgaged Property.

2.2 Maintenance; Waste; Alteration. The Trustor will maintain the Premises in good and tenantable condition and will restore or replace damaged or destroyed improvements with items of at least equal utility and value. The Trustor will not commit or permit waste to be committed on the Premises. The Trustor will not remove, demolish or materially alter any part of the Premises without the Beneficiary's prior written consent, except the Trustor may remove a fixture, provided the fixture is promptly replaced with another fixture of at least equal utility. The replacement fixture will be subject to the priority lien and security of this Deed of Trust.

2.3 Transfer and Liens. The Trustor will not, without the prior written consent of the Beneficiary, which may be withheld in the Beneficiary's sole and absolute discretion, either voluntarily or involuntarily (a) sell, assign, lease or transfer, or permit to be sold, assigned, leased or transferred, any part of the Premises, or any interest therein; or (b) pledge or otherwise encumber, create or permit to exist any mortgage, pledge, lien or claim for lien or encumbrance upon any part of the Premises or interest therein, except for the Permitted Encumbrances. Notwithstanding the foregoing, if the Premises consists of one to four units of residential property, the Trustor may, without obtaining the consent of the Beneficiary, encumber the Premises with one or more mortgages or deeds of trust which are subordinate to the lien of this Deed of Trust. Beneficiary has not consented and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust.

2.4 Escrow. After written request from the Beneficiary, the Trustor will pay to the Beneficiary sufficient funds at such time as the Beneficiary designates, to pay (a) the estimated annual real estate taxes and assessments on the Premises; and (b) all property or hazard insurance premiums when due. Interest will not be paid by the Beneficiary on any escrowed funds. Escrowed funds may be commingled with other funds of the Beneficiary. All escrowed funds are hereby pledged as additional security for the Obligations.

2.5 Taxes, Assessments and Charges. To the extent not paid to the Beneficiary under 2.4 above, the Trustor will pay before they become delinquent all taxes, assessments and other charges now or hereafter levied or assessed against the Premises, against the Beneficiary based upon this Deed of Trust or the Obligations secured by this Deed of Trust, or upon the Beneficiary's interest in the Premises, and deliver to the Beneficiary receipts showing timely payment.

2.6 Insurance. The Trustor will continually insure the Premises against such perils or hazards as the Beneficiary may require, in amounts, with acceptable co-insurance provisions, not less than the unpaid balance of the Obligations or the full replacement value of the Improvements, whichever is less. The policies will contain an agreement by each insurer that the policy will not be terminated or modified without at least thirty (30) days' prior written notice to the Beneficiary and will contain a mortgage clause acceptable to the Beneficiary; and the Trustor will take such other action as the Beneficiary may reasonably request to ensure that the Beneficiary will receive (subject to no other interests) the insurance proceeds from the Improvements. The Trustor hereby assigns all insurance proceeds to and irrevocably directs, while any Obligations remain unpaid, any insurer to pay to the Beneficiary the proceeds of all such insurance and any premium refund; and authorizes the Beneficiary to endorse the Trustor's name to effect the same, to make, adjust or settle, in the Trustor's name, any claim on any insurance policy relating to the Premises. The proceeds and refunds will be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

2.7 Condemnation. Any compensation received for the taking of the Premises, or any part thereof, by a condemnation proceeding (including payments in compromise of condemnation proceedings), and all compensation received as damages for injury to the Premises, or any part thereof, shall be applied in such manner as the Beneficiary, in its sole and absolute discretion, determines to rebuilding of the Premises or to payment of the Obligations, whether or not then due and payable.

2.8 Environmental Matters. Except as specifically disclosed by Trustor to Beneficiary in writing prior to the execution of this Deed of Trust, Trustor represents and warrants as follows. There exists no uncorrected violation by the Trustor of any federal, state or local laws (including statutes, regulations, ordinances or other governmental restrictions and requirements) relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Substances as hereinafter defined, whether such laws currently exist or are enacted in the future (collectively "Environmental Laws"). The term "Hazardous Substances" will mean any hazardous or toxic wastes, chemicals or other substances, the generation, possession or existence of which is prohibited or governed by any Environmental Laws. The Trustor is not subject to any judgment, decree, order or citation, or a party to (or threatened with) any litigation or administrative proceeding, which asserts that the Trustor (a) has violated any Environmental Laws; (b) is required to clean up, remove or take remedial or other action with respect to any Hazardous Substances (collectively "Remedial Action"); or (c) is required to pay all or a portion of the cost of any Remedial Action, as a potentially responsible party. Except as disclosed on the Borrower's environmental questionnaire provided to the Beneficiary,

there are not now, nor to the Trustor's knowledge after reasonable investigation have there ever been, any Hazardous Substances (or tanks or other facilities for the storage of Hazardous Substances) stored, deposited, recycled or disposed of on, under or at any real estate owned or occupied by the Trustor during the periods that the Trustor owned or occupied such real estate, which if present on the real estate or in soils or ground water, could require Remedial Action. To the Trustor's knowledge, there are no proposed or pending changes in Environmental Laws which would adversely affect the Trustor or its business, and there are no conditions existing currently or likely to exist while the Loan Documents are in effect which would subject the Trustor to Remedial Action or other liability. The Trustor currently complies with and will continue to timely comply with all applicable Environmental Laws; and will provide the Beneficiary, immediately upon receipt, copies of any correspondence, notice, complaint, order or other document from any source asserting or alleging any circumstance or condition which requires or may require a financial contribution by the Trustor or Remedial Action or other response by or on the part of the Trustor under Environmental Laws, or which seeks damages or civil, criminal or punitive penalties from the Trustor for an alleged violation of Environmental Laws. In the event of any such circumstance or condition, the Trustor agrees, at its expense and at the request of the Beneficiary, to permit an environmental audit solely for the benefit of the Beneficiary, to be conducted by the Beneficiary or an independent agent selected by the Beneficiary and which may not be relied on by the Trustor for any purpose. This provision shall not relieve the Trustor from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws. Any provision of this Deed of Trust to the contrary notwithstanding, if Trustor fails to perform its obligations under this subsection 2.8, any funds advanced by Beneficiary to pay for any and all remedial and removal action to clean up the Mortgaged Property and mitigate exposure to liability from any Hazardous Substance shall not be secured by the lien of this Deed of Trust but rather shall be covered by the separate Indemnity Agreement regarding hazardous substances executed concurrently herewith.

2.9 Assignments. The Trustor will not assign, in whole or in part, without the Beneficiary's prior written consent, the rents, issues or profits arising from the Premises.

2.10 Right of Inspection. The Beneficiary may at all reasonable times enter and inspect the Premises.

2.11 Waivers by Trustor. To the greatest extent that such rights may then be lawfully waived, the Trustor hereby agrees for itself and any persons claiming under the Deed of Trust that it will waive and will not, at any time, insist upon or plead or in any manner whatsoever claim or take any benefit or advantage of (a) any exemption, stay, extension or moratorium law now or at any time hereafter in force; (b) any law now or hereafter in force providing for the valuation or appraisal of the Premises or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or pursuant to the decree, judgment or order of any court of competent jurisdiction; (c) to the extent permitted by law, any law now or at any time hereafter made or enacted granting a right to redeem from foreclosure or any other rights of redemption in connection with foreclosure of, or exercise of any power of sale under, this Deed of Trust; (d) any statute of limitations now or at any time hereafter in force; or (e) any right to require marshalling of assets by the Beneficiary.

2.12 Assignment of Rents and Leases. Trustor hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Beneficiary all of Trustor's right, title and interest now existing and hereafter arising in and to the leases, subleases, concessions, licenses, franchises or other agreements, either oral or written, now existing and hereafter arising which affect the Premises, Trustor's interest therein and any improvements located thereon, together with any and all security deposits, guarantees of the lessees' obligations (including any and all security thereunder) and other security under any such leases, subleases, concessions, licenses, franchises or other agreements (all of the foregoing, and any and all extensions, modifications and renewals thereof, shall be collectively referred to herein as the "Leases"), and hereby gives to and confers upon Beneficiary the right to collect all the income, rents, issues, profits, royalties and proceeds from the Leases and any business conducted on the Premises and any and all prepaid rent and security deposits thereunder (collectively, the "Rents"). This Deed of Trust is intended by Beneficiary and Trustor to create and shall be construed to create an absolute assignment to Beneficiary of all of Trustor's right, title and interest in and to the Leases and shall not be deemed to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Loan Documents. Trustor irrevocably appoints Beneficiary its true and lawful attorney at the option of Beneficiary at any time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and apply the same to the Obligations. Notwithstanding the foregoing assignment of Rents, so long as no default hereunder (as described in Article III) has occurred and remains uncured, Trustor shall have a revocable license, to collect all Rents, and to retain the same. Upon the occurrence and during the continuance of any such default, Trustor's license to collect and retain Rents shall terminate automatically. While any such default remains uncured, (a) Beneficiary may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the obligations secured by this Deed of Trust, enter upon any portion of the Premises and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts), and (b) without demand by Beneficiary therefor, Trustor shall promptly deliver to Beneficiary all prepaid rents, deposits relating to Rents, and all other Rents then held by or thereafter collected by Trustor, whether prior to or during the continuance of any default. Any Rents collected by or delivered to Beneficiary may be applied by Beneficiary against the obligations secured by this Deed of Trust, less all expenses, including attorneys' fees and disbursements, in such order as Beneficiary shall determine in its sole and absolute discretion. No application of Rents against any obligation secured by this Deed of Trust or other action taken by

Beneficiary under this Section 2.12 shall be deemed or construed to cure or waive any default, or to invalidate any other action taken in response to such default, or to make Beneficiary a mortgagee-in-possession of the Premises. Trustor hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Trustor thereunder to Beneficiary following receipt of any written notice from Beneficiary that states that a default remains uncured and that all such amounts are to be paid to Beneficiary. Trustor further authorizes and directs all such tenants to pay all such amounts to Beneficiary without any right or obligation to inquire as to the validity of Beneficiary's notice and regardless of the fact that Trustor has notified any such tenants that Beneficiary's notice is invalid or has directed any such tenants not to pay such amounts to Beneficiary.

2.13 Fixture Filing. From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the Uniform Commercial Code, with respect to the Improvements and for this purpose the name and address of the debtor is the name and address of the Trustor as set forth in this Deed of Trust and the name and address of the secured party is the name and address of the Beneficiary as set forth in this Deed of Trust. The Mortgaged Property includes goods which are or may become so affixed to real property as to become fixtures. If any of the Mortgaged Property is of a nature such that a security interest therein can be perfected under the Uniform Commercial Code, this Deed of Trust shall also constitute the grant of a security interest to the Beneficiary and serve as a Security Agreement, and Trustor authorizes the filing of any financing statements and agrees to execute other instruments that may be required for the further specification, perfection or renewal of such security interest.

ARTICLE III. DEFAULTS AND REMEDIES

The Beneficiary may enforce its rights and remedies under this Deed of Trust upon default. A default will occur if the Trustor fails to comply with the terms of any Loan Documents (including this Deed of Trust or any guaranty by the Trustor) or a demand for payment is made under a demand loan, or the Trustor defaults on any other mortgage affecting the Land, or if any other obligor fails to comply with the terms of any Loan Documents for which the Trustor has given the Beneficiary a guaranty or pledge. Upon the occurrence of a default, the Beneficiary may declare the Obligations to be immediately due and payable.

3.1 Beneficiary's and Trustee's Right to Perform. Upon the occurrence of any default, Beneficiary or Trustee, but without the obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligations hereunder, may: (a) make any payments or do any acts required of Trustor hereunder in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Premises for such purposes; (b) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following paragraph; and (d) in exercising any such powers, pay necessary expenses, employ counsel and pay a reasonable fee therefor. All sums so expended shall be payable on demand by Trustor, be secured hereby (except as otherwise provided in Section 2.8) and bear interest at the highest default or post-maturity rate of interest specified in the Note from the date advanced or expended until repaid.

3.2 Remedies on Default. Upon the occurrence of any default, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary, and Beneficiary may:

- (a) Have a receiver appointed as a matter of right on an ex parte basis without notice to Trustor and without regard to the sufficiency of the Mortgaged Property or any other security for the Obligations and, without the necessity of posting any bond or other security, such receiver shall take possession and control of the Mortgaged Property and shall collect and receive all of the rents, issues and profits thereof;
- (b) Foreclose this Deed of Trust pursuant to a judicial foreclosure proceeding or otherwise realize upon the Mortgaged Property;
- (c) Cause Trustee to exercise its power of sale; or
- (d) Sue on the Note as permitted under applicable law.

3.3 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare a default for failure to do so.

3.4 Remedies Cumulative. The rights and remedies accorded by this Deed of Trust shall be in addition to, and not in substitution of, any rights or remedies available under now existing or hereafter arising applicable law. All rights and remedies provided for in this Deed of Trust or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently or successively. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver of any default shall not constitute a waiver of any subsequent or other default. Beneficiary shall be subrogated to the claims and liens of those whose claims or liens are discharged or paid with the loan proceeds hereof.

ARTICLE IV. TRUSTEE

4.1 General Powers and Duties of Trustee. At any time or from time to time, without liability therefor and without notice and without affecting the liability of any person for the payment of the Obligations, upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust and the Note for endorsement (in case of full

reconveyance, for cancellation or retention), Trustee may: (a) consent to the making of any map or plat of the Premises; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the Mortgaged Property.

4.2 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon payment of its fees, Trustee shall reconvey, without warranty, the Mortgaged Property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

4.3 Powers and Duties on Default. Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of its election to cause the Mortgaged Property to be sold to satisfy the Obligations, and shall cause such notice to be recorded and otherwise given according to law. Thereafter, Trustee shall execute a written notice of sale, and shall cause such notice to be recorded and otherwise given as required by law. Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of breach, Trustee, without demand on Trustor, shall sell the Mortgaged Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Trustor agrees that such a sale (or a sheriff's sale pursuant to judicial foreclosure) of all the Mortgaged Property as real estate constitutes a commercially reasonable disposition thereof, but that with respect to all or any part of the Mortgaged Property which may be personal property Trustee shall have and exercise, at Beneficiary's sole election, all the rights and remedies of a secured party under the UCC. Whenever notice is permitted or required hereunder or under the UCC, ten (10) days shall be deemed reasonable. Trustee may postpone sale of all or any portion of the Mortgaged Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed and bill of sale conveying the Mortgaged Property so sold, but without any covenant or warranty, express or implied. The recital in such deed and bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Trustor or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title search and title insurance and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums secured hereby in such order as Beneficiary may determine; and the remainder, if any, may be deposited by Trustee with the clerk of the superior court or municipal court, as applicable, of the county in which the sale took place, as provided in California Civil Code § 2924j.

4.4 Reassignment of Security Interest. At the request of Beneficiary, Trustee shall reassign to Beneficiary the security interest created hereby and after such reassignment Beneficiary shall have the right, upon the occurrence or continuance of any default, to realize upon the personal property subject to this Deed of Trust, independent of any action of Trustee, pursuant to the UCC.

4.5 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto except Beneficiary of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

4.6 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

4.7 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

ARTICLE V. MISCELLANEOUS

In addition to all other miscellaneous provisions under the Loan Documents which are expressly incorporated as a part of this Deed of Trust, the following provisions will also apply:

5.1 Trustor's Right to Possession. Trustor may be and remain in possession of the Mortgaged Property for so long as it is not in default hereunder or under the terms of the Note and Trustor may, while it is entitled to possession of the Mortgaged Property, use the same.

5.2 Maximum Interest. No provision of this Deed of Trust or of the Note shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Note provided for, neither Trustor nor its successors or assigns shall be obligated to pay that portion of such interest which is in excess of the maximum permitted by law, and the right to demand the payment of any such excess shall be and is hereby waived and this Section 5.2 shall control any provision of this Deed of Trust or the Note which is inconsistent herewith.

5.3 Attorneys' Fees and Legal Expenses. In the event of any default under this Deed of Trust, or in the event that any dispute arises relating to the interpretation, enforcement or performance of any obligation secured by this Deed of Trust, Beneficiary shall be entitled to collect from Trustor on demand all fees and expenses incurred in connection therewith, including but not limited to fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, arbitrators, mediators and court reporters. Without limiting the generality of the foregoing, Trustor shall pay all such costs and expenses incurred in connection with: (a) arbitration or other alternative dispute resolution proceedings, trial court actions and appeals; (b) bankruptcy or other insolvency proceedings of Trustor, any guarantor or other party liable for any of the obligations secured by this Deed of Trust or any party having any interest in any security for any of those obligations; (c) judicial or nonjudicial foreclosure on, or appointment of a receiver for, any of the Mortgaged Property; (d) post-judgment collection proceedings; (e) all claims, counterclaims, cross-claims and defenses asserted in any of the foregoing whether or not they arise out of or are related to this Deed of Trust; (f) all preparation for any of the foregoing; and (g) all settlement negotiations with respect to any of the foregoing.

5.4 Prepayment Provisions. If at any time after default and acceleration of the Obligation there shall be a tender of payment of the amount necessary to satisfy such indebtedness by or on behalf of the Trustor, its successors or assigns, the same shall be deemed to be a voluntary prepayment such that the sum required to satisfy such indebtedness in full shall include, to the extent permitted by law, the additional payment required under the prepayment privilege as stated in the Note.

5.5 Time of the Essence. Time is of the essence with respect to payment of the Obligations, the performance of all covenants of the Trustor and the payment of taxes, assessments, and similar charges and insurance premiums.

5.6 Subrogation. The Beneficiary will be subrogated to the lien of any deed of trust, mortgage or other lien discharged, in whole or in part, by the proceeds of the Note or other advances by the Beneficiary, in which event any sums otherwise advanced by the Beneficiary shall be immediately due and payable, with interest at the default rate set forth in the Loan Documents from the date of advance by the Beneficiary to the date of payment by the Trustor, and will be one of the Obligations secured by this Deed of Trust.

5.7 Choice of Law. This Deed of Trust will be governed by the laws of the state in which the Mortgaged Property is located. For all other purposes, the choice of law specified in the Loan Documents will govern.

5.8 Severability. Invalidity or unenforceability of any provision of this Deed of Trust shall not affect the validity or enforceability of any other provision.

5.9 Entire Agreement/Demand Obligations. This Deed of Trust is intended by the Trustor and the Beneficiary as a final expression of this Deed of Trust and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Deed of Trust. No parol evidence of any nature shall be used to supplement or modify any terms. IN THE EVENT ANY OF THE OBLIGATIONS SECURED HEREBY IS PAYABLE UPON DEMAND, NEITHER THIS DEED OF TRUST NOR ANYTHING CONTAINED HEREIN SHALL BE DEEMED TO ALTER, LIMIT, OR OTHERWISE IMPINGE UPON THE DEMAND CHARACTER OF SUCH OBLIGATIONS.

5.10 Joint Liability; Successors and Assigns. If there is more than one Trustor, the liability of the Trustors will be joint and several, and the reference to "Trustor" shall be deemed to refer to each Trustor and to all Trustors. The rights, options, powers and remedies granted in this Deed of Trust and the other Loan Documents shall extend to the Beneficiary and to its successors and assigns, shall be binding upon the Trustor and its successors and assigns, and shall be applicable hereto and to all renewals, amendments and/or extensions hereof.

5.11 Indemnification. Except for harm arising from the Beneficiary's or the Trustee's willful misconduct, the Trustor hereby indemnifies and agrees to defend and hold the Beneficiary and the Trustee harmless from any and all losses, costs, damages, claims and expenses (including, without limitation, attorneys' fees and expenses) of any kind suffered by or asserted against the Beneficiary or the Trustee relating to claims by third parties arising out of the financing provided under the Loan Documents or related to the Mortgaged Property (excluding, however, the Beneficiary's failure to perform its obligations relating to Environmental Matters described in Section 2.8 above) or the exercise by the Beneficiary or the Trustee of any of their respective powers, rights and remedies under this Deed of Trust. This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of this Deed of Trust and Obligations due the Beneficiary.

5.12 Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid, (b) received by overnight delivery service, (c) received by telex, (d) received by telecopy, (e) received through the internet, or (f) when personally delivered.

5.13 Release of Rights of Dower, Homestead and Distributive Share. To the fullest extent permitted by applicable law, each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the Mortgaged Property, will not avail itself of any appraisal, valuation, redemption, stay, extension or exemption laws, or any so-called "moratorium laws", existing or hereafter enacted, to hinder the enforcement or foreclosure of this Deed of Trust, and hereby waives the benefit of such laws.

5.14 Copy. The Trustor hereby acknowledges the receipt of a copy of this Deed of Trust, together with a copy of each promissory note secured hereby, and all other documents executed by the Trustor in connection herewith.

5.15 Riders. The rider(s) attached hereto and recorded together with this Deed of Trust are hereby fully incorporated into this Deed of Trust. [Check applicable box(es)] Condominium Rider Second Deed of Trust Rider Construction Loan Rider Other(s) (Specify) Attachment to Security Instrument RE: SBA Fee Deferral Agreement

IN WITNESS WHEREOF, the undersigned has/have executed this Deed of Trust as of JANUARY 16, 2009

(Individual Trustor)

Edinburgh Castle

Trustor Name (Organization)

a California General Partnership

Printed Name N/A

By Hae S. Moody

Hae S. Moody

(Individual Trustor)

Name and Title General Partner

By Tay Young Kim

Tay Young Kim

Printed Name N/A

Name and Title General Partner

(Beneficiary Address)

(Trustor Address)

9918 HIBERT ST.
SAN DIEGO, CA 92131

950 Geary Street
San Francisco, CA 94109

State of _____)

County of _____)

On _____ before me, _____ (here insert name and title of the officer),
personally appeared Hae S. Moody and Tay Young Kim

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California
County of San Francisco

On 2/16/2009 before me, Douglas Shin, Notary Public, personally
appeared Hae S Moody and Tay Young Kim

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed
the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on
the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

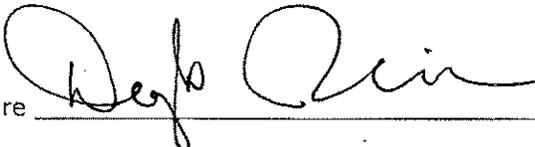
Signature  (Seal)



Exhibit "A"

LEGAL DESCRIPTION

All that certain real property situated in the City and County of San Francisco, State of California, described as follows:

Beginning at a point on the Northerly line of Geary Street, distant thereon 192 feet 6 inches Easterly from the Easterly line of Polk Street; running thence Easterly along the said line of Geary Street 27 feet 6 inches; thence at a right angle Northerly 120 feet to the Southerly line of Cedar Street; thence at a right angle Westerly along the said line of Cedar Street 27 feet 6 inches; thence at a right angle Southerly 120 feet to the beginning.

Being a portion of Western Addition Block No. 11.

Assessor's Parcel Number

Lot 011, Block 0693

ATTACHMENT TO SECURITY INSTRUMENT

Grantor/Mortgagor/Borrower has entered into an SBA Fee Deferral Agreement ("Deferral Agreement") with U.S. Bank National Association, which relates to the SBA Fee arising from a loan (the "Loan" made by Lender to **Edinburgh Castle, a California General Partnership**, ("Borrower"). The security instrument (deed of trust/mortgage/commercial security agreement) to which this document is attached is to secure the obligations of Borrower under the Deferral Agreement.

Notwithstanding the terms of any other document executed in conjunction with the Loan, Borrower and Lender agree:

A. The obligations of Borrower under the Deferral Agreement are secured only by this security instrument notwithstanding language in any other Loan document, or any other document executed by Borrower (other than the security instrument to which this Attachment is attached), which purports to define the obligations secured to include the obligations of Borrower under the Deferral Agreement, it being the intent of Lender and Borrower that the Borrower's obligations under the Deferral Agreement shall be secured only by the attached security instrument

B. Any language in the attached security instrument which purports define the obligations secured to include any obligation other than the obligations of Borrower under the Deferral Agreement shall be of no force and effect, it being the intent of Borrower and Lender that the attached security instrument secures only Borrower's obligations under the Deferral Agreement and those obligations specifically arising under the security agreement to which this Attachment is made a part.