

IN THE SUPREME COURT OF THE STATE OF NEVADA

SPANISH HEIGHTS ACQUISITION
COMPANY, LLC; SJC VENTURES
HOLDING COMPANY, LLC,

Appellants

vs.

CBC PARTNERS I, LLC; CBC
PARTNERS, LLC; 5148 SPANISH
HEIGHTS, LLC; KENNETH ANTOS
AND SHEILA NEUMAN-ANTOS;
DACIA, LLC

Respondents.

Case No. 82868

Electronically Filed
Nov 10 2021 01:14 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

APPEAL

from a decision in favor of Respondent
entered by the Eighth Judicial District Court, Clark County, Nevada
The Honorable Elizabeth Gonzalez, District Court Judge
District Court Case No. A-20-813439-B

APPELLANTS' APPENDIX VOLUME IX

| DATE | DESCRIPTION | VOLUME | PAGES |
|-------------|--|-------------------|--------------|
| 10/19/2020 | Appendix of Exhibits to Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction | III/IV/V/VI | AA0525-1282 |
| 12/24/2020 | Appendix of Exhibits to Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for | X/XI/XII/XIII/XIV | AA2178-3213 |

| | | | |
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| | Preliminary Injunction on Order Shortening Time | | |
| 04/29/2021 | Case Appeal Statement | XVIII | AA4238-4243 |
| 04/09/2020 | Complaint | I | AA0001-0010 |
| 05/04/2021 | Cost Bond on Appeal | XVIII | AA4244-4247 |
| 06/04/2021 | Court Minutes for Motion to Reconsider | XIX | AA4432 |
| 01/11/2021 | Court Minutes for Renewed Motion to Dismiss First Amended Complaint as to Dacia, LLC or in the Alternative Motion for Summary Judgment | XVI | AA3589 |
| 12/24/2020 | Declaration of Alan Hallberg in Support of Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on Order Shortening Time | X | AA2169-2171 |
| 11/09/2020 | Declaration of Kenneth M. Antos in Support of Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction | VI | AA1300-1327 |
| 12/24/2020 | Declaration of Kenneth M. Antos in Support of Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on Order Shortening Time | X | AA2172-2177 |
| 04/27/2020 | Defendant CBC Partners I, LLC's Answer to Complaint and | I | AA0022-0045 |

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|------------|--|-------------|-------------|
| | Counterclaimants' 5148 Spanish Heights, LLC and CBC Partners I, LLC Counterclaim Against Spanish Heights Acquisition Company, LLC, SJC Ventures, LLC, SJC Ventures Holding Company, LLC, and Jay Bloom | | |
| 06/10/2020 | Defendants CBC Partners I, LLC, CBC Partners, LLC, and 5148 Spanish Heights, LLC Answer to First Amended Complaint | I | AA0099-0116 |
| 09/03/2020 | Defendants Sheila Antos and Kenneth Antos, as Trustees for the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust Answer to First Amended Complaint and Counterclaim | I | AA0136-0160 |
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| 12/24/2020 | Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on Order Shortening Time | X | AA2145-2168 |
| 12/15/2020 | Exhibits in Support of Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time | VIII/IX/X | AA1834-2144 |
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| 04/29/2021 | Notice of Appeal | XVIII | AA4210-4237 |
| 04/10/2020 | Notice of Entry of Order | I | AA0015-0021 |
| 05/29/2020 | Notice of Entry of Order | I | AA0085-0090 |
| 10/02/2020 | Notice of Entry of Order | I | AA0177-0184 |
| 11/03/2020 | Notice of Entry of Order | VI | AA129-1299 |
| 04/20/2021 | Notice of Entry of Order | XVIII | AA4186-4209 |
| 08/06/2021 | Notice of the Bankruptcy Court Finding That Defendants Violated the Stay of Litigation Resulting in Void FFCL | XIX | AA4433-4442 |
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| 09/29/2020 | Order Granting in Part and Denying in Part Motion to Dismiss as to Dacia, LLC | I | AA0172-0176 |
| 05/29/2020 | Order Granting Plaintiffs' Motion for Preliminary Injunction on a Limited Basis | I | AA0082-0084 |
| 05/04/2021 | Plaintiffs' Motion to Amend the Court's Findings of Fact, Conclusions of Law, and Order or Alternatively for Reconsideration | XVIII/XIX | AA4248-4324 |

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| 12/24/2020 | Plaintiffs' Opposition to Renewed Motion to Dismiss First Amended Complaint as to Dacia, LLC or in the Alternative Motion for Summary Judgment | XIV/XV/XVI | AA3214-3551 |
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| 01/01/2021 | Plaintiffs' Reply in Support of Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time | XVI | AA3552-3580 |
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| 02/01/2021 | Preliminary Injunction Hearing and Trial – Day 3 | XVII | AA3968-3981 |
| 03/15/2021 | Preliminary Injunction Hearing and Trial – Day 4 (Volume I) | XVII/XVIII | AA3982-4054 |
| 03/15/2021 | Preliminary Injunction Hearing and Trial – Day 4 (Volume II) | XVIII | AA4055-4152 |
| 12/10/2020 | Renewed Motion to Dismiss First Amended Complaint as to Dacia, | VI | AA1328-1337 |

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| | LLC or in the Alternative Motion for Summary Judgment | | |
| 01/05/2021 | Reply in Support of Renewed Motion to Dismiss First Amended Complaint as to Dacia, LLC or in the Alternative Motion for Summary Judgment | XVI | AA3586-3588 |
| 09/28/2020 | SJC Ventures Holding Company, LLC, d/b/a SJC Ventures, LLC's Answer to Counterclaim Filed By Kenneth Antos and Sheila Neumann-Antos, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust | I | AA0161-0171 |
| 07/10/2020 | Spanish Heights Acquisition Company, LLC, SJC Ventures, LLC, SJC Ventures Holding Company, LLC, and Jay Bloom's Answer to Counterclaim | I | AA0117-0135 |
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| 05/26/2020 | Summons | I | AA0070-0073 |
| 05/26/2020 | Summons | I | AA0074-0077 |
| 05/26/2020 | Summons | I | AA0078-0081 |
| 06/04/2020 | Summons | I | AA0091-0094 |
| 06/04/2020 | Summons | I | AA0095-0098 |
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| 01/05/2021 | Temporary Restraining Order | XVI | AA3581-3585 |
| 03/22/2021 | Transcript of Oral Ruling Re: First Motion to Dismiss Case with Certificate of Service Filed By | XVIII | AA4153-4164 |

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|------------|---|-----|-------------|
| | Michael R. Mushkin on Behalf of 5148 Spanish Heights, LLC | | |
| 05/18/2021 | Transcript of Oral Ruling Re: Motion for Sanctions for Violation of the Automatic Stay and Related Relief Filed By James D. Greene on Behalf of Spanish Heights Acquisition Company, LLC | XIX | AA4403-4426 |

CERTIFICATE OF SERVICE

I certify that on the 10th day of November, 2021, this document was electronically filed with the Nevada Supreme Court. Electronic service of the foregoing: **APPELLANTS' OPENING BRIEF** and **VOLUMES I – XIX** of the **APPENDIX** shall be made in accordance with the Master Service List as follows:

Michael R. Mushkin, Esq.
MUSHKIN & COPPEDGE
6070 S. Eastern Avenue, Suite 270
Las Vegas, Nevada 89119
Attorney for Respondents

DATED this 10th day of November, 2021.

/s/ Natalie Vazquez

An Employee of MAIER GUTIERREZ & ASSOCITES

the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made, or such enforcement or setoff had not occurred.

(8) **Appointment of Receiver.** Upon the occurrence of a Default, Secured Party shall have the right to appoint any Person to be an agent or any Person to be a receiver, manager or receiver and manager (the "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint another if Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement will have all of the powers of Secured Party hereunder, and in addition, will have the power to carry on the business of Debtor. The Receiver will be deemed to be the agent of Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and Secured Party will not be liable for such acts or omissions and, without restricting the generality of the foregoing, Debtor hereby irrevocably authorizes Secured Party to give instructions to the Receiver relating to the performance of its duties as set forth herein.

(9) **Advice of Counsel.** Debtor acknowledges that it has been advised by its counsel with respect to this transaction and this Agreement, including without limitation any waivers contained herein.

5. MISCELLANEOUS.

5.1 **Waiver.** Secured Party's failure, at any time or times hereafter, to require strict performance by Debtor of any provision of this Agreement shall not waive, affect or diminish any right of Secured Party thereafter to demand strict compliance and performance therewith. Any suspension or waiver by Secured Party of a Default under this Agreement or a default under any of the other Loan Documents shall not suspend, waive or affect any other Default under this Agreement or any other default under any of the other Loan Documents, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of Debtor contained in this Agreement or any of the other Loan Documents, and no Default under this Agreement or default under any of the other Loan Documents, shall be deemed to have been suspended or waived by Secured Party unless such suspension or waiver is in writing signed by an officer of Secured Party, and directed to Debtor specifying such suspension or waiver. This Security Agreement shall not be qualified or supplemented by course of dealing.

5.2 **Costs and Attorneys' Fees.** If at any time or times hereafter Secured Party employs counsel in connection with protecting or perfecting Secured Party's security interest in the Collateral or in connection with any matters contemplated by or arising out of this Agreement, whether (a) to commence, defend, or intervene in any litigation or to file a petition, complaint, answer, motion or other pleading, (b) to take any other action in or with respect to any suit or proceeding (bankruptcy or otherwise), (c) to consult with officers of Secured Party to advise Secured Party with respect to this Agreement or the other Loan Documents or the Collateral, (d) to protect, collect, lease, sell, take possession of, or liquidate any of the Collateral, or (e) to attempt to enforce or to enforce any security

interest in any of the Collateral, to attempt to enforce or to enforce any rights of Secured Party to collect any of the Obligations, then in any of such events, all of the reasonable attorneys' fees arising from such services, and any expenses, costs and charges relating thereto, including without limitation all reasonable fees of the paralegals and other staff employed by such attorneys, together with interest at the rate prescribed in the Note and shall be part of the Obligations, payable on demand and secured by the Collateral. Such interest shall accrue at the times, and in the manner, provided for in the Note.

5.3 Expenditures by Secured Party. If Debtor shall fail to pay taxes, insurance, assessments, costs or expenses which Debtor is, under any of the terms hereof or of any of the other Loan Documents, required to pay, or fails to keep the Collateral free from other security interests, liens or encumbrances, except as permitted herein, Secured Party may, in its sole discretion, after notice to Debtor, make expenditures for any or all of such purposes, and the amount so expended, together with interest thereon at the rate prescribed in the Note and shall be part of the Obligations, payable on demand and secured by the Collateral.

5.4 Custody and Preservation of Collateral. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Debtor shall request in writing, but failure by Secured Party to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure by Secured Party to preserve or protect any right with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by Debtor, shall of itself be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.5 Assignability; Parties. This Agreement may not be assigned by Debtor without the prior written consent of Secured Party. Secured Party may assign its rights and interests under this Security Agreement. If an assignment is made, Debtor shall render performance under this Security Agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses or set-offs which Debtor could assert against Secured Party, except defenses which cannot be waived. Whenever in this Agreement there is reference made to any of the parties hereto, such reference shall be deemed to include, wherever applicable, a reference to the successors and permitted assigns of Debtor and the successors and assigns of Secured Party.

5.6 Applicable Law of Severability. This Agreement shall be construed in all respects in accordance with, and governed by, the internal laws (as opposed to conflict of laws principles) of the state of Washington. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement. The parties hereto consent to the jurisdiction and venue of the state and federal courts sitting in King County, Washington in any action or judicial proceeding brought to enforce, or construe or interpret this Security Agreement.

5.7 **Section Titles.** The section and subsection titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties.

5.8 **Continuing Effect.** This Agreement, Secured Party's security interests in the Collateral of Debtor, and all of the other Loan Documents shall continue in full force and effect so long as any Obligations of Debtor shall be owed to Secured Party.

5.9 **Notices.** Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered upon the earlier of (a) personal delivery to the address set forth below (b) delivery by facsimile or similar means of delivery and (c) in the case of mailed notice, three (3) days after deposit in the United States mails, with proper postage for certified mail, return receipt requested, prepaid, or in the case of notice by Federal Express or other reputable overnight courier service, one (1) Business Day after delivery to such courier service, addressed to the party to be notified at the address set forth below their signatures to this Agreement, or to such other address as each party designates to the other in writing.

5.10 **Equitable Relief.** Debtor recognizes that, in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy at law may prove to be inadequate relief to Secured Party; therefore, Debtor agrees that Secured Party, if Secured Party so requests, shall be entitled to temporary and permanent injunctive relief.

5.11 **Entire Agreement.** This Agreement, together with the Loan Documents executed in connection herewith, constitutes the entire Agreement among the parties with respect to the subject matter hereof, and supersedes all prior written or oral understandings with respect thereto. This Agreement may be amended only by mutual agreement of the parties evidenced in writing and signed by the party to be charged therewith.

5.12 **Indemnity.** Debtor agrees to defend, protect, indemnify and hold harmless Secured Party and each and all of its respective officers, directors, employees, attorneys and agents ("Indemnified Parties") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for the Indemnified Parties in connection with any investigative, administrative or judicial proceeding, whether or not the Indemnified Parties shall be designated by a party thereto), which may be imposed on, incurred by, or asserted against any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, state, local or foreign laws or other statutory regulations, including without limitation securities, environmental and commercial laws and regulations, under common law or at equitable cause, or on contract or otherwise) in any manner relating to or arising out of this Agreement or the other Loan Documents, or any act, event or transaction related or attendant thereto (including any liability under federal, state, local or foreign environmental laws or regulations); provided, that Debtor shall not have any obligation to any Indemnified Party hereunder with respect to matters caused by or resulting from

the willful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is in violation of any law or public policy, Debtor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all matters incurred by the Indemnified Parties. Any liability, obligation, loss, damage, penalty, cost or expense incurred by the Indemnified Parties shall be paid to the Indemnified Parties on demand, together with interest thereon at the rate prescribed for in the Note from the date incurred by the Indemnified Parties until paid by Debtor, be added to the Obligations and be secured by the Collateral. The provisions of and undertakings and indemnifications set out in this Section 5.12 shall survive the satisfaction and payment of the Obligations.

5.13 Representations and Warranties. Notwithstanding anything to the contrary contained herein, each representation or warranty contained in this Agreement or any of the other Loan Documents shall survive the execution and delivery of this Agreement and the other Loan Documents and the repayment of the Obligations.

5.14 Counterparts; Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures. In addition, if any of the parties sign facsimile copies of this Agreement, such copies shall be deemed originals.

5.15 Conflict. To the extent that any provision or term of the Security Agreement or the Note conflict with any provision or term herein, the term or provision of this Agreement shall govern.

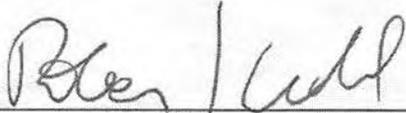
5.16 Statute of Limitations. Until all Indebtedness shall have been paid in full and all commitments by Secured Party to extend credit to Debtor have been terminated, the power of sale or other disposition and all other rights, powers, privileges and remedies granted to Secured Party hereunder shall continue to exist and may be exercised by Secured Party at any time and from time to time irrespective of the fact that the Indebtedness or any part thereof may have become barred by any statute of limitations, or that the personal liability of Debtor may have ceased, unless such liability shall have ceased due to the payment in full of all Indebtedness secured hereunder.

Intentionally Blank

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

DEBTOR:

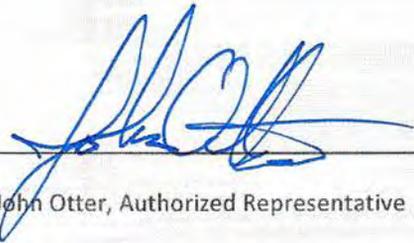
KCI INVESTMENTS, LLC
a Nevada limited liability company

By 
Robert J. Walsh
Co-managing member
Debtor's Address: 4033 S. Dean Martin Drive

Las Vegas, NV 89103

SECURED PARTY:

CBC PARTNERS I, LLC, a Washington limited liability company

By 
John Otter, Authorized Representative

Secured Party's Address: 305 108th Ave NE, Suite 101

Bellevue, WA 98004

If Debtor is an entity created by filing, state of organization and state organization number:

NV #NV20041262524

EXHIBIT 4

EXHIBIT 4

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DISTRICT COURT

CLARK COUNTY, NEVADA

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| SPANISH HEIGHTS ACQUISITION) | Case No.: | A-20-813439-B |
| COMPANY, LLC, a Nevada Limited) | | |
| Liability Company; SJC) | Dept. No.: | 11 |
| VENTURES HOLDING COMPANY, LLC,) | | |
| d/b/a SJC VENTURES, LLC, a) | | |
| Delaware Limited Liability) | | |
| Company,) | | |
| | | |
| Plaintiffs,) | | |
| | | |
| vs.) | | |
| | | |
| CBC PARTNERS I, LLC, a) | | |
| foreign Limited Liability) | | |
| Company; et al.,) | | |
| | | |
| Defendants.) | | |

(Complete caption on Page 2.)

VIDEORECORDED VIDEOCONFERENCE DEPOSITION
OF
KENNETH ANTOS

Taken on Wednesday, September 23, 2020, at 9:13 a.m.
By a Certified Court Reporter and Legal Videographer
Remotely in Las Vegas, Nevada

Reported by: Dawn Bratcher Gustin, CCR 253, RPR, CRR
California CSR 7124
Job No. 42175A

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| <p>1 DISTRICT COURT</p> <p>2 CLARK COUNTY, NEVADA</p> <p>3</p> <p>4 SPANISH HEIGHTS ACQUISITION) Case No.: A-20-813439-B</p> <p>5 COMPANY, LLC, a Nevada Limited) Liability Company; SJC) Dept. No.: 11</p> <p>6 VENTURES HOLDING COMPANY, LLC,) d/b/a SJC VENTURES, LLC, a) Delaware Limited Liability) Company,)</p> <p>7 Plaintiffs,)</p> <p>8 vs.)</p> <p>9)</p> <p>10 CBC PARTNERS I, LLC, a) Foreign Limited Liability) Company; CBC PARTNERS, LLC,) a foreign Limited Liability) Company; 5148 SPANISH)</p> <p>11 HEIGHTS, LLC, a Nevada) Limited Liability Company;) KENNETH ANTOS AND SHEILA) NEUMANN-ANTOS, as Trustees) of the Kenneth & Sheila) Antos Living Trust and the) Kenneth M. Antos & Sheila) M. Neumann-Antos Trust;) DACIA, LLC, a foreign) Limited Liability Company;) DOES I through X; and ROE) CORPORATIONS I through X,) inclusive,)</p> <p>19 Defendants.)</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> | <p>1 I N D E X</p> <p>2 WITNESS PAGE</p> <p>3 KENNETH ANTOS</p> <p>4 Examination by Ms. Barraza 7</p> <p>5</p> <p>6</p> <p>7 E X H I B I T S</p> <p>8 EXHIBIT DESCRIPTION MARKED</p> <p>9 Exhibit 1 4/16/07 Grant, Bargain, Sale Deed (PLTFS000591-PLTFS000594) 44</p> <p>10</p> <p>11 Exhibit 2 4/16/07 Deed of Trust (PLTFS000595-PLTFS000612) 46</p> <p>12 Exhibit 3 12/22/08 Construction Deed of Trust (PLTFS000613-PLTFS000637) 47</p> <p>13</p> <p>14 Exhibit 4 3/17/09 Substitution of Trustee and Deed of Full Reconveyance (PLTFS000640) 49</p> <p>15</p> <p>16 Exhibit 5 10/14/10 Grant, Bargain, Sale Deed (PLTFS000642-PLTFS000645) 49</p> <p>17 Exhibit 6 10/14/10 Deed of Trust (Third Party) (PLTFS000646-PLTFS000671) 51</p> <p>18</p> <p>19 Exhibit 7 10/27/10 Substitution of Trustee and Deed of Reconveyance (PLTFS000672-PLTFS000673) 52</p> <p>20</p> <p>21 Exhibit 8 11/30/10 Deed of Trust and Assignment of Rents (PLTFS000677-PLTFS000684) 53</p> <p>22</p> <p>23 Exhibit 9 4/4/11 Revolving Credit Deed of Trust Security Agreement and Assignment of Rents (PLTFS000685-PLTFS000701) 54</p> <p>24</p> <p>25</p> |

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| 3 | 5 |
| <p>1 APPEARANCES:</p> <p>2 (All parties appearing remotely)</p> <p>3</p> <p>4 For the Plaintiffs:</p> <p>5 DANIELLE J. BARRAZA, ESQ.</p> <p>6 MAIER GUTIERREZ & ASSOCIATES</p> <p>7 8816 Spanish Ridge Avenue</p> <p>8 Las Vegas, Nevada 89148</p> <p>9 djb@mgalaw.com</p> <p>10</p> <p>11 For the Defendants CBC Partners I, LLC, CBC Partners,</p> <p>12 LLC, 5148 Spanish Heights, LLC, and Dacia, LLC:</p> <p>13 MICHAEL R. MUSHKIN, ESQ.</p> <p>14 MUSHKIN & COPPEDGE</p> <p>15 6070 South Eastern Avenue</p> <p>16 Suite 270</p> <p>17 Las Vegas, Nevada 89119</p> <p>18 michael@mccnvlaw.com</p> <p>19</p> <p>20 The Videographer:</p> <p>21 JOHNNY RANDALL</p> <p>22</p> <p>23 Also Present:</p> <p>24 JAY BLOOM</p> <p>25 SHEILA NEUMANN-ANTOS</p> <p>*****</p> | <p>1 I N D E X</p> <p>2 E X H I B I T S</p> <p>3 (Continued)</p> <p>4 EXHIBIT DESCRIPTION MARKED</p> <p>5 Exhibit 10 12/29/14 Deed of Trust and Assignment of Rents (PLTFS000702-PLTFS000724) 55</p> <p>6</p> <p>7 Exhibit 17 10/2016 First Amendment to Intercreditor Agreement (PLTFS000794-PLTFS000952) 57</p> <p>8</p> <p>9 Exhibit 18 12/22/08 Construction Deed of Trust (5148SH 000003-5148SH 000154) 20</p> <p>10</p> <p>11 Exhibit 19 4/1/20 letter from Mushkin to Mr. Bloom and Mr. and Mrs. Antos with attachment (K001-K003 and L 001) 31</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> |

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P R O C E E D I N G S

THE VIDEOGRAPHER: Good morning. Today is Wednesday, September 23rd, 2020. The time is approximately 9:13 a.m.

This is the remote deposition of Kenneth Antos in the case of Spanish Heights Acquisition Company, LLC, et al, vs. CBC Partners I, LLC, et al.

I'm Johnny Randall with Oasis Reporting Services. I will be monitoring the proceedings and recording both video and audio today.

At this time I will ask counsel to identify themselves, state whom they represent, and agree on the record that there is no objection to the court reporter administering a binding oath to the witness through remote videoconferencing. If no objection is stated, we will proceed forward with all counsel. We'll begin the appearances with the noticing attorney.

MS. BARRAZA: Good morning. Danielle Barraza on behalf of the plaintiffs, and we have no objection.

MR. MUSHKIN: Good morning. Michael Mushkin on behalf of defendants, and we have no objection.

(Witness sworn.)

KENNETH M. ANTOS,

having been first duly sworn, was examined and testified as follows:

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1 Do you understand that?

2 **A. Yes.**

3 Q. I'm going to ask that you wait for me to finish

4 my question before going into your answer, and I'm also

5 going to try to wait for you to completely finish

6 whatever answer you're giving before going on to my next

7 question. Okay?

8 **A. Yes.**

9 Q. So from time to time, your counsel is going to

10 be lodging objections to the questions. So we'd ask

11 that unless you're specifically instructed not to answer

12 the question, still do answer the question after the

13 objection has been put on the record. Okay?

14 **A. Okay.**

15 Q. Is there any reason why you won't be able to

16 give me full, complete, and truthful answers to the

17 questions today?

18 **A. No.**

19 Q. All right. What is your current home address?

20 **A. 11512 Belmont Lake Drive, Las Vegas, Nevada**

21 **89135.**

22 Q. Can you give just a brief general overview of

23 your educational background.

24 **A. I have a -- starting from a master's degree in**

25 **business administration and an undergraduate degree in**

7

E X A M I N A T I O N

BY MS. BARRAZA:

Q. Good morning, Mr. Antos. Can you hear me okay?

4 **A. Yes, I can.**

Q. All right. Can you please state and spell your name for the record.

7 **A. It's Kenneth, K-e-n-n-e-t-h, Antos, A-n-t-o-s.**

Q. And have you had your deposition taken before?

9 **A. Yes.**

Q. How many times, approximately?

11 **A. I have no idea. Fifteen or 20.**

Q. Okay. What was the last time you had your deposition taken?

14 **A. Maybe a year ago.**

Q. Okay. So I'm going to just go over -- it sounds like you're probably familiar with all the ground rules, but just to make sure we're all on the same page, I'm going to go over some of those right now.

The oath that you just took is the same oath that you would take in a court of law. Do you understand that?

22 **A. Yes.**

Q. Which subjects you to the same penalties of perjury just as if you were to be subjected to in a court of law.

9

1 **accounting and finance.**

2 Q. Okay. And where did you get those degrees

3 from?

4 **A. Syracuse University for the undergraduate and**

5 **State University of New York at Binghamton for the**

6 **master's.**

7 Q. Okay. And if you could give just a very

8 general, brief --

9 (Interruption by cell phone.)

10 BY MS. BARRAZA:

11 Q. Apologies for that.

12 -- very general, brief overview of your work

13 history, just very brief.

14 **A. I started as a -- being an accountant for the**

15 **Wards Company, which being Circuit City, and I became**

16 **the president of Circuit City, everything west of the**

17 **Mississippi, about 3 billion-dollar entity. And**

18 **subsequent to that, I went into my own businesses.**

19 Q. Okay. As far as what kind of businesses have

20 you been getting into? Like, the restaurant business?

21 What kind of businesses?

22 **A. In terms of the restaurant business, I was -- I**

23 **deal with Walmart. I had a master agreement, master**

24 **lease agreement, with Walmart, and I introduced Subway**

25 **to Walmart. But anyplace there's a Subway, it's a**

10

1 result of that contract, inside Walmart in approximately
2 1,800 locations. And subsequent to that, I went into
3 the restaurant business and opened up a series of
4 restaurants.
 5 Q. Here in Las Vegas?
6 A. All over. They were -- they were in different
7 states.
 8 Q. Okay. Have you ever been convicted of any
 9 felonies?
10 A. No.
 11 Q. Okay. And have you ever been charged with any
 12 crimes related to dishonesty?
13 A. No.
 14 Q. And what did you do -- actually, when did you
 15 first learn that you were going to be deposed in this
 16 matter?
17 A. Within the past month.
 18 Q. All right. And what have you -- have you
 19 reviewed any documents in preparation for providing
 20 deposition testimony today?
21 A. Very --
 22 Q. All right. What documents do you recall
 23 reviewing?
24 A. The -- I just don't remember without looking --
 25 (Court reporter interrupts.)

11

1 THE WITNESS: -- back through the main file.
 2 BY MS. BARRAZA:
 3 Q. Okay. How many -- approximately, how many
 4 pages worth of documents would you say you reviewed in
 5 preparation for your deposition today?
6 A. Probably 30.
 7 Q. Okay. All right. And you have -- as you sit
 8 here today, you have no recollection of anything you
 9 actually reviewed; is that correct?
10 A. Well, I don't know the titles. You asked me
11 the titles. I don't know.
 12 Q. Okay. So what's the substance of what you
 13 reviewed?
14 A. Some of the stuff was -- had to do with
15 Mr. Bloom's engagement as a -- as the manager of the
16 entity that was -- is leasing from -- the house that
17 was -- is in question. Some are the responsibilities of
18 Mr. Bloom as it pertains to that property.
 19 Q. Anything else?
20 A. That's all I can remember.
 21 Q. And besides your attorney and your wife, have
 22 you spoken with anybody else regarding this litigation?
23 A. Over what period of time?
 24 Q. Over the past -- throughout this year.
25 A. Throughout this year?

12

1 Q. Yes.
2 A. I spoke to one person.
 3 Q. Okay. Who did you speak to?
4 A. Alan Hallberg.
 5 Q. And who is he?
6 A. Alan Hallberg owns the third -- as far as I
7 know owns the third position on my -- on the residence
8 that's in question.
 9 Q. Okay. When did you speak with Alan?
10 A. Probably a couple months ago.
 11 Q. Okay. And what were you guys talking about?
12 A. Some information I needed regarding the
13 occupancy of the -- of the property by the --
 14 (Court reporter interrupts.)
15 THE WITNESS: -- the occupancy of the property
16 by Mr. Bloom.
 17 BY MS. BARRAZA:
 18 Q. And you're saying this is information you
 19 needed?
20 A. Yes.
 21 Q. And why did you need this information?
22 A. I wanted to know what was happening. I had
23 very little information.
 24 Q. And you were trying to figure out who was
 25 occupying the residence; is that correct?

13

1 A. I know who was occupying the residence.
 2 Q. Okay.
3 A. I wanted to know what the -- what the
4 conditions of that occupancy were.
 5 Q. You're saying you want to know also the
 6 condition of the property; is that what you're saying?
7 A. No. I needed to know the technicalities of
8 what are the rights of the occupant --
 9 Q. Okay.
10 A. -- if determined --
 11 Q. Okay. And why did you want to know that? Why
 12 were you investigating that?
13 A. Well, because we're here at this deposition,
14 and so I wanted to understand it a little better.
 15 Q. Did you speak to Alan prior to going -- making
 16 your appearance at court and providing testimony in
 17 court in this matter in April of this year?
18 A. I haven't seen Alan in a couple years.
 19 Q. I'm saying did you speak to him before that?
20 A. I speak to him regularly. Probably every six
21 months or so.
 22 Q. Okay. When was the last time you spoke to him?
23 A. Well, as I said, a couple months ago.
 24 Q. Okay. And was it before or after you provided
 25 testimony to this court for this matter?

14

1 **A. I really don't recall.**
 2 Q. Okay. So we'll come back to that, but moving
 3 on a little bit, as we kind of touched on, this
 4 litigation involves the property located at 5148 Spanish
 5 Heights Drive, Las Vegas, Nevada 89148. Are you
 6 comfortable with me just generally referring to that as
 7 "the property" throughout this deposition?
 8 **A. Yes.**
 9 Q. And you formerly owned that property; correct?
 10 **A. Yes.**
 11 Q. And you formerly resided there; correct?
 12 **A. Yes.**
 13 Q. All right. And just to clarify, I am the
 14 counsel for the plaintiffs, which is Spanish Heights
 15 Acquisition Company, LLC, commonly known as "SHAC," and
 16 also SJC Ventures -- Ventures Holding Company, LLC, and
 17 also Jay Bloom. And I'll represent to you that Spanish
 18 Heights Acquisition Company, or SHAC, is the current
 19 owner of record of that property.
 20 Do you understand that?
 21 **A. I'm not aware of exactly who that is.**
 22 Q. Okay. You're unaware of who owns the property
 23 according to the property records?
 24 **A. No.**
 25 Q. Okay. All right. So you're being deposed

15

1 because the -- you and Sheila Antos have been named as
 2 defendants in your capacities as trustees of the Kenneth
 3 and Sheila Antos Living Trust and the Kenneth M. Antos
 4 and Sheila M. Neumann-Antos Trust.
 5 Do you understand that?
 6 **A. Yes.**
 7 Q. All right. And so you -- that's in your
 8 capacity as you've been named as defendants.
 9 Additionally, the trust has asserted counterclaims
 10 against SJC.
 11 Are you aware that?
 12 **A. Yes.**
 13 Q. Okay. So tell me about those counterclaims.
 14 Why is the trust suing SJC Ventures?
 15 **A. As far as I know, it's to get Mr. Bloom to**
 16 **vacate the property.**
 17 Q. Okay. So the Trust is suing SJC to try to get
 18 Mr. Bloom to vacate the property?
 19 **A. Correct.**
 20 Q. Okay. Do you know what -- what the basis of
 21 the lawsuit -- of the counterclaims are? What are the
 22 causes of action?
 23 MR. MUSHKIN: Objection. Calls for a legal
 24 conclusion.
 25 Please answer, if you can.

16

1 **THE WITNESS: I -- I don't know all the detail.**
 2 **I'm very sketchy on it.**
 3 BY MS. BARRAZA:
 4 Q. Okay. Have you personally reviewed the
 5 counterclaim that the trust has asserted against SJC
 6 Ventures?
 7 **A. Some parts, probably.**
 8 Q. Okay. Do you have a personal recollection of
 9 that?
 10 **A. I have a recollection of the reasons for**
 11 **default against the agreement by Mr. Bloom.**
 12 Q. You're saying "the reasons for default"?
 13 **A. Yes.**
 14 Q. So what's your understanding of the reasons for
 15 default?
 16 **A. There are certain aspects that Mr. Bloom wants**
 17 **to accomplish based on the agreement that he had, which**
 18 **have not been, to my knowledge, achieved.**
 19 Q. When you say "agreement," are you referring to
 20 the forbearance agreement?
 21 **A. I'm -- don't know if it's in the forbearance**
 22 **agreement or any -- as one of the other agreements.**
 23 Q. Okay. All right. So I'll represent to you
 24 that one of the causes of action that the trust is
 25 asserting against SJC is a breach of contract claim.

17

1 Are you familiar with that?
 2 **A. To a degree.**
 3 Q. Okay. What's your understanding of that breach
 4 of contract claim?
 5 **A. That Mr. Bloom is in breach of contract for a**
 6 **variety of nonachieving of commitments that he made in**
 7 **writing, and so he has not fulfilled the obligations he**
 8 **had under those terms.**
 9 Q. And when you're saying he's "in breach of the
 10 contract," breach of what contract?
 11 MR. MUSHKIN: Objection. Asked and answered.
 12 BY MS. BARRAZA:
 13 Q. So breach of what contract?
 14 **A. I don't believe I said "breach." I said**
 15 **default.**
 16 Q. Okay. Understanding that. So default of what
 17 contract?
 18 **A. Contract to -- regarding the forbearance and**
 19 **the acquisition of the property.**
 20 Q. Okay. And -- all right. If I told you that
 21 the counterclaim for breach of contract is based on an
 22 alleged breach of the SHAC operating agreement, would
 23 that surprise you?
 24 **A. I don't know what that means.**
 25 Q. Do -- are you aware of what the SHAC operating

| | |
|--|--|
| <p style="text-align: right;">18</p> <p>1 agreement is? 2 A. I've seen very little documents from SHAC, if 3 any. 4 Q. Okay. Do you recall signing off on an 5 operating agreement, a SHAC operating agreement? 6 A. I don't recall. 7 Q. Okay. And do you personally have any 8 recollection of looking at the SHAC operating agreement 9 recently? 10 A. No. 11 Q. All right. Now, is the trust claiming to have 12 any interest in SHAC at this time? 13 A. I'm not really familiar with how it went 14 together. 15 Q. Okay. To your knowledge, is the trust claiming 16 to have any interest in SHAC? 17 A. I really don't know. 18 Q. Okay. Are you personally claiming to have any 19 interest in SHAC, the company? 20 A. I have no idea whether I have interest or don't 21 have interest. Those -- 22 Q. Okay. Do you recall ever signing any document 23 that says the trust was transferring its interest in 24 SHAC to another entity? 25 A. I don't recall.</p> | <p style="text-align: right;">20</p> <p>1 lieu of -- of -- for signing anything. I have never. 2 BY MS. BARRAZA: 3 Q. Okay. Now, let's turn to -- if we can go to 4 Exhibit 18. And tell me whenever you're there. 5 (Exhibit 18 was marked for the 6 record.) 7 THE WITNESS: I'm here. 8 BY MS. BARRAZA: 9 Q. Okay. Is the first page that you're looking 10 at, does it say "Forbearance Agreement" at the top? 11 A. Yes, it does. 12 Q. And at the bottom, do you see at the bottom 13 there's page numbers? 14 A. Yes. 15 Q. Does it say 5148SH 0001? 16 A. Yes. 17 Q. Okay. All right. So that's -- I'll represent 18 to you that this is a compilation of documents 19 consisting of what's been disclosed as the Forbearance 20 Agreement and other related agreements and documents. 21 I want to turn your attention to -- as you can 22 see the page numbers on the bottom right-hand corner; so 23 I want you to go to page 34, if you can do that. 24 A. Okay. Okay. 25 Q. All right. And so this document, do you</p> |
| <p style="text-align: right;">19</p> <p>1 Q. Okay. You don't recall doing that? 2 Do you recall ever claiming to have held any 3 interest in SHAC at any time? 4 A. No. 5 Q. Okay. You don't recall the trust ever having, 6 like, a 49 percent interest in SHAC? 7 A. I remember seeing that somewhere. 8 Q. Okay. So you do have a recollection of the 9 trust claiming to have an interest in SHAC at some 10 point? 11 A. I read somewhere that there was an interest, 12 but I -- I don't know what the details are. 13 Q. Okay. And as you sit here today, you have no 14 idea who SHAC attempted to tran- -- I mean -- I'm 15 sorry -- who the trust attempted to transfer its 16 interest in SHAC to; correct? 17 A. I'm not aware of it. 18 Q. Okay. And as you sit here today, you're not 19 aware of the trust receiving any kind of monetary 20 consideration in return for transferring any kind of 21 interest in SHAC; correct? 22 MR. MUSHKIN: Objection. Calls for a legal 23 conclusion. 24 You may answer the question, if you can. 25 THE WITNESS: I've never received anything in</p> | <p style="text-align: right;">21</p> <p>1 recognize what this document is with page 34 at the 2 bottom? 3 A. I see what it is. 4 Q. Do you recognize it as the Limited Liability 5 Company Agreement of Spanish Heights Acquisition 6 Company, LLC? 7 A. I haven't read through it; so I -- I see the 8 title. 9 Q. Okay. And then do you see the first paragraph? 10 It references that it's a limited liability agreement of 11 Spanish Heights Acquisition Company, and it does 12 reference the "Antos, Kenneth and Sheila Living Trust, 13 Kenneth M. Antos, Sheila M. Neumann-Antos Trust as 14 trustees hereinafter referred to as the 'Seller' or the 15 'Seller Member.' 16 Do you see that? 17 A. Yes. 18 Q. Okay. And I want you to turn to -- well, let 19 me just ask you this: Do you recognize this document as 20 the SHAC operating agreement? 21 A. No, I -- I mean, it's been a while since I've 22 looked at any of this stuff. So I -- 23 MR. MUSHKIN: Counsel, just for the record, 24 this is not an executed copy. 25 MS. BARRAZA: So I'm seeing a signature on page</p> |

22

1 78.
 2 MR. MUSHKIN: I'm on page 62. It has no
 3 signature. That's the page there. We'll go to 78.
 4 This looks like an executed copy of B-10.
 5 Let's see what the other one was.
 6 Would you mind taking a look at 62 and 78.
 7 MS. BARRAZA: I'm seeing that, but I'm seeing a
 8 signature on 78.
 9 MR. MUSHKIN: Oh, no. I don't dispute that,
 10 but I -- I'm -- it appears that 62 is the execution page
 11 for the operating agreement. I fully acknowledge that
 12 the documents are what they are. I just wanted to point
 13 out that it's a different header than -- I believe that
 14 what you're pointing to is the execution of something --
 15 MS. BARRAZA: Of Exhibit A. Of Exhibit A to
 16 the operating agreement.
 17 MR. MUSHKIN: Right. It's something titled
 18 on --
 19 MS. BARRAZA: 63.
 20 MR. MUSHKIN: Sorry. 69, "Exhibit B" --
 21 MS. BARRAZA: B.
 22 MR. MUSHKIN: -- "to Forbearance Agreement"
 23 starting at B-1, and it looks like the execution page is
 24 B-10 for that agreement --
 25 MS. BARRAZA: Uh-huh.

23

1 MR. MUSHKIN: -- but that the operating
 2 agreement itself, the reference, at least the copy here,
 3 is not executed.
 4 MS. BARRAZA: Okay. Understanding that.
 5 BY MS. BARRAZA:
 6 Q. So getting back to the question, regardless of
 7 this not being an executed version of the operating
 8 agreement, do you recognize this as the SHAC operating
 9 agreement? Do you have any -- do you recognize that?
 10 **A. I recall signing this. You had asked me what**
 11 **it is. I have no idea at this point. It's been a**
 12 **while.**
 13 Q. All right. And you mentioned that you don't
 14 recall looking at this in a while; is that correct?
 15 **A. That's correct.**
 16 Q. Okay. All right. Well, I'll turn -- and you
 17 did recall signing this. So I'm going to turn your
 18 attention to page 6- -- actually, page 59, if you can go
 19 there.
 20 **A. Okay.**
 21 Q. And do you see where it references "Dispute
 22 Resolution" on Section 12.05?
 23 **A. I see the heading, yes.**
 24 Q. All right. Now, can you read for me into the
 25 record that first sentence under "Dispute Resolution."

24

1 **A. "In the event of a failure to reasonably**
 2 **resolve any issues among any of the parties or**
 3 **their owners, assigns, or successors, the**
 4 **dispute of those parties will be referred to**
 5 **binding arbitration for resolution thereof, and**
 6 **such party waives any right to litigation in**
 7 **favor of such resolution through binding**
 8 **arbitration."**
 9 Q. Now, what does that sentence mean to you?
 10 **A. It means if there's an issue, that we get**
 11 **together and resolve it.**
 12 Q. An issue with respect to the operating
 13 agreement; correct?
 14 **A. I don't know if it's the operating agreement or**
 15 **the forbearance agreement. I'm not sure.**
 16 Q. All right. And you're saying if there's an
 17 issue, we get together and resolve it. Now, it
 18 specifically states get together with respect to binding
 19 arbitration.
 20 Do you understand that?
 21 **A. Yes.**
 22 Q. Now, do you understand binding arbitration is
 23 different from going to court and doing litigation with
 24 the court system?
 25 **A. Yes.**

25

1 Q. Okay. And so do you understand that by the
 2 trust asserting a counterclaim against SJG for an
 3 alleged breach of the operating agreement, that's going
 4 against this dispute resolution clause which says it
 5 needs to go through arbitration?
 6 MR. MUSHKIN: Objection. Calls for a legal
 7 conclusion and assumes facts not in evidence.
 8 You can answer the question, if you can.
 9 **THE WITNESS: I can't -- I can't answer.**
 10 BY MS. BARRAZA:
 11 Q. So do you have any understanding as to how this
 12 dispute resolution clause comes into play with respect
 13 to your counterclaims?
 14 **A. I believe, but I'm not sure.**
 15 Q. What do you believe?
 16 **A. That based on other ancillary activities not**
 17 **accomplished, that it bypasses this.**
 18 Q. Sorry. I didn't catch the last part of what
 19 you said.
 20 **A. I don't believe this applies since Mr. Bloom**
 21 **did not achieve commitments he made under the**
 22 **forbearance agreements.**
 23 Q. So you're saying because of alleged breaches of
 24 the forbearance agreement, the -- certain sections of
 25 the op- -- the SHAC operating agreement should not

26

1 apply; is that correct?
 2 MR. MUSHKIN: Again, objection. Calls for a
 3 legal conclusion. And the witness has answered your
 4 question, Counsel.
 5 BY MS. BARRAZA:
 6 Q. You can answer.
 7 **A. I'm saying that, first off, it was -- he has**
 8 **defaulted on the forbearance agreements, and as far as**
 9 **I'm understanding -- I don't understand a lot about**
 10 **this -- the -- the -- that supersedes what -- what's**
 11 **called for here.**
 12 Q. All right. Can you turn to page 60 of the --
 13 that Exhibit 18.
 14 **A. Hold on.**
 15 Q. And I'm going to represent for the record that
 16 we do have an executed copy of this operating agreement
 17 that we will be emailing to try to add as another
 18 exhibit so that it can be properly authenticated on the
 19 record.
 20 MR. MUSHKIN: I'm not worried about it,
 21 Danielle. I've seen it as well, I just wanted you to
 22 know that one wasn't executed.
 23 MS. BARRAZA: Okay.
 24 BY MS. BARRAZA:
 25 Q. And are you on page 60?

27

1 **A. Yes, I am.**
 2 Q. Okay. So that's the continuation of the
 3 dispute resolution clause. If you can read the -- do
 4 you see at the -- the last sentence where it says:
 5 "Should any party initiate a civil
 6 proceeding..."
 7 **A. The last sentence of which section?**
 8 Q. Of the first paragraph, page 60.
 9 MR. MUSHKIN: Counsel, do I have to remind you
 10 that you are the ones that filed?
 11 BY MS. BARRAZA:
 12 Q. Can you answer my question? Do you see that
 13 part, "Should any party..."?
 14 **A. I'm trying to find it.**
 15 MR. MUSHKIN: Last sentence.
 16 **THE WITNESS: Hold on. Okay.**
 17 **Yeah, I do see it. Let me just make a comment**
 18 **to you about my vision is not the best. I have impacted**
 19 **vision. So it takes me a while to get through the**
 20 **sentence.**
 21 BY MS. BARRAZA:
 22 Q. Okay. Do you want me -- can I just go ahead
 23 and read that sentence into the record so we're all on
 24 the same page as to what we're reading?
 25 **A. Go ahead.**

28

1 Q. Okay. So that says:
 2 "Should any party initiate a civil proceeding
 3 against any other, notwithstanding the binding
 4 arbitration provision above, such party
 5 initiating civil litigation shall recognize
 6 that it has caused material damage and harm to
 7 the other by way of their breach of this
 8 agreement, and hereby agrees to an award, to
 9 each named defendant party, liquidated damages
 10 in the amount of any cost of defense incurred
 11 by the aggrieved party plus \$10,000."
 12 Do you see that?
 13 **A. I see it.**
 14 Q. So what does that mean to you?
 15 MR. MUSHKIN: Objection. Calls for a legal
 16 conclusion.
 17 You can answer.
 18 **THE WITNESS: It says we -- somebody has to pay**
 19 **\$10,000 for initiating a civil action.**
 20 BY MS. BARRAZA:
 21 Q. Okay. And do you understand that the trust has
 22 initiated civil action against SJC with respect to this
 23 operating agreement with -- regarding its counterclaim?
 24 **A. I believe so.**
 25 Q. Okay. And so do you have any reason to dispute

29

1 that the trust should be held accountable to this
 2 dispute resolution clause in the operating agreement?
 3 MR. MUSHKIN: Objection. Calls for a legal
 4 conclusion. He can only testify to facts that he knows,
 5 Counsel.
 6 BY MS. BARRAZA:
 7 Q. So go ahead. You can answer the question.
 8 **A. I'm not sure.**
 9 Q. Okay. Now, going back -- let me just ask you
 10 this: Why didn't the trust -- if the trust felt it had
 11 a breach of the contract claim against SJC, why didn't
 12 it bring that claim in arbitration?
 13 MR. MUSHKIN: Objection. Calls for a legal
 14 conclusion.
 15 BY MS. BARRAZA:
 16 Q. Go ahead.
 17 **A. I was not aware of all -- all of this as -- as,**
 18 **you know, it says it here.**
 19 Q. Okay. And you agree you did sign off on this
 20 agreement; correct?
 21 **A. We did at the time, yes.**
 22 Q. Okay. And when did the trust first realize
 23 that there was an alleged breach of the operating
 24 agreement?
 25 **A. How much time do you have?**

30

1 Q. I'm asking you when.
 2 **A. Ask it again, please.**
 3 Q. When did the trust first realize that there was
 4 an alleged breach of the SHAC operating agreement?
 5 **A. When we learned that Mr. Bloom was not paying**
 6 **committed funds and trying -- and not closing on the**
 7 **house.**
 8 Q. So exactly when -- I'm asking you when?
 9 **A. I don't know.**
 10 Q. What year? What month? When did that happen?
 11 **A. I have no idea what -- what day or month or a**
 12 **year. It's been going on for --**
 13 Q. Was it this year? Was it last year?
 14 MR. MUSHKIN: Hang on, Counsel. You're
 15 interrupting him. He didn't get a chance to finish his
 16 sentence.
 17 Go ahead and finish your sentence.
 18 **THE WITNESS: This has been going on for such a**
 19 **long time now, I don't recall which -- exactly the date**
 20 **it was on.**
 21 BY MS. BARRAZA:
 22 Q. Okay. So I'm not asking --
 23 **A. -- years.**
 24 Q. Sorry. What did you say?
 25 **A. Within the past three years.**

31

1 Q. Within the past three years.
 2 So it could have been -- according to your
 3 testimony, the alleged breach, you could have found out
 4 about it last year, the year before, or the year before
 5 that?
 6 **A. I have no idea when.**
 7 Q. Okay. You have no idea when.
 8 And what I'm trying to figure out is why is the
 9 trust -- this counterclaim was asserted in July of this
 10 year. Why is the trust just now asserting a breach of
 11 contract claim against SJC?
 12 MR. MUSHKIN: Objection. Calls for a legal
 13 conclusion.
 14 **THE WITNESS: I was not -- I'm not aware of the**
 15 **July date.**
 16 BY MS. BARRAZA:
 17 Q. Okay. And -- let's go to Exhibit 19, if we
 18 can.
 19 **A. Okay.**
 20 (Exhibit 19 was marked for the
 21 record.)
 22 BY MS. BARRAZA:
 23 Q. You're there?
 24 **A. Yes.**
 25 Q. Okay. I'll represent to you this is a

32

1 collection of documents that have been provided to us by
 2 the defendants. I want to turn your attention to, I
 3 believe, just the last page, which is -- at the bottom
 4 it says L 001.
 5 **A. Okay.**
 6 Q. So do you recognize what L 001 is?
 7 **A. Assignment of Company and Membership Interests.**
 8 Q. So what does that mean to you?
 9 **A. In this case, I believe it meant that John**
 10 **Otter and CBC Partners were given authority over the**
 11 **interest.**
 12 Q. So is that your signature on this L 001
 13 document where it says "Kenneth M. Antos, Trustee"?
 14 I didn't hear you. Did you say "yes"?
 15 **A. Yes.**
 16 Q. Okay. So you signed up on this document.
 17 And this document is not dated. Do you know
 18 when you signed this document?
 19 **A. No.**
 20 Q. Okay. And did you have any legal counsel at
 21 the time -- at the time you signed this document?
 22 **A. No.**
 23 Q. Okay. You had no legal counsel?
 24 How did you -- how did you get this document?
 25 Who gave it to you?

33

1 **A. If you look at 19, it says Mr. Mushkin sent it**
 2 **out.**
 3 Q. You are saying Mr. Mushkin sent it over via
 4 email?
 5 **A. No. It says it was sent from Mr. Mushkin. So**
 6 **I don't know how I got it. I'm not sure. To me,**
 7 **April's a long time.**
 8 Q. So you somehow got this document, L 001, and
 9 you decided to sign it; correct?
 10 **A. Yes.**
 11 Q. Who did you speak to before deciding to sign
 12 it?
 13 **A. I didn't speak to anyone other than trying to**
 14 **get this thing expedited through so that Mr. Otter would**
 15 **have what he needs to do whatever he's doing here.**
 16 Q. Okay. And you didn't consult any attorneys or
 17 anything like that before signing off on this; correct?
 18 **A. Correct.**
 19 Q. Okay. And is it your understanding that by
 20 signing this document, what this is doing is
 21 transferring any interest that the trust has in SHAC to
 22 CBC Partners, LLC?
 23 MR. MUSHKIN: Objection. Calls for a legal
 24 conclusion. The document speaks for itself.
 25 But you can answer.

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1 **THE WITNESS: I'm not sure. They already had a**
 2 **third position on the house, though, that -- exceeded --**
 3 BY MS. BARRAZA:
 4 Q. Okay. Is it your testimony that -- is it
 5 your --
 6 MR. MUSHKIN: You interrupted him again,
 7 Counsel. Let him finish his sentence.
 8 BY MS. BARRAZA:
 9 Q. Go ahead. Finish your sentence, please. Go
 10 ahead.
 11 **A. I said that they already had a third position**
 12 **on the house which, when added to the first and second,**
 13 **exceeded the value of the house. So there was -- to me,**
 14 **there was no negative side here.**
 15 Q. Okay. What did you understand the effect to be
 16 of signing this?
 17 MR. MUSHKIN: Objection. Calls for a legal
 18 conclusion.
 19 **THE WITNESS: Are you waiting for me?**
 20 MR. MUSHKIN: Yeah. Answer.
 21 BY MS. BARRAZA:
 22 Q. I'm waiting for you to answer my question.
 23 **A. Okay. He gave John the authority to do what he**
 24 **needed to do to expedite the transaction.**
 25 (Court reporter interrupts.)

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1 **THE WITNESS: Yes.**
 2 THE COURT REPORTER: Thank you.
 3 BY MS. BARRAZA:
 4 Q. Now, did anybody speak to you about the
 5 doctrine of merger before you had signed off on this
 6 document?
 7 **A. I don't even know what a doctrine of merger is.**
 8 Q. Okay. So nobody had spoken to you about what
 9 it was and what it would mean; correct?
 10 **A. That's correct.**
 11 Q. Okay. Now, it's a -- would you agree with me
 12 that you did not affirmatively waive any kind of
 13 doctrine of merger by signing this; correct?
 14 MR. MUSHKIN: Objection. Calls for a legal
 15 conclusion.
 16 **THE WITNESS: Once again, I have no idea what a**
 17 **doctrine of merger is; so I don't know how I could**
 18 **answer that question.**
 19 BY MS. BARRAZA:
 20 Q. Okay. All right. And so the -- let me just
 21 ask you this: At some point did CBC issue a note to you
 22 or to any of your companies?
 23 **A. A note?**
 24 Q. A loan.
 25 **A. Yes.**

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1 Q. Okay. What was that loan -- what amount was
 2 that loan for?
 3 **A. A variety of amounts starting at a lower**
 4 **amount -- excuse me -- and then increasing as funds were**
 5 **required, and they added more to it.**
 6 Q. Okay. And are you aware that -- well, as you
 7 sit here today, since you do not know what the doctrine
 8 of merger is, is it correct that you have no knowledge
 9 as to whether or not you would want it to apply in this
 10 case; is that correct?
 11 MR. MUSHKIN: Objection to the form of the
 12 question. Vague and ambiguous and calls for a legal
 13 conclusion.
 14 **THE WITNESS: I don't even know what you said.**
 15 BY MS. BARRAZA:
 16 Q. Okay. So what I'm asking you is because you
 17 don't know what the doctrine of merger is, you can't
 18 offer me any testimony as to whether or not you want it
 19 to apply in this case; is that correct?
 20 MR. MUSHKIN: Same objection.
 21 **THE WITNESS: If it is what you just**
 22 **iterated --**
 23 MR. MUSHKIN: Do you understand her question?
 24 **THE WITNESS: Yeah, I think so. She's asking**
 25 **me -- well, let me just answer this.**

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1 **I can't answer that because I don't know what**
 2 **the doctrine is.**
 3 BY MS. BARRAZA:
 4 Q. Okay. All right. And -- well, let me ask you
 5 this: So you signed off on this document purportedly
 6 assigning the trust interest in SHAC to CBC.
 7 You would agree with me; correct?
 8 **A. That's what it says I did, yes.**
 9 Q. Okay. So then what I'm trying to figure out is
 10 why is the trust now trying to assert a breach of
 11 contract claim against SJC based on the operating
 12 agreement?
 13 MR. MUSHKIN: Objection. Calls for a legal
 14 conclusion.
 15 BY MS. BARRAZA:
 16 Q. So you can answer.
 17 MR. MUSHKIN: It's been asked and answered as
 18 well, Counsel.
 19 But certainly answer it again, if you can.
 20 **THE WITNESS: Please repeat the question again.**
 21 BY MS. BARRAZA:
 22 Q. Yeah.
 23 So what I'm trying to figure out is why is the
 24 trust asserting a breach of contract claim against SJC
 25 based on the breach -- a purported breach of the SHAC

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1 operating agreement if the trust is no longer claiming
 2 to hold any interest in SHAC?
 3 MR. MUSHKIN: Same objection. Calls for a
 4 legal conclusion.
 5 **THE WITNESS: Just trying to help John and CBC**
 6 **and -- to the best of my ability. So that's -- that's**
 7 **why. That's why.**
 8 BY MS. BARRAZA:
 9 Q. Okay. Now, the -- what damages is the trust
 10 claiming for breach of contract?
 11 MR. MUSHKIN: To the extent it calls for a
 12 legal conclusion, we object.
 13 You may certainly answer.
 14 **THE WITNESS: There is a whole list of things**
 15 **that Bloom was supposed to do that have not been done.**
 16 BY MS. BARRAZA:
 17 Q. So what -- how is the trust damaged and what
 18 damages is the trust claiming specifically?
 19 MR. MUSHKIN: Same objection.
 20 **THE WITNESS: I'm sitting on a piece of**
 21 **property that I shouldn't have to. He was to close out**
 22 **this deal well over a year ago.**
 23 BY MS. BARRAZA:
 24 Q. So how has the trust been damaged?
 25 **A. For liability on the house.**

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1 Q. Okay. So exactly what kind of monetary damages
 2 is the trust seeking for its breach of contract claim?
 3 **A. We'd have to accumulate them, and we'd answer**
 4 **that question.**
 5 Q. Okay. So you have no idea how much damages,
 6 monetary damages?
 7 **A. No, not without calculating it.**
 8 Q. Okay. Now, what's the trust's basis for
 9 asserting a breach of contract claim when it's already
 10 transferred its interest to CBC?
 11 MR. MUSHKIN: Objection. Calls for a legal
 12 conclusion. It's been asked and answered. Counsel, you
 13 asked the exact same question five minutes ago.
 14 BY MS. BARRAZA:
 15 Q. Okay. You're not going to answer that
 16 question? We'll move on.
 17 So going back -- I want to move on to the
 18 exhibit that you were on, Exhibit 19. So would you
 19 agree with me that this document, L 001 on Exhibit 19 --
 20 tell me when you're there.
 21 **A. Yeah, okay.**
 22 Q. Are you there?
 23 **A. Yes.**
 24 Q. There is no mention on this document of the
 25 doctrine of merger; is that correct?

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1 **A. I don't know.**
 2 Q. Okay. Well, you can go through it and tell me
 3 if you see any mention of doctrine of merger on there.
 4 **A. Once again, I may have missed it because I**
 5 **have, as I just told you, I have impacted vision. So**
 6 **I -- I don't see it offhand.**
 7 Q. And when you originally signed off on this
 8 document, did you understand everything that was written
 9 on here?
 10 **A. Everything? I have no idea whether I did or**
 11 **didn't.**
 12 Q. Okay. You have no idea whether you understood
 13 what you signed; is that correct?
 14 **A. At that time, yes.**
 15 Q. Okay. And so would you agree with me that, to
 16 your knowledge, you have not agreed to any waiver of the
 17 doctrine of merger?
 18 MR. MUSHKIN: Objection. Calls for a legal
 19 conclusion.
 20 You certainly --
 21 **THE WITNESS: Once again, I have no idea what**
 22 **the doctrine of merger is.**
 23 BY MS. BARRAZA:
 24 Q. Okay. So what I'm trying to figure out is
 25 since you have no idea what it is, would you also agree

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1 with me that you've never agreed to waive it off?
 2 **A. I'm not even sure how those two tie together.**
 3 (Court reporter interrupts.)
 4 **THE WITNESS: -- how they tie together.**
 5 BY MS. BARRAZA:
 6 Q. Okay. Well, let me ask you this: Do you have
 7 any specific personal recollection of ever waiving off a
 8 doctrine of merger?
 9 **A. No.**
 10 Q. Thank you. Okay. All right.
 11 So I want to go back to -- back to the
 12 counterclaim. So do you have any idea what other
 13 counterclaim the trust is asserting against SJC?
 14 **A. Not without reviewing it.**
 15 Q. Okay. Are you familiar that the trust has
 16 asserted a claim against SJC for alter ego?
 17 **A. Sounds logical.**
 18 Q. Okay. So what's your basis for that? What's
 19 the trust's basis for that claim?
 20 **A. Just all the kinds of things that Mr. Bloom has**
 21 **perpetrated.**
 22 Q. Like what?
 23 **A. Hasn't paid for and hasn't closed, hasn't**
 24 **provided by the time frames available to him for the**
 25 **pending of the forbearance. I want this house done**

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1 with.
 2 Q. Okay. Have you personally reviewed SJC's
 3 accounting and financial records?
 4 **A. Never saw them.**
 5 Q. Sorry. Did you say "never saw them"?
 6 **A. I have never seen the --**
 7 (Court reporter interrupts.)
 8 **THE WITNESS: -- the records.**
 9 MR. MUSHKIN: Are you talking about SJC, or are
 10 you talking about SHAC?
 11 MS. BARRAZA: I'm talking about SJC.
 12 MR. MUSHKIN: Objection to the form of the
 13 question. Vague and ambiguous. He has no interest in
 14 SJC. Why would he see their financial records?
 15 He already answered the question. I just want
 16 to register my objection.
 17 BY MS. BARRAZA:
 18 Q. Okay. Now, are you familiar --
 19 MR. MUSHKIN: Of SHAC. I'm sorry.
 20 BY MS. BARRAZA:
 21 Q. Are you familiar that your alter -- the trust's
 22 alter ego counterclaim is with respect to SJC? Are you
 23 familiar with that?
 24 **A. Not without referring to it.**
 25 Q. Okay. And are you familiar that the -- the

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1 trust's alter ego claim is claiming that Jay Bloom is
 2 the alter ego of SJC Ventures?
 3 MR. MUSHKIN: Asked and answered.
 4 You can answer it again.
 5 **THE WITNESS: It sure -- sure seems like it's**
 6 **an alter ego of --**
 7 (Court reporter interrupts.)
 8 **THE WITNESS: -- Bloom's.**
 9 BY MS. BARRAZA:
 10 Q. Okay. You're saying it seems like SJC is an
 11 alter ego of Bloom's; is that what you're saying?
 12 **A. Absolutely.**
 13 Q. Okay. And you've never seen SJC's financial
 14 records. Do you have any personal knowledge of SJC
 15 being undercapitalized?
 16 **A. I have no idea.**
 17 Q. Do you have any personal knowledge of SJC being
 18 insolvent?
 19 **A. I have no idea.**
 20 Q. Do you have any personal knowledge of Jay Bloom
 21 commingling any of SJC's funds with his own personal
 22 funds?
 23 **A. No, but it sounds like something he'd probably**
 24 **do.**
 25 Q. Okay. That's just your speculation; right?

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1 **A. Yeah.**
 2 Q. Okay. And do you have any personal knowledge
 3 of SJC failing to observe corporate formalities?
 4 **A. I don't even know who they are.**
 5 Q. Okay. All right. And so moving on, getting
 6 back to the property, were you the original owner of the
 7 property at issue here?
 8 **A. Yes.**
 9 Q. Okay. And can you give me just some brief
 10 background as to how you came about purchasing this
 11 property.
 12 **A. I bought the lot from the builder, from the**
 13 **developer, and I contracted a contracting company to**
 14 **build the house.**
 15 Q. Okay. And how much was -- was it to buy the
 16 lot?
 17 **A. A million-eight.**
 18 Q. Okay. And if we could turn to Exhibit 1.
 19 (Exhibit 1 was marked for the record.)
 20 **THE WITNESS: Okay.**
 21 BY MS. BARRAZA:
 22 Q. Are you there?
 23 **A. Yes.**
 24 Q. Okay. What do you recognize Exhibit 1 to be?
 25 **A. Part of the escrow transaction acquiring the**

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1 lot.
 2 Q. Okay. And would you agree with me that Exhibit
 3 1 is a Grant, Bargain, Sale Deed where the -- it's
 4 indicating that the property is being issued to Kenneth
 5 M. Antos and Sheila M. Neumann-Antos, husband and wife,
 6 as joint tenants?
 7 **A. Yes.**
 8 Q. Okay. And this was dated -- it was recorded
 9 April 16th, 20- -- 2007.
 10 Does that sound about right to you?
 11 **A. Yes.**
 12 Q. Okay. And so is it -- would you agree that
 13 this Grant, Bargain, Sale Deed is evidencing you and
 14 your wife purchasing the property and owning it as joint
 15 tenants?
 16 **A. Yes.**
 17 Q. Okay. And so originally the property was put
 18 into your name and your wife's name as individuals and
 19 as joint tenants and not into any kind of trust; is that
 20 correct?
 21 **A. Yes.**
 22 Q. Okay. It was later on down the line that the
 23 property was transferred to a trust; correct?
 24 **A. Yes.**
 25 Q. Okay. Now, do you recall whether there was

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1 a -- a deed of trust initially associated with this
 2 purchase?
 3 **A. It's been a while. I have no idea. I assume**
 4 **there is.**
 5 Q. Okay. That's fine. We can turn to Exhibit 2.
 6 (Exhibit 2 was marked for the record.)
 7 **THE WITNESS: Hang on.**
 8 **Okay.**
 9 BY MS. BARRAZA:
 10 Q. Okay. And I'll represent to you this is -- is
 11 a -- it's titled "Deed of Trust," and it was recorded
 12 April 16, 2007, and it's with respect to Colonial Bank.
 13 Do you recall having, you know, business
 14 relations with Colonial Bank regarding the property?
 15 **A. Yes.**
 16 Q. Okay. Does that refresh any of your
 17 recollection about what Colonial Bank was doing?
 18 **A. Well, I remember Colonial Bank, but I don't**
 19 **know what your question is.**
 20 Q. Did Colonial Bank provide any kind of loan to
 21 you?
 22 **A. I believe they did.**
 23 Q. Okay. Do you recall the amount of the loan?
 24 **A. No.**
 25 Q. Okay. And you would agree that this Deed of

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1 Trust, Exhibit 2, is evidencing Colonial Bank having a
 2 deed of trust with respect to this property; correct?
 3 **A. I'm not sure what it -- what it represents.**
 4 Q. Okay. Do you have any reason to dispute that?
 5 **A. I don't --**
 6 MR. MUSHKIN: Objection to the form of the
 7 question. Vague and ambiguous. The document speaks for
 8 itself.
 9 Are you asking him if the Deed of Trust is
 10 valid today, or are you asking him was it valid at the
 11 time of the signing?
 12 BY MS. BARRAZA:
 13 Q. I'll ask you was it valid at the time of
 14 signing?
 15 **A. As far as I know, it was.**
 16 Q. Sorry. I didn't hear you.
 17 **A. As far as I know, it was.**
 18 Q. Okay. And it's your testimony you have no
 19 reason to dispute the legitimacy and authenticity of
 20 this Exhibit 2; correct?
 21 **A. Correct.**
 22 Q. Okay. Moving on to Exhibit 3. Tell me
 23 whenever you're there.
 24 (Exhibit 3 was marked for the record.)
 25 **THE WITNESS: Okay. I'm there.**

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1 BY MS. BARRAZA:
 2 Q. And this, I'll represent, is titled
 3 "Construction Deed of Trust," and it's recorded December
 4 22nd, 2008, and with Southwest USA Bank.
 5 **A. Yes.**
 6 Q. Is that --
 7 **A. Okay.**
 8 Q. Do you have any reason to dispute the
 9 legitimacy and the authenticity of that Construction
 10 Deed of Trust with Southwest USA Bank?
 11 **A. No.**
 12 Q. Okay. Do you have a personal recollection of
 13 Southwest USA Bank providing a construction deed of -- a
 14 construction loan to you?
 15 **A. Yes.**
 16 Q. Okay. Do you recall the amount of the loan?
 17 **A. I don't have the exact amount. Three**
 18 **million-something.**
 19 Q. Okay. And were those funds used for purposes
 20 of constructing and building the building on the
 21 property?
 22 **A. All of them.**
 23 MR. MUSHKIN: A little louder.
 24 **THE WITNESS: All of the funds came out of**
 25 **the -- Southwest to build the house.**

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1 BY MS. BARRAZA:
 2 Q. Okay. Understood.
 3 Going on, tell me whenever you're at Exhibit 4.
 4 (Exhibit 4 was marked for the record.)
 5 **THE WITNESS: Okay.**
 6 BY MS. BARRAZA:
 7 Q. Okay. Exhibit 4, I'll represent to you, is
 8 titled a "Substitution of Trustee and Deed of Full
 9 Reconveyance" recorded March 17th, 2009, and this is --
 10 do you recall this document at all?
 11 **A. No.**
 12 Q. Okay. Do you have any reason to dispute the
 13 authenticity and legitimacy of this document?
 14 **A. Upon -- if I had a chance to understand it, I**
 15 **would -- it says Colonial Bank or whatever. I assume**
 16 **it's correct.**
 17 Q. Okay. Let's go to Exhibit 5.
 18 (Exhibit 5 was marked for the record.)
 19 **THE WITNESS: Okay.**
 20 BY MS. BARRAZA:
 21 Q. Now, Exhibit 5, I'll represent, is titled
 22 "Grant, Bargain, Sale Deed"; it's recorded October 14th,
 23 2010. And my understanding of this document, tell me if
 24 it's also your understanding, this is appearing to
 25 transfer the deed of the property from you and your wife

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1 as joint tenants individ- -- and putting it into -- the
 2 title into the trust.
 3 Is that your understanding?
 4 MR. MUSHKIN: To the extent it calls --
 5 **THE WITNESS: Yes.**
 6 MR. MUSHKIN: -- for a legal conclusion, I
 7 object, but, obviously, he can answer the question.
 8 BY MS. BARRAZA:
 9 Q. Sorry. What did you say?
 10 **A. Yes.**
 11 Q. Okay. So do you recall ever -- do you have a
 12 personal recollection of getting this document prepared
 13 and recorded?
 14 **A. No.**
 15 Q. Okay. What is your recollection as to why --
 16 what was the purpose of putting the property --
 17 transferring it from you and your wife as joint tenants
 18 and putting it into a trust? What was the reasoning for
 19 that?
 20 **A. Advice based on quick escrow -- I mean, quick**
 21 **handling of this in the event of one of our deaths.**
 22 Q. Okay. So it was based on advice you had
 23 received?
 24 **A. Yes.**
 25 Q. Okay. All right. We can go to Exhibit 6.

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1 Tell me whenever you're there.
 2 (Exhibit 6 was marked for the record.)
 3 MR. MUSHKIN: That was 6.
 4 MS. BARRAZA: That was 5.
 5 MR. MUSHKIN: Oops. Give me 6. I turned too
 6 fast. Oh, no, we're at 6. Sorry. Never mind.
 7 BY MS. BARRAZA:
 8 Q. So 6, I'll represent, is titled "Deed of
 9 Trust." It's recorded October 14th, 2010, and it's with
 10 respect to City National Bank.
 11 Do you see that?
 12 **A. Yes.**
 13 Q. Okay. Do you have any recollection of City
 14 National Bank providing any kind of loan?
 15 **A. Yes.**
 16 Q. Okay. And what was the amount of that loan
 17 that you recall?
 18 **A. I believe it was 3 million -- 3.4 million, or**
 19 **thereabouts.**
 20 Q. Okay. And was that -- I'll represent to you
 21 that on page 646 of Exhibit 6, which is the first page,
 22 it does state the amount is 3,640,000.
 23 Do you have any reason to dispute that?
 24 **A. No.**
 25 Q. Okay. And so that note -- and it does also

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1 state that the note was dated October 6, 2010.
 2 Does that sound about right to you?
 3 **A. Yes.**
 4 Q. So if the note was dated October 6, 2010, and
 5 then we have a deed of trust being recorded a few days
 6 later, October 14th, 2010 -- do you see that?
 7 **A. Yes.**
 8 Q. Okay. And the 3,640,000, what was -- did you
 9 use that for purposes of the property, or what did you
 10 use that for?
 11 **A. Purposes of the property.**
 12 Q. Okay. What did you -- was it for building the
 13 property? What was it for?
 14 **A. Building the property.**
 15 Q. Okay. All right. How did you -- do you recall
 16 exactly how it came about that you would be getting this
 17 loan specifically from City National Bank?
 18 **A. I have -- I don't recall.**
 19 Q. Okay. Let's go to Exhibit 7. Tell me whenever
 20 you're there.
 21 (Exhibit 7 was marked for the record.)
 22 **THE WITNESS: I'm there.**
 23 BY MS. BARRAZA:
 24 Q. Exhibit 7, I'll represent, is called
 25 "Substitution of Trustee and Deed of Reconveyance."

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1 It's recorded October 27th, 2010. It looks like it's
 2 regarding Southwest USA Bank.
 3 Do you see that?
 4 **A. Yes.**
 5 Q. Okay. Do you have any reason to dispute the
 6 legitimacy of this document?
 7 **A. No.**
 8 Q. Let's go to Exhibit 8.
 9 **A. Okay.**
 10 (Exhibit 8 was marked for the record.)
 11 BY MS. BARRAZA:
 12 Q. Exhibit 8 is titled "Deed of Trust and
 13 Assignment of Rents," and it's recorded November 30th,
 14 2010, and it's regarding City National Bank.
 15 Do you see that?
 16 **A. Yes.**
 17 Q. Okay. And do you have any reason to dispute
 18 the authenticity of this document?
 19 **A. No.**
 20 Q. Okay. Now, I want to go back to discussing --
 21 I want to go back to discussing that 3- -- that note
 22 that you had with City Bank for 3,640,000.
 23 Do you recall that?
 24 **A. Yes.**
 25 Q. Okay. Now, that note, that was a note issued

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1 to the trust because the trust was the owner of the
 2 property; is that correct?
 3 **A. As far as I know.**
 4 Q. Okay. All right. We can go to the next
 5 exhibit, Exhibit 10.
 6 **A. Yeah.**
 7 Q. Actually, we're on Exhibit 9. If we can go to
 8 Exhibit 9.
 9 MR. MUSHKIN: We're on 9.
 10 (Exhibit 9 was marked for the record.)
 11 MS. BARRAZA: Are you there?
 12 MR. MUSHKIN: Yes.
 13 BY MS. BARRAZA:
 14 Q. Okay. So Exhibit 9 is entitled "Revolving
 15 Credit Deed of Trust Security Agreement and Assignment
 16 of Rents" recorded April 4th, 2011, and it's regarding
 17 Northern Trust Bank.
 18 Do you see that?
 19 **A. Yes.**
 20 Q. Do you have any reason to dispute the
 21 authenticity of this document?
 22 **A. No.**
 23 Q. Okay. What's your understanding of what was --
 24 what Northern Trust Bank was doing?
 25 **A. It gave me a HELOC.**

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1 Q. Okay. And that was issued to -- let me strike
 2 that.
 3 MR. MUSHKIN: It's to the trustees.
 4 MS. BARRAZA: Perfect. Okay.
 5 BY MS. BARRAZA:
 6 Q. It's to the trustees, and I just want to
 7 acknowledge page 700 of Exhibit 9.
 8 Are you there?
 9 **A. Yes.**
 10 MR. MUSHKIN: The executed page?
 11 MS. BARRAZA: Yes.
 12 BY MS. BARRAZA:
 13 Q. So I just want to confirm, this is your
 14 signature here, you did execute this, and it was on
 15 behalf of the trustee -- of the trust; correct?
 16 **A. Correct.**
 17 Q. Okay. Okay. We can go to Exhibit 10.
 18 (Exhibit 10 was marked for the
 19 record.)
 20 BY MS. BARRAZA:
 21 Q. Are you there?
 22 **A. Yes.**
 23 Q. Okay. So Exhibit 10, I'll represent, is -- it
 24 says "Deed of Trust, Assignment of Rents, Security
 25 Agreement and Fixture Filing" recorded on December 29th,

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1 2014.
 2 Do you see that?
 3 **A. Yes.**
 4 Q. And it's with respect to -- this references CBC
 5 Partners I, LLC, a Washington limited liability company.
 6 Do you see that?
 7 **A. Yes.**
 8 Q. Okay. So what's your understanding of what
 9 this deed of trust for CBC is doing?
 10 **A. CBC lent the company I was with additional
 11 funds and said, "If you guarantee this, we will lend the
 12 funds, but we need a deed of trust to substantiate it,"
 13 and that's why this was prepared.**
 14 (Court reporter interrupts.)
 15 **THE WITNESS: -- this was prepared.**
 16 BY MS. BARRAZA:
 17 Q. Okay. And what company was CBC loaning that
 18 money to?
 19 **A. KCI Investments, I --**
 20 Q. Okay.
 21 **A. -- believe, at that time.**
 22 Q. And what was KCI Investments in the business of
 23 doing?
 24 **A. Operating restaurants.**
 25 Q. Okay. Now, were there -- so there was an

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1 underlying note, correct, between CBC and KCI; is that
 2 correct?
 3 **A. Correct.**
 4 Q. Okay. And did that underlying note undergo
 5 several amendments to it?
 6 **A. Yes.**
 7 Q. Okay. Do you recall -- as you sit here today,
 8 do you have a recollection as to when the first note was
 9 issued between CBC and KCI?
 10 **A. I believe in 2012.**
 11 Q. All right. So if we could turn to Exhibit 17
 12 and then I'll tell you what page to go to.
 13 (Exhibit 17 was marked for the
 14 record.)
 15 BY MS. BARRAZA:
 16 Q. Are you on Exhibit 17?
 17 **A. Yes.**
 18 Q. Okay. All right. If we could go to page 912.
 19 Are you there?
 20 **A. Yes.**
 21 Q. Okay. So this page 912 on Exhibit 17, at the
 22 top of it, it says "Secured Promissory Note." It says
 23 "300,000," and then it also has a date, June 22nd, 2012.
 24 Do you see that?
 25 **A. Yes.**

| | |
|--|---|
| <p style="text-align: right;">58</p> <p>1 Q. And it references the borrower being KCI 2 Investments. I think like you testified earlier, KCI 3 Investments, LLC, and it's saying "...promises to pay 4 CBC Partners I, LLC..." and then it goes -- the amount 5 is 300,000. 6 Does that sound about right to you? 7 A. As far as I can recall. 8 Q. Okay. And your earlier testimony was the first 9 note was from 2012, which this is dated 2012. Do you 10 have any recollection of any prior notes to this Secured 11 Promissory Note, or is this, to your recollection, the 12 first note? 13 MR. MUSHKIN: Objection to the form of the 14 question. Vague and ambiguous. 15 Do you mean as to this transaction, of course? 16 BY MS. BARRAZA: 17 Q. Okay. So is this the first note as far as with 18 the transactions between CBC and KCI, to your knowledge? 19 A. As far as I remember. 20 Q. Okay. You have no reason to dispute that this 21 is the first note; correct? 22 A. I believe it is. 23 Q. Okay. I want to go to the signature on that, 24 which is -- hold on -- so it looks like it's on page 25 927. Tell me whenever you're there.</p> | <p style="text-align: right;">60</p> <p>1 Q. Okay. And you used it for -- it was a 2 commercial loan; correct? 3 A. Yes. 4 Q. Okay. And it was for the use of operating your 5 various businesses and sorts; correct? 6 A. This business. 7 Q. Okay. This KCI business; correct? 8 A. Correct. 9 Q. Okay. Understood. 10 All right. And I think you had touched on it 11 earlier, you did sign a guarantee; correct? 12 A. Yes. 13 Q. And that guarantee was signed in your 14 individual capacity; correct? 15 MR. MUSHKIN: Objection to the form of the 16 question. Calls for a legal conclusion. 17 What document, Counsel? 18 MS. BARRAZA: We can find one of the 19 guarantees. One second. Hold on. 20 There's a guarantee on -- 21 MR. MUSHKIN: I have -- 22 MS. BARRAZA: There's numerous guarantees in 23 this batch, but -- 24 MR. MUSHKIN: I'm on 952. 25 MS. BARRAZA: Let me go to 952. Hold on.</p> |
| <p style="text-align: right;">59</p> <p>1 A. Okay. 2 Q. Okay. And so you -- is it correct that you 3 signed off on this document? It says "By: Ken Antos" 4 in your capacity as the managing member of KCI 5 Investments; correct? 6 A. Yes. 7 Q. Okay. And then it looks like CBC Partners 8 signed off. Is that your understanding as well? 9 A. Yes. 10 Q. Okay. And then it looks like there was -- if 11 you go on to page 930, a few pages later, it looks like 12 there's a Security Agreement with this note. 13 Do you see that? 14 A. Yes. 15 Q. And it looks like the Security Agreement is 16 dated June 22nd, 2012; so same time frame. Do you recall 17 also signing a Security Agreement in addition to a note 18 with CBC Partners? 19 A. Signed a guarantee. I -- probably a Security 20 Agreement. I don't recall it, but -- 21 Q. Okay. That's fine. 22 Now, this loan, this 300- -- it was initially 23 300,000, as we've seen. So this 300,000, what was it 24 for again? 25 A. Operating capital.</p> | <p style="text-align: right;">61</p> <p>1 Okay. I'm on 952. 2 BY MS. BARRAZA: 3 Q. Okay. Yeah. 4 So this is an Acknowledgment and Agreement of 5 Guarantors. 6 Do you see that? 7 A. Yes. 8 Q. And do you see -- looks like you've signed off 9 on this document and so has Sheila Antos; correct? 10 A. Yes. 11 Q. Okay. Now, what did you understand this 12 guarantee to be? 13 A. Guaranteeing that 300,000. 14 Q. Okay. And did you understand that this would 15 be a personal guarantee, that you and Sheila are 16 personally guaranteeing this? 17 A. Yes. 18 Q. Okay. All right. And I think you had touched 19 on it earlier. You mentioned there were -- there were 20 various numerous modifications to this note; correct? 21 A. Yes. 22 Q. Okay. All right. 23 MR. MUSHKIN: Counsel, we've been going at it 24 for about an hour and a half. How about a five-minute 25 break?</p> |

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1 MS. BARRAZA: Yeah, that sounds good. No
 2 problem.
 3 MR. MUSHKIN: How much more do you have of him?
 4 MS. BARRAZA: Maybe -- I want to say half an
 5 hour, maybe.
 6 MR. MUSHKIN: Great. See you in five minutes.
 7 MS. BARRAZA: Okay. Thanks.
 8 We can go off the record.
 9 THE VIDEOGRAPHER: The time is now 10:26 a.m.
 10 We are off the record.
 11 (A recess was taken from 10:26 a.m. to
 12 10:34 a.m.)
 13 THE VIDEOGRAPHER: The time is now 10:34 a.m.
 14 We are back on the record.
 15 BY MS. BARRAZA:
 16 Q. All right. Good morning, Mr. Antos. We're
 17 back on the record. I'm sure you understand you're
 18 still under oath; correct? Do you understand that?
 19 **A. Yes.**
 20 Q. Okay. Now, I want to go back. We do need to
 21 just briefly authenticate some of these documents so
 22 that there's no issue down the road. Going back to
 23 Exhibit 17, 952, that guarantee that we were just
 24 discussing, tell me whenever you're there.
 25 **A. Okay.**

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1 MR. MUSHKIN: We just did that.
 2 BY MS. BARRAZA:
 3 Q. Yeah, and so I just want to make sure for the
 4 record, this 952 document, this is an authentic
 5 document, and there's no issues with its authenticity;
 6 is that correct?
 7 **A. Not as far as I know.**
 8 Q. Okay. And that is your signature; correct?
 9 **A. Yes.**
 10 Q. Okay. I just want to make sure.
 11 And for this guarantee, the trust is not a
 12 guarantor; is that correct?
 13 **A. That is correct.**
 14 Q. Okay. And then going back to -- we also
 15 discussed the Security Agreement, which it looks like
 16 you signed on -- let me just go back to that Security
 17 Agreement.
 18 Okay. I'm seeing it on page 930, so tell me
 19 whenever you're there, of Exhibit 17.
 20 MR. MUSHKIN: I get 927 on the first grab.
 21 Now, you're referencing the Security Agreement,
 22 Counsel?
 23 MS. BARRAZA: Yeah, I want to go to the
 24 Security Agreement, and then I'll go to the note. So
 25 930 -- 930.

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1 MR. MUSHKIN: As a general proposition, I'm not
 2 aware of any authentication issues that exist.
 3 MS. BARRAZA: Okay.
 4 MR. MUSHKIN: 930 is -- what page do you want
 5 to go to, the signature page?
 6 MS. BARRAZA: Yeah, if you can look at 930
 7 first.
 8 BY MS. BARRAZA:
 9 Q. And do you see how that's the Security
 10 Agreement dated June 22nd, 2012?
 11 **A. Yes.**
 12 Q. Okay. And then do you see this is the Security
 13 Agreement between KCI Investments as the debtor and CBC
 14 Partners I, LLC, as the secured party?
 15 Is that your understanding as well?
 16 **A. Yes.**
 17 Q. Okay. And then going to the signature page,
 18 which it looks like is on 944, tell me whenever you're
 19 there.
 20 MR. MUSHKIN: I'm on 949.
 21 MS. BARRAZA: Oh. 949? I think that's beyond
 22 because that gets into the tenth modification.
 23 MR. MUSHKIN: You might be right. 944, okay.
 24 BY MS. BARRAZA:
 25 Q. All right. 944, it looks like -- who's Robert

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1 Walsh? Is he -- was he a managing member of KCI
 2 Investments, LLC?
 3 **A. At one point, he was.**
 4 Q. Okay. And it looks like he signed off on this.
 5 Is that your understanding as well?
 6 **A. Yes.**
 7 Q. Okay. So from your testimony here, you have no
 8 reason to dispute the authenticity and legitimacy of the
 9 Security Agreement; correct?
 10 **A. No.**
 11 Q. Okay. And then going back to the note, the
 12 first note, the original note. I'll try to find the --
 13 I think it's page 912, tell me whenever you're there, of
 14 Exhibit 17.
 15 MR. MUSHKIN: We're there.
 16 BY MS. BARRAZA:
 17 Q. Okay. So page 912, this is the Secured
 18 Promissory Note that we spoke about dated June 22nd,
 19 2012, for the 300,000, and this is between KCI
 20 Investments, LLC, and CBC Partners I, LLC.
 21 Is that your understanding?
 22 **A. Yes.**
 23 Q. And then if you go through that and you get to
 24 the signature page, which is -- looks like it's on 927.
 25 Tell me whenever you're there.

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1 **A. Okay.**
 2 Q. Is that your signature where it says "Ken
 3 Antos" on 927?
 4 **A. Yes.**
 5 Q. Okay. And you have no reason to dispute the
 6 legitimacy and authenticity of the original note between
 7 KCI Investments, LLC, and CBC Partners I, LLC; correct?
 8 **A. Correct.**
 9 Q. All right. And I want to touch base -- it
 10 looks like, as we discussed, this original note was from
 11 2012, and then we discussed there's a deed of trust that
 12 was recorded some two years later in 2014. So I'm
 13 trying to understand, how did we get to the point of CBC
 14 having a deed of trust and that being recorded two years
 15 after the -- the initial note?
 16 **A. Dollars.**
 17 (Court reporter interrupts.)
 18 **THE WITNESS: The amount of dollars increased**
 19 **to the point they did not want to take the risk. So**
 20 **they wanted collateral.**
 21 BY MS. BARRAZA:
 22 Q. Okay. So you're saying that there were --
 23 there were numerous modifications to this loan; correct?
 24 **A. Correct.**
 25 Q. Okay. And you're saying that in one of the

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1 modifications, it got to the point where CBC was
 2 demanding to also have a deed of trust on the property;
 3 is that correct?
 4 **A. Correct.**
 5 Q. Okay. Now, do you recall what modification
 6 that was -- that was in?
 7 **A. I'm not understanding.**
 8 Q. As far as do you recall if that agreement is
 9 set forth and memorialized in, like, the fourth
 10 modification, the fifth modification, the sixth
 11 modifica- --
 12 **A. Not that I can --**
 13 Q. Okay. That's fine.
 14 And then looking through these documents, do
 15 you have any recollection of the -- the trust signing
 16 off on any -- on any of these modifications?
 17 **A. No.**
 18 Q. Okay. And do you have any recollection of
 19 the -- let me strike that.
 20 So the Deed of Trust -- if we go to Exhibit 10,
 21 if we can go back to Exhibit 10.
 22 **A. Okay. We're there.**
 23 Q. Okay. And if we can go to the -- the signature
 24 page. It looks like it's on page 723 of Exhibit 10.
 25 **A. Okay.**

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1 Q. And so tell me when you're there.
 2 **A. I'm there.**
 3 Q. Okay. So this is, obviously, you're signing,
 4 and it looks like Sheila's signing in your capacities,
 5 obviously, as the -- the trustee of the -- of the trust;
 6 is that correct?
 7 **A. I don't see Sheila signing this.**
 8 Q. It looks like on -- in the middle of page 723.
 9 MRS. NEUMANN-ANTOS: (Indicating).
 10 **THE WITNESS: Oh, yeah. Thank you.**
 11 BY MS. BARRAZA:
 12 Q. Okay. So you would agree that you signed off
 13 on this -- on this Deed of Trust with CBC in your
 14 capacity as the trustee of the trust; correct?
 15 **A. Correct.**
 16 Q. Because the trust -- by this time, the trust
 17 was the -- the owner of record of the property; correct?
 18 **A. That is correct.**
 19 Q. Okay. And so, you know, our question is why is
 20 the trust basically signing off on a deed of trust for
 21 whatever -- the underlying note was not issued to the
 22 trust? That's what we're trying to figure out.
 23 MR. MUSHKIN: Objection. Calls for a legal
 24 conclusion.
 25 Answer if you can, please.

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1 **THE WITNESS: I don't see any problem with it.**
 2 BY MS. BARRAZA:
 3 Q. Okay. And did you ever have any legal counsel
 4 when you were signing off on all these modifications to
 5 the note between KCI and CBC?
 6 **A. Other than CBC's, no.**
 7 Q. Okay. And was CBC drafting all these
 8 modifications to the note?
 9 **A. As far as I can remember.**
 10 Q. Okay. And did you ever have a conversation
 11 with CBC about you and Sheila Antos not being the owners
 12 of the property, the owners of record of the property?
 13 **A. No.**
 14 Q. Okay. Now -- one second.
 15 Now, do you have any recollection of the trust
 16 ever receiving any kind of consideration in return for
 17 this Deed of Trust being signed?
 18 MR. MUSHKIN: Objection to the extent it calls
 19 for a legal conclusion.
 20 **THE WITNESS: Trust specifically, no, I don't.**
 21 BY MS. BARRAZA:
 22 Q. Okay. Now, did you have any discussions
 23 with -- actually, going back a little bit with CBC and
 24 your relations with CBC, how exactly did it come about
 25 that CBC specifically would be issuing this note, the

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1 initial \$300,000 note?
 2 **A. Somebody who mutually knew them brought them to**
 3 **me.**
 4 Q. Okay. And do you recall who that was?
 5 **A. A gentleman out of Newport Beach.**
 6 Q. Okay. Do you recall his name?
 7 **A. No, I don't.**
 8 Q. Okay. And when you were negotiating the loan,
 9 the initial \$300,000 loan with CBC, did you have
 10 discussions as to whether CBC was authorized to conduct
 11 business in the state of Nevada?
 12 **A. No --**
 13 Q. Okay.
 14 **A. -- I didn't have discussions.**
 15 Q. And did CBC ever disclose to you whether they
 16 were a registered company with the Secretary of State to
 17 conduct business in Nevada?
 18 **A. I would say I do recall.**
 19 Q. Okay. All right. So what I want you to do,
 20 you recall providing these documents -- and when I say
 21 "these documents," I'm referring to Exhibit 17, which is
 22 the underlying note between KCI and CBC Partners and
 23 various modifications to the note. Do you recall
 24 providing those documents to Jay Bloom at some point?
 25 **A. No.**

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1 Q. Okay. So what I'm trying to figure out is do
 2 you -- are you going to have any dispute as to the
 3 authenticity of these various documents that appear to
 4 have your signature on them and that relate to the --
 5 the note that CBC provided to KCI? And if you want to
 6 go through them, you can. What we're trying to figure
 7 out is is there going to be any authenticity issues with
 8 this batch of documents in Exhibit 17?
 9 MR. MUSHKIN: To the extent it calls for a
 10 legal conclusion, we object to the form of the question.
 11 I think I've already stated on the record that generally
 12 speaking there are no authenticity issues, Counsel.
 13 MS. BARRAZA: Okay.
 14 MR. MUSHKIN: Most of the documents are
 15 recorded, and those that aren't make, you know, logical
 16 sense. So I don't believe there will be an authenticity
 17 issue.
 18 MS. BARRAZA: Okay.
 19 BY MS. BARRAZA:
 20 Q. Now, I just want to clarify for the record. So
 21 the Antos -- the trust itself was not the borrower on
 22 this commercial loan with CBC; is that correct?
 23 **A. That is correct.**
 24 Q. Okay. And the trust itself also was not a
 25 guarantor on the note; is that correct?

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1 **A. That is correct.**
 2 Q. Okay. And so what exactly did the trust get
 3 for signing that deed of trust, which is Exhibit 10 --
 4 what did the trust get for signing that Deed of Trust
 5 for the property?
 6 MR. MUSHKIN: To the extent it calls for a
 7 legal conclusion, we object to the form of the question.
 8 **THE WITNESS: It got a, you know, continued**
 9 **good relationship with the Otters and with CBC.**
 10 BY MS. BARRAZA:
 11 Q. Okay. And I just want to clarify, there --
 12 there isn't going to be any documentation showing the
 13 trust getting any kind of monetary consideration;
 14 correct?
 15 **A. Not that I --**
 16 Q. Okay. All right. And so what kind of a
 17 relationship did the trust have with CBC? Any kind of
 18 business relationship between the trust and CBC?
 19 **A. No.**
 20 Q. Okay. All right.
 21 All right. If we can go back to Exhibit 17 --
 22 tell me whenever you're there.
 23 MR. MUSHKIN: We're in Exhibit 17.
 24 MS. BARRAZA: Okay. Perfect.
 25 /////

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1 BY MS. BARRAZA:
 2 Q. I want -- I just want to look at that first
 3 page, 794. Do you see how it says "First Amendment to
 4 Intercreditor Agreement"?
 5 MR. MUSHKIN: Yes.
 6 MS. BARRAZA: Okay.
 7 MR. MUSHKIN: We're there.
 8 BY MS. BARRAZA:
 9 Q. And then it looks like there's a signature on
 10 page 796. Do you see that?
 11 **A. Okay.**
 12 Q. It looks like -- is Preferred Restaurant
 13 Brands, was that one of your companies?
 14 **A. Yes.**
 15 Q. Okay. And it looks like somebody -- this looks
 16 like this says "Gary."
 17 Do you know a Gary?
 18 **A. No.**
 19 Q. Gary Dock or Deck?
 20 **A. Oh, hold on. Yeah.**
 21 MR. MUSHKIN: (Indicating).
 22 **THE WITNESS: I'm not sure.**
 23 BY MS. BARRAZA:
 24 Q. Okay. What I'm trying to figure out is is
 25 there any issue with this First Amendment to the

| | | | |
|----|---|----|---|
| 74 | <p>1 Intercreditor Agreement? Do you agree that there was a 2 first amendment that was done with CBC to that 3 Intercreditor Agreement? 4 A. Yes. 5 Q. Okay. And you're not disputing the 6 authenticity of that agreement? 7 A. No. 8 Q. Okay. And then there was a first modification 9 to the promissory note, it looks like, on page 797. 10 Do you see that? 11 A. Yes. 12 Q. Okay. Is that a true and accurate copy of the 13 first modification, to your knowledge? 14 Do you want me to repeat it? 15 A. I believe the answer's yes. 16 Q. Oh, the answer is yes? Okay. All right. 17 And so you signed off on that first 18 modification; correct? 19 A. Yes. 20 Q. Okay. And then it looks like on page 7 -- 21 actually, page 801 of Exhibit 17, there's a second 22 modification. 23 Do you see that? 24 A. Hold on. 25 Q. 801.</p> | 76 | <p>1 looks like that is the first Intercreditor Agreement 2 with TCA Global Credit Master Fund, CBC Partners, and 3 Preferred Restaurant Brands. Do you remember having an 4 intercreditor agreement that went to Preferred 5 Restaurant Brands? 6 A. Yes. 7 Q. Okay. So is that an authentic document as far 8 as -- as far as you know? 9 A. Yes. 10 Q. And then looks like there was a fifth 11 modification on page 818. 12 A. Okay. We're there. 13 Q. Does that look like a true and accurate copy of 14 the fifth modification where it was between KCI 15 Investments and CBC Partners? 16 A. Yes. 17 Q. All right. It looks like you signed off on 18 this document on page 821. So is that your signature? 19 MR. MUSHKIN: I can't decide which one of us is 20 worse at this. 21 THE WITNESS: I know it's me. 22 MR. MUSHKIN: I can't decide which one of us is 23 worse. 24 THE WITNESS: Yes, it is. 25 ////</p> |
| 75 | <p>1 A. Yes. 2 Q. And is that a true and accurate copy of the 3 second modification, to your knowledge? 4 A. Looks like it. 5 MR. MUSHKIN: Here is the -- 6 THE WITNESS: Yes. 7 BY MS. BARRAZA: 8 Q. Okay. And you signed off on that; correct? 9 A. Yes, I did. 10 Q. Okay. And then there's -- there's various 11 acknowledgment and agreements of guarantors in this 12 packet of documents. So one of them is on page 805. 13 A. Yes. 14 Q. Is that your signature there? Is that 15 authentic right there? 16 A. Yes. 17 Q. Okay. And to your knowledge, are there any 18 documents out there where -- where the trust was a -- a 19 guarantor? 20 A. No. 21 Q. Okay. And you can look at page 807. That's an 22 authentic document as far as an acknowledgment and 23 agreement; correct? 24 A. Looks like it. Yes. 25 Q. All right. And then it looks like 809 -- it</p> | 77 | <p>1 BY MS. BARRAZA: 2 Q. Okay. Looks like there's another guarantee 3 document on page 822. Is that an authentic document 4 that you signed off on? 5 A. Yes. 6 Q. Okay. And it looks like there's a seventh 7 modification on 823. Is that an authentic seventh 8 authentication document, to your knowledge? 9 A. Yes. 10 Q. And it looks like you signed off on that on 11 page 833; is that correct? 12 A. Hold on. 13 Yes. 14 Q. Okay. And then it looks like there's another 15 guarantee document that you signed personally and so did 16 Sheila, looks like on page 834; is that correct? 17 A. Yes. 18 Q. And that's authentic; correct? 19 A. Yes. 20 Q. Okay. It looks like there was a letter -- I 21 kind of want to touch on this a little bit -- on 835. 22 Do you recall getting any kind of correspondence from 23 CBC in January of 2017 regarding the loan? 24 A. Well, it's here, but I -- I don't recall it. 25 Q. Okay. All right. If we can go to the</p> |

| | | | |
|----|---|----|---|
| 78 | <p>1 guarantee on page 841, it looks like there's a Guaranty, 2 and this is June 22nd, 2012. Is that an accurate, 3 authentic document, to your knowledge? 4 A. Hold on. 5 As far as I can tell, yes. 6 Q. Okay. It looks like there's another Security 7 Agreement on 852 from January of 2015. Do you have any 8 reason to dispute the authenticity of that document? 9 A. No. 10 Q. And it looks like you signed off on it on page 11 865; is that correct? 12 A. Yes. 13 Q. And then there's an eighth modification on 866. 14 Does that sound about right, doing an eighth 15 modification in January of 2015? And does that document 16 look accurate and authentic? 17 A. Looks okay and it's -- I signed it. 18 Q. And it looks like you signed off on it on 871. 19 Do you see that? 20 A. Yes. 21 Q. Okay. Any issues with the authenticity of that 22 document? 23 A. No. 24 Q. Looks like another Guaranty on page 872. Any 25 issues with the authenticity of that document that it</p> | 80 | <p>1 901 of this guarantee? 2 A. Yes. 3 Q. Okay. Is that your signature also on 902? 4 A. Yes. 5 Q. Okay. Looks like there's a ninth modification 6 on 903. Is that authentic, to your knowledge, from 7 April of 2015? 8 A. Looks it. 9 Q. Is that your signature on page 910? 10 A. Yes. 11 Q. Is that your signature also on page 911? 12 A. Yes. 13 Q. Okay. And I think we already went through 912, 14 I believe. 15 MR. MUSHKIN: We did. 16 MS. BARRAZA: Okay. 17 BY MS. BARRAZA: 18 Q. So we went through 912. I just want to cover 19 all of our bases since we're the one producing these 20 documents. 21 Okay. I think we've gone through the rest of 22 these. I just want to circle back a little bit to you 23 mentioned -- you can actually go back to it, if it will 24 help you remember, Exhibit 19, and the last page of it, 25 the K001.</p> |
| 79 | <p>1 looks like you signed off on in 880? 2 A. No. 3 Q. Does that document appear authentic to you? 4 A. Yes. 5 Q. Okay. And that is your signature on 880; 6 correct? 7 A. Yes. 8 Q. Okay. Another Intercreditor Agreement with 9 Preferred Restaurant Brands is on page 881. Does that 10 appear to be authentic to you? 11 A. Yes. 12 Q. Okay. And then there's another -- a third 13 modification on page 892 of the -- of the secured 14 promissory note. Does that appear to be accurate and 15 authentic? 16 A. Yes. 17 Q. Is that your signature on page 894? 18 A. Yes. 19 Q. And then there's a fourth modification on page 20 896. Does that appear to be accurate from November of 21 2013? 22 A. Yes. 23 Q. And is that your signature on page 900? 24 A. Yes. 25 Q. All right. And is that your signature on page</p> | 81 | <p>1 A. Okay. 2 Q. And am I correct that earlier you had testified 3 that when you signed off on this transfer, you did not 4 have legal counsel; correct? 5 A. That is correct. 6 Q. Okay. And did you have any discussion with 7 Mr. Mushkin about this transfer during the time you were 8 considering signing it? 9 A. No. 10 Q. Sorry. Did you say "no"? 11 A. No. 12 Q. Okay. And when did you retain counsel to 13 represent you in this litigation? 14 A. I can't remember the date. 15 MR. MUSHKIN: I can tell you. 16 BY MS. BARRAZA: 17 Q. Do you recall if it was, you know, a few months 18 ago? Sorry? 19 MR. MUSHKIN: Counsel, it was after he got 20 served. He got sued. 21 MS. BARRAZA: Okay. 22 BY MS. BARRAZA: 23 Q. All right. So is that also your recollection, 24 that after you actually became -- got served, you 25 retained counsel?</p> |

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1 **A. Yes.**
 2 Q. Okay. And --
 3 MS. BARRAZA: All right. If we could take just
 4 a two-minute break, I just want to verify if I have
 5 anything else. If we can go off for two minutes.
 6 THE VIDEOGRAPHER: The time is now 11:02 a.m.
 7 We are off the record.
 8 (A recess was taken from 11:02 a.m. to
 9 11:05 a.m.)
 10 THE VIDEOGRAPHER: The time is now 11:05 a.m.
 11 We are back on the record.
 12 MS. BARRAZA: All right. Mr. Antos, I am now
 13 going to pass the witness. And if your counsel has any
 14 questions for you, this is the time to do so.
 15 MR. MUSHKIN: I have no questions of Mr. Antos
 16 today.
 17 MS. BARRAZA: Thank you.
 18 We can end this deposition and move on to the
 19 next one.
 20 THE VIDEOGRAPHER: This concludes the
 21 deposition of Kenneth Antos. The time now is 11:06 a.m.
 22 We are off the record.
 23 (Deposition concluded at 11:06 a.m.)
 24
 25

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REPORTER'S CERTIFICATE

1
 2 STATE OF NEVADA)
 3) ss
 4 COUNTY OF WASHOE)

5 I, Dawn Bratcher Gustin, a duly certified court
 6 reporter licensed in and for the State of Nevada, do
 7 hereby certify:
 8 That I reported the taking of the deposition of
 9 the witness, KENNETH ANTOS, at the time and place
 10 aforesaid;
 11 That prior to being examined, the witness was by
 12 me duly sworn to testify to the truth, the whole truth,
 13 and nothing but the truth;
 14 That I thereafter transcribed my shorthand notes
 15 into typewriting and that the typewritten transcript of
 16 said deposition is a complete, true, and accurate record
 17 of the proceedings to the best of my ability.

18 I further certify that (1) I am not a relative,
 19 employee, or independent contractor of counsel of any of
 20 the parties; nor a relative, employee, or independent
 21 contractor of the parties involved in said action; nor a
 22 person financially interested in the action; nor do I
 23 have any other relationship with any of the parties or
 24 with counsel of any of the parties involved in the
 25 action that may reasonably cause my impartiality to be
 questioned; and (2) that transcript review pursuant to
 NRCP 30(e) was waived.

IN WITNESS WHEREOF, I have hereunto set my hand
 in the County of Washoe, State of Nevada, this 24th day
 of September 2020.

Dawn Bratcher Gustin
 Dawn Bratcher Gustin, CCR 253, RPR, CRR

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CERTIFICATE OF WITNESS

| PAGE | LINE | CHANGE | REASON |
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* * * * *

I, KENNETH ANTOS, witness herein, do hereby
 certify and declare under penalty of perjury the within
 and foregoing transcription to be my deposition in said
 action; that I have read, corrected, and do hereby affix
 my signature to said deposition.

KENNETH ANTOS
 Witness

Date

EXHIBIT 5

EXHIBIT 5

GUARANTY

This GUARANTY (the "Guaranty") is made as of June 22, 2012, by Kenneth Antos and Sheila Antos, married persons (jointly and severally referred to in this Guaranty as the "Guarantor"), in favor of CBC PARTNERS I, LLC, a Washington limited liability company (hereinafter "Lender").

RECITALS

A. Lender has agreed to lend to KCI Investments, LLC (the "Borrower"), the sum of three hundred thousand Dollars (\$300,000.00) (the "Loan") in accordance with the terms and provisions of the Secured Promissory Note of even date (the "Note" and, collectively with all other documents executed by Borrower in connection therewith, as each may be amended from time to time, the "Loan Documents").

B. As a condition precedent to making the Loan, Lender requires that Borrower obtain the execution of this Guaranty by Guarantor and Lender will be relying on the terms hereof in making the Loan.

C. The making of the Loan by Lender to Borrower is of value to each Guarantor, is reasonably expected to benefit each Guarantor, directly or indirectly, and is in furtherance of each Guarantor's personal and business interests.

In consideration of Ten Dollars (\$10.00), Lender making the Loan, and as an inducement to Lender to do so, Guarantor hereby agrees, warrants, and covenants as follows:

1. Guarantor hereby unconditionally, irrevocably, and absolutely guarantees, without demand by Lender, the full and prompt payment when due, whether by acceleration or otherwise, of: (a) the entire amount of principal and accrued interest under the Note, and (b) all other indebtedness, obligations, and liabilities of Borrower under the Loan Documents, including, without limitation, all costs of collection, attorneys' fees, court costs, and other advances and extensions thereunder whether such indebtedness, obligations or liabilities have been incurred prior to the date hereof or are incurred from time to time hereafter and all without set-off, counterclaim, recoupment, or deduction of any amounts owing or alleged to be owing by Lender to Borrower. It is expressly understood that this Guaranty covers, without limitation: (a) any and all amendments, extensions, modifications, rearrangements, and renewals of the Loan or any of the Loan Documents; and (b) all interest, default interest, and other amounts that would have accrued under the Loan Documents but for the commencement of a case under the Federal Bankruptcy Code or any other similar federal or state law. Without limiting the foregoing,

Guarantor specifically guarantees payment of any judgment entered against the Borrower and any damages that may be awarded in any action brought against the Borrower by Lender arising out of or relating to the Loan or any Loan Document. All of the indebtedness, obligations, and liabilities described in this paragraph are referred to herein as the "Guaranteed Obligations." This Guaranty is a guaranty of payment and not merely of collection.

2. This Guaranty shall take effect when received by Lender without the necessity of any acceptance by Lender or of any notice to Guarantor or to Borrower, shall be continuing and irrevocable, and shall remain in full force and effect until the Guaranteed Obligations are fully and finally paid. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Guaranteed Obligations and thereafter Lender is forced to remit, rescind or restore the amount of that payment under any federal or state bankruptcy law or law for the relief of debtors, or for any other reason: (a) the amount of such payment shall be considered to have been unpaid at all times for the purposes of enforcement of this Guaranty; (b) the obligations of Borrower guaranteed herein shall be automatically reinstated to the extent of such payment; and (c) Guarantor will, on demand, indemnify for and hold Lender harmless from all losses and all reasonable costs and expenses, including legal fees, incurred by Lender in connection with such remission, rescission or restoration. In the event this Guaranty is preceded or followed by any other agreement of suretyship or guaranty by the Guarantor or others, all shall be deemed to be cumulative, and the obligations of the Guarantor hereunder shall be in addition to those stated in any other suretyship or guaranty agreement.

3. The obligations of Guarantor hereunder are separate and independent of the obligations of Borrower. Guarantor expressly agrees that a separate action may be brought against Guarantor whether or not Borrower is joined in such action.

4. Guarantor represents, warrants, and covenants to Lender that: (a) Guarantor has derived or expects to derive financial and other advantages and benefits, directly or indirectly, from the making of this Guaranty and the Guaranteed Obligations; (b) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (c) this Guaranty is executed at Borrower's request and not at the request of Lender; (d) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; (e) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition; (f) Guarantor will keep adequately informed of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty; (g) Lender shall have no obligation to disclose to Guarantor any information or documents (financial or otherwise) heretofore or hereafter acquired by Lender in the course of its relationship with Borrower; and (h) Guarantor will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or take any other action, directly or indirectly which might reasonably be expected to have a material adverse effect to Guarantor's financial condition, including, without limitation, the

business prospects, financial viability or marketability of any business entities in which Guarantor owns an equity interest other than in the ordinary course of business.

5. The Guarantor hereby consents to all terms and conditions of agreements heretofore or hereafter made between Lender and the Borrower (including without limitation the Note and other Loan Documents) and further agrees that Lender may without further consent or disclosure and without affecting or releasing the obligations of Guarantor hereunder: (a) surrender, exchange, release, assign, or sell any collateral or waive, release, assign, sell, or subordinate any security interest, in whole or in part; (b) waive, delay the exercise of, release, compromise, or grant indulgences in respect of any rights or remedies of Lender against the Borrower or any surety or guarantor (including, without limitation, rights or remedies of Lender against Guarantor under this Guaranty); (c) waive or delay the exercise of any rights or remedies of Lender in respect of any collateral or security interest now or hereafter held; (d) renew, extend, waive, extend, accelerate, or modify the terms of any Guaranteed Obligation or the obligations of any surety or guarantor, including, without limitation, changes to the rate of interest, or any instrument or agreement (including, without limitation, the Loan Documents) evidencing or relating to the same; (e) realize on any security interest judicially or nonjudicially, with or without preservation of a deficiency judgment; (f) apply payments received from Borrower or any surety or guarantor (including Guarantor) or from any collateral, to any indebtedness, liability, or obligations of Borrower or such sureties or guarantors whether or not a Guaranteed Obligation hereunder; or (g) adjust, compromise, or receive less than the amount due upon any collateral or the Guaranteed Obligations, and enter into any accord and satisfaction or novation agreement with respect to the same as Lender shall deem advisable.

6. Guarantor waives notice of: (a) Lender's acceptance of this Guaranty or its intention to act or its actions in reliance hereon; (b) the present existence or future incurring of any Guaranteed Obligations or any terms or amounts thereof or any change therein; (c) any default by the Borrower or any surety or guarantor; (d) the obtaining of any guaranty or surety agreement (in addition to this Guaranty); (e) the obtaining of any pledge, assignment or other security for any Guaranteed Obligations; (f) the release of the Borrower or any surety or guarantor; (g) the release of any collateral; (h) any change in Borrower's business or financial condition; (i) any renewal, extension or modification of the terms of any Guaranteed Obligation or of the obligations or liabilities of any surety or guarantor or of any instruments or agreements evidencing the same; (j) any acts or omissions of Lender consented to in Section 6 hereof; and (k) any other demands or notices whatsoever with respect to the Guaranteed Obligations or this Guaranty. The Guarantor further waives notice of presentment, demand, protest, notice of nonpayment, notice of intent to accelerate, and notice of protest in relation to any instrument or agreement evidencing any Guaranteed Obligation.

7. Guarantor expressly waives any and all rights to defenses arising by reason of: (a) any "one-action" or "anti-deficiency" law or any other law which may prevent Lender from

bringing any action, including a claim for deficiency against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (b) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Guaranteed Obligations; (c) any disability or related defense of Borrower, or any other Guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than full and final payment in legal tender of the Guaranteed Obligations; or (d) any right to claim discharge of the Guaranteed Obligations on the basis of unjustified impairment of any collateral for the Guaranteed Obligations. Guarantor further: (a) agrees that any part payment by Borrower or other circumstance which operates to toll any statute of limitations as to Borrower shall toll the statute of limitations as to Guarantor; (b) waives any right to cause a marshaling of Borrower's assets; and (c) waives all exemptions and homestead laws. Guarantor agrees that Lender may proceed against any collateral securing the Guaranteed Obligations by way of either judicial or nonjudicial foreclosure. Guarantor understands that a nonjudicial foreclosure of any security instrument securing the Guaranteed Obligations could impair or eliminate any subrogation or reimbursement rights Guarantor may have against Borrower, nevertheless Guarantor hereby waives and relinquishes any defense based upon the loss of any such reimbursement or subrogation rights or any other defense which may otherwise arise therefrom and any defense that may arise out of election of remedies, discharge or satisfaction of the Guaranteed Obligations. In the event any such security instrument is foreclosed judicially or nonjudicially, Guarantor's liability under this Guaranty shall be that portion of the Guaranteed Obligations representing a deficiency resulting from a judicial or nonjudicial sale, i.e., the difference between the amount due and owing on the Guaranteed Obligations on the day of the foreclosure sale (including without limitation principal, accrued interest, attorneys' fees, late payments, if any, and costs of foreclosure) and the amount of the successful bid at any such judicial or nonjudicial foreclosure sale. Guarantor hereby waives the right to object to the amount which may be bid by Lender at such foreclosure sale. Guarantor specifically waives the limitations on the amount of money judgments as may be prescribed by Washington statute.

8. No act of commission or omission of any kind or at any time on the part of Lender with respect to any matter whatsoever shall in any way affect or impair this Guaranty. Without limiting the foregoing, the obligations, covenants, agreements, and duties of Guarantor under this Guaranty shall not be released or impaired in any manner whatsoever, without the written consent of Lender, on account of any or all of the following: (a) any act or omission of Lender consented to in Section 5 hereof; (b) the failure to receive any notice, demand, presentment, or protest waived in Sections 4 and 6 hereof; (c) the occurrence of any event as to which Guarantor has provided its waiver under Section 7 hereof; (d) any failure by the Borrower or any other guarantor or surety to perform or comply with the Guaranteed Obligations or the terms of any instrument or agreement relating thereto; (e) any change in the name, purpose, capital stock or constitution of the Borrower or any other guarantor or surety;

(f) any irregularity, defect or unauthorized action by Borrower or any other guarantor or surety or any of their respective officers, directors, or other agents in executing and delivering any instrument or agreements relating to the Guaranteed Obligations or in carrying out or attempting to carry out the terms of any such agreements; (g) any receivership, insolvency, bankruptcy, reorganization or similar proceeding by or against Borrower, Lender, Guarantor or any other surety or guarantor; (h) any assignment, endorsement or transfer, in whole or in part, of the Guaranteed Obligations, whether made with or without notice to or the consent of Guarantor; (i) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of Borrower or any guarantor; (j) the acceptance of additional or substitute property as security for or any additional guaranty as surety for any Guaranteed Obligation; (k) the operation of law or any other cause, whether similar or dissimilar to the foregoing; (l) the failure by Lender to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of Borrower or any other person or entity (including, without limitation, any guarantor); (m) if the recovery from Borrower or any other person or entity (including, without limitation, any other guarantor) becomes barred by any statute of limitations or is otherwise prevented; (n) any impairment, modification, change, release or limitation of liability of, or stay of actions of lien enforcement proceedings against Borrower, Borrower's property, or its estate in bankruptcy resulting from the operation of any present or future provision of the Federal Bankruptcy Code or any other similar federal or state statute, or from the decision of any court; or (o) any neglect, delay, omission, failure or refusal of Lender to take or prosecute any action for the collection of any of the Guaranteed Obligations or to foreclose or take or prosecute any action in connection with any lien or right of security (including perfection thereof) existing or to exist in connection with, or as security for, any of the Guaranteed Obligations, it being the intention hereof that Guarantor shall remain liable as a principal on the Guaranteed Obligations notwithstanding any act, omission or event which might, but for the provisions hereof, otherwise operate as a legal or equitable discharge of Guarantor. Guarantor hereby waives all defenses of a surety to which it may be entitled by statute or otherwise.

9. Guarantor acknowledges that Lender intends to obtain other guarantees and collateral to secure the repayment of the Guaranteed Obligations. Guarantor represents and warrants to Lender, however, that in making this Guaranty it is not relying upon the Lender's obtaining any guaranty agreements (other than this Guaranty) or any collateral pledged or assigned to secure repayment of the Guaranteed Obligations. Guarantor specifically acknowledges that Lender's obtaining any such guaranty agreements or collateral is not a condition to the enforcement of this Guaranty. If Lender should simultaneously or hereafter elect to attempt to take additional guaranty agreements or collateral to secure repayment of the Guaranteed Obligations and if its efforts to do so should fail in any respect including, without limitation, a determination that the agreement purporting to provide such additional guaranty or security interest is invalid or unenforceable for any reason, this Guaranty shall, nonetheless, remain in full force and effect.

10. Guarantor hereby irrevocably waives all claims it has or may acquire against Borrower in respect of the Guaranteed Obligations, including rights of exoneration, reimbursement and subrogation. Guarantor has received no indemnification or other agreement of reimbursement from Borrower in connection with the execution and delivery of this Guaranty.

11. This Guaranty shall inure to the benefit of Lender, and Lender's successors and assigns, and shall be binding upon Guarantor and his heirs, personal or legal representatives, administrators, executors, successors, and assigns. Lender may, without any notice whatsoever to Guarantor, or to anyone else, sell, assign or transfer the Note, with or without any security therefore, and in that event each and every immediate and successive assignee, transferee, or holder of all or any part of the Loan and the Note shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee or holder as though such parties were herein by name specifically given those rights, powers and benefits.

12. Guarantor agrees to pay all costs and expenses which may be incurred by Lender in the enforcement or interpretation of this Guaranty, including reasonable attorneys' fees and costs (to be determined by the court and not by a jury), and including all costs and reasonable attorneys' fees and costs incurred in any bankruptcy or insolvency proceeding or on appeal to one or more appellate courts.

13. This Guaranty shall be governed by and construed and enforced under the laws of the State of Washington, and venue for any action shall lie exclusively in King County.

14. No delay on the part of Lender in exercising any right, power or privilege under this Guaranty shall operate as a waiver of any such right, power or privilege, nor shall any exercise or waiver of any privilege or right preclude any other or further exercise of such privilege or right or the exercise of any other right, power or privilege. All of Lender's rights and remedies shall be cumulative. In the event Lender in its sole discretion elects to give notice of any action with respect to the sale of collateral, if any, securing the Guaranteed Obligations or any part thereof, Guarantor agrees that ten (10) days prior written notice shall be deemed reasonable notice of any matters contained in such notice.

15. Any indebtedness of Borrower now or hereafter held by Guarantor is hereby subordinated to the Guaranteed Obligations. If Lender so requests, such indebtedness of Borrower to Guarantor shall be collected, enforced and received by Guarantor in trust for Lender, and be paid over to Lender on account of the Guaranteed Obligations, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty. Guarantor shall file all claims against Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of Borrower to Guarantor and will assign to Lender all rights of Guarantor thereunder. If Guarantor does not file any such claim, Guarantor hereby appoints and constitutes Lender as Guarantor's attorney-in-fact and hereby authorizes Lender to do so in the name of Guarantor or, in Lender's

discretion, to assign the claim and to cause the claim to be filed in the name of Lender's nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to Lender the full amount thereof, and Guarantor hereby assigns to Lender, to the full extent necessary for that purpose, all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled. Nothing in this paragraph shall be construed to create a duty in Lender to take any action whatsoever to protect any right Guarantor may have as to Borrower.

16. If any provision of this Guaranty or any portion of any provision of this Guaranty shall be deemed to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Guaranty shall be deemed severable from all other provisions hereof.

17. This Guaranty shall be so construed that, wherever applicable, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, and the use of any gender shall be applicable to all genders, and shall likewise be so construed as applicable to and including a corporation, partnership, or other entity. Each married individual who executes this Guaranty intends to bind both his or her separate estate and the community estate of that married individual and his or her spouse. If this Guaranty is executed by more than one person or entity, the obligations of each Guarantor hereunder shall be joint and several and this Guaranty shall apply to each of the individuals or entities comprising Guarantor as if each had executed a separate guaranty. Each Guarantor agrees that Lender, in its discretion, may: (a) bring suit against all Guarantors jointly and severally or against any one or more of them, (b) compound or settle with any one or more of Guarantors for such consideration as Lender may deem proper; and (c) release any one or more of Guarantors from liability hereunder, and that no such action shall impair the rights of Lender to collect the Guaranteed Obligations (or the unpaid balance thereof) from the other Guarantors not so sued, settled with or released.

18. All agreements between Guarantor and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand or acceleration of the final maturity of the Loan or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to Lender under or in connection with the Loan exceed the maximum amount permissible under applicable law. All interest paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period (including any renewal or extension) until payment in full of the principal balance of the Loan so that the interest hereon for such full period shall not exceed the maximum amount permissible under applicable law. Lender expressly disavows any intent to contract for, charge or receive interest in an amount which exceeds the maximum amount permissible under applicable law. This paragraph shall control all agreements between Guarantor and Lender.

19. For the convenience of the parties hereto, this Guaranty has been prepared for execution by multiple parties (and, where applicable, their spouses), each of which is a Guarantor for all purposes hereunder. Each of the parties signing this Guaranty hereby represents, warrants and covenants for the benefit of Lender that it is the intention of such party that this Guaranty be fully enforceable against it in accordance with its terms to the same extent as if such party had been the only party identified as a "Guarantor" hereunder and had executed a separate Guaranty (in the form hereof) in favor of Lender. Each of the parties signing this document expressly confirms that in making this Guaranty it is not relying upon Lender obtaining signatures from any of the other parties identified as a "Guarantor" herein. Each party signing this Guaranty expressly agrees that the failure by one or more of the other parties identified as "Guarantors" herein to sign this Guaranty shall not prevent the full enforcement of this Guaranty against each party who has signed the Guaranty.

WAIVER OF JURY TRIAL. GUARANTOR(S) AND LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY WAIVE ANY AND ALL RIGHTS THAT EACH PARTY TO THIS GUARANTY MAY NOW OR HEREAFTER HAVE UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR THE STATE OF WASHINGTON, TO A TRIAL BY JURY OF ANY AND ALL ISSUES ARISING DIRECTLY OR INDIRECTLY IN ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY THE LOAN DOCUMENTS OR ANY TRANSACTIONS CONTEMPLATED THEREBY OR RELATED THERETO.

GUARANTOR(S) UNDERSTANDS THAT THIS WAIVER IS A WAIVER OF A CONSTITUTIONAL SAFEGUARD, AND EACH PARTY INDIVIDUALLY BELIEVES THAT THERE ARE SUFFICIENT ALTERNATE PROCEDURAL AND SUBSTANTIVE SAFEGUARDS, INCLUDING A TRIAL BY AN IMPARTIAL JUDGE, THAT ADEQUATELY OFFSET THE WAIVER CONTAINED HEREIN.

NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date written above.

GUARANTOR:

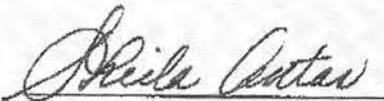


By: Kenneth Antos
SS No.: 051 3444 98

Address:

5148 Spanish Heights Dr.
Las Vegas, NV 89148

GUARANTOR



By: Sheila Antos
SS No.:

Address:

5148 Spanish Heights Dr.
Las Vegas, NV 89148

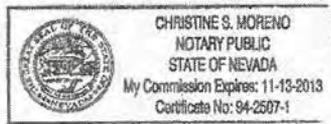
STATE OF NEVADA)

)ss.

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that **Kenneth Antos** is the person who appeared before me, and that said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 24th day of June, 2012.



[STAMP]

Christine S. Moreno
Print Name: Christine S. Moreno

NOTARY PUBLIC in and for the State of Nevada, residing at Las Vegas
My Commission expires: 11-13-13

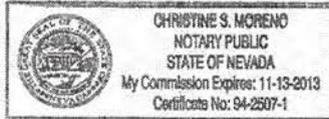
STATE OF NEVADA)

)ss.

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that **Sheila Antos** is the person who appeared before me, and that said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 24th day of June, 2012.



[STAMP]

Christine S. Moreno
Print Name: Christine S. Moreno
NOTARY PUBLIC in and for the State of
Nevada, residing at Las Vegas
My Commission expires: 11-13-13

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "Borrower") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the First Modification to Secured Promissory Note; (ii) consents to the terms and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender.

Dated as of the 19th day of July, 2012.

GUARANTORS:



Kenneth Antos



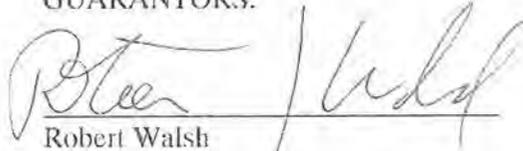
Shelia Antos

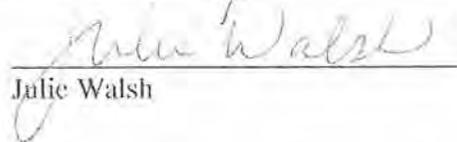
ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "Borrower") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the First Modification to Secured Promissory Note; (ii) consents to the terms and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender.

Dated as of the 19TH day of July, 2012.

GUARANTORS:


Robert Walsh


Julie Walsh

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "Borrower") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the Second Modification to Secured Promissory Note; (ii) consents to the terms and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender.

Dated as of the 14th day of October, 2012.

GUARANTORS:



Kenneth Antos



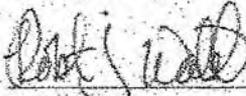
Shelia Antos

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "Borrower") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the Second Modification to Secured Promissory Note; (ii) consents to the terms and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender.

Dated as of the 17th day of October, 2012.

GUARANTORS:



Robert Walsh



Julie Walsh

EXHIBIT 6

EXHIBIT 6

FIRST MODIFICATION TO SECURED PROMISSORY NOTE

THIS FIRST MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of July 19, 2012, is entered into by and between KCI Investments, LLC, a Nevada limited liability company ("Borrower"), and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between Borrower and Lender dated as of June 22, 2012, as amended from time to time ("Note").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Note and have agreed to amend the Note to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Amended definition of "Maturity Date". The definition of "Maturity Date" as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

"Maturity Date" means the date that is twelve (12) months following the date first above written.

2. Increased Principal Amount. The maximum principal amount of the Note is hereby amended to be Two Million Dollars (\$2,000,000.00).

3. Amended Section 2.1. Section 2.1 of the Note is deleted in its entirety and replaced with the following:

2.1 Advance. On June 25, 2012, \$300,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. On or before July 20, 2012, Borrower may request an additional advance in an amount not to exceed \$1,700,000. Such request shall be in writing, specify Borrower's intended use for the advance and be signed by Borrower in the form attached hereto as Exhibit A (the "Advance Request"). The Advance shall not be made on or after the Maturity Date, or after the occurrence of an Event of Default which has not been cured. Borrower agrees that Lender may rely on the Advance Request given by any person Lender reasonably believes is authorized to make such request without the necessity of independent investigation.

4. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

5. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the limited liability agreement of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

(d) The execution and delivery of Warrant Agreement in form and substance satisfactory to Lender, in its sole discretion.

6. Origination Fee and Expenses. Borrower shall pay to Lender a fully earned and nonrefundable origination fee in the amount of sixty thousand dollars (\$60,000.00) (the "Origination Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Notwithstanding the foregoing, the Parties have agreed that the origination fee will be paid by funds at the time of closing. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the Loan closes and funds, to pay upon demand all reasonable expenses in connection with the Loan, including (without limitation) legal fees for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents, and all other fees and costs incidental to the closing and making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

7. Conditions Precedent. The execution and performance of this Modification by Lender, including the increased principal amount, is subject to the following conditions precedent:

(a) Execution by Borrower and delivery to Lender of this Modification and the Warrant Agreement, in each case, in form and substance satisfactory to Lender.

(b) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(c) Payment in full and in good funds of the Origination Fee.

(d) The representations and warranties in Section 5 of this Modification shall be true and correct as of the date of this Modification and any additional Advance.

(e) There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower (or any such guarantor).

8. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby; and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby.

9. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document.

10. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument.

11. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

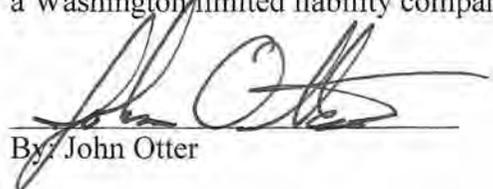
BORROWER: KCI INVESTMENTS, LLC, a Nevada limited liability company



By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER: CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter

Its: Authorized Manager Representative

Address: 305 108th Ave NE
Suite 101
Bellevue, WA 98004
Facsimile: (425) 688-7003

SECOND MODIFICATION TO SECURED PROMISSORY NOTE

THIS SECOND MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of October 22, 2012, is entered into by and between KCI Investments, LLC, a Nevada limited liability company ("Borrower"), and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between Borrower and Lender dated as of June 22, 2012, as modified pursuant to that First Modification to Secured Promissory Note dated as of July 19, 2012, and as further amended from time to time (as modified, the "Note").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Note and have agreed to amend the Note to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Increased Principal Amount. The maximum principal amount of the Note is hereby amended to be Three Million Dollars (\$3,000,000.00).

2. Amended Section 2.1. Section 2.1 of the Note is deleted in its entirety and replaced with the following:

2.1 Advance. On June 25, 2012, \$300,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. On July 19, 2012, an additional \$1,700,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. Additional advances in an amount not to exceed \$1,000,000 shall be made as follows:

(a) On or before October 24, 2012, Borrower may request an additional advance in an amount not to exceed \$900,000; and

(b) At Borrower's request, Lender may, at its sole discretion, issue an additional advance in an amount not to exceed \$100,000, subject to availability of funds.

Requests for additional advances shall be in writing, specify Borrower's intended use for each requested advance and be signed by Borrower in the form attached hereto as Exhibit A (the "Advance Request"). Advances shall not be made on or after the Maturity Date, or after the occurrence of a default or Event of Default which has not been cured or waived by Lender, any such waiver to be granted at Lender's sole discretion. Borrower agrees that Lender may rely on any Advance Request given by any person Lender reasonably believes is authorized to make such request without the necessity of independent investigation. Notwithstanding anything to the contrary contained herein, the aggregate principal amount

of all advances made hereunder shall not exceed Three Million Dollars (\$3,000,000.00) at any time.

3. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

4. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the limited liability agreement of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

5. Origination Fee and Expenses. Borrower shall pay to Lender a fully earned and nonrefundable origination and amendment fee in the amount of thirty thousand dollars (\$30,000.00) (the "Origination Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Notwithstanding the foregoing, the Parties have agreed that the Origination Fee will be paid by funds at the time of closing. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 6 below are satisfied, to pay upon demand all reasonable expenses in connection with this Modification and the Loan, including (without limitation) legal fees for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

6. Conditions Precedent. The execution and performance of this Modification by Lender, including the increased principal amount, is subject to the following conditions precedent:

(a) Execution by Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by Borrower and delivery to Lender of a Warrant Agreement, for approximately 1.5% of the ownership of the Borrower, in form and substance satisfactory to Lender.

(c) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(d) Payment in full and in good funds of the Origination Fee.

(e) The representations and warranties in Section 5 of this Modification shall be true and correct as of the date of this Modification and any additional Advance.

(f) There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower (or any such guarantor).

7. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby; and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby.

8. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document.

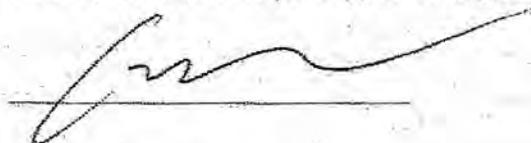
9. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument.

11. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWER:

KCI INVESTMENTS, LLC, a Nevada limited liability company



By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER:

CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 305 108th Ave NE
Suite 101
Bellevue, WA 98004

Facsimile: (425) 688-7003

THIRD MODIFICATION TO SECURED PROMISSORY NOTE

THIS THIRD MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of July 19, 2013, is entered into by and between KCI Investments, LLC, a Nevada limited liability company ("Borrower"), and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between Borrower and Lender dated as of June 22, 2012, as modified pursuant to that First Modification to Secured Promissory Note dated as of July 19, 2012, and that Second Modification to Security Promissory Note dated as of October 22, 2012, and as further amended from time to time (as modified, the "Note").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Note and have agreed to amend the Note to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Amended definition of "Maturity Date". The definition of "Maturity Date" as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

"Maturity Date" means October 19, 2013.

2. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

3. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the limited liability agreement of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

4. Amendment Fee and Expenses. Borrower shall owe to Lender a fully earned and nonrefundable amendment fee in the amount of twenty-two thousand five hundred dollars (\$22,500.00) (the "Amendment Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 5 below are satisfied, to pay upon demand the Amendment Fee and all reasonable fees and expenses of Lender incurred in connection with this Modification and the Loan, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

5. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(c) Payment in full and in good funds of the Amendment Fee.

(d) The representations and warranties in Section 3 of this Modification shall be true and correct as of the date of this Modification and any additional Advance.

(e) There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower (or any such guarantor).

6. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note.

7. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document.

8. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument.

9. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

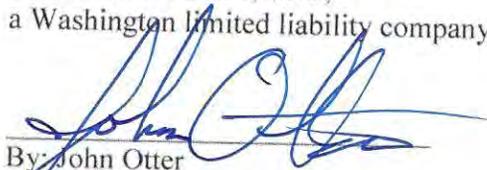
BORROWER: KCI INVESTMENTS, LLC, a Nevada limited liability company



By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER: CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 305 108th Ave NE
Suite 101
Bellevue, WA 98004
Facsimile: (425) 688-7003

FOURTH MODIFICATION TO SECURED PROMISSORY NOTE

THIS FOURTH MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of November 17, 2013, is entered into by and between KCI Investments, LLC, a Nevada limited liability company ("Borrower"), and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between Borrower and Lender dated as of June 22, 2012, as modified pursuant to that First Modification to Secured Promissory Note dated as of July 19, 2012, that Second Modification to Security Promissory Note dated as of October 22, 2012, and that Third Modification to Security Promissory Note dated as of July 19, 2013, and as further amended from time to time (as modified, the "Note").

WHEREAS, Borrower is in default under the Note as a result of (i) Borrower's failure to satisfy the Note upon the Maturity Date and (ii) the termination of the Alliance Agreement (as defined in the Antos Security Agreement) (collectively, the "Existing Defaults").

WHEREAS, Borrower has requested Lender to waive the Existing Defaults and Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Note and have agreed to amend the Note to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Amended Section 1.1.

(a) The following definition of "Fourth Modification" is added as a new defined term to Section 1.1:

"Fourth Modification" means that certain Fourth Modification to Secured Promissory Note by and between Borrower and Lender dated as of November __, 2013.

(b) The definition of "Maturity Date" as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

"Maturity Date" means January 19, 2014.

2. Amended definition of "Note Rate". The definition of "Note Rate" as set forth in Section 2.2 of the Note is amended to be fifteen percent (15%).

3. Amended Section 2.4. Section 2.4 of the Note is deleted in its entirety and replaced with the following:

2.4 Payments. Borrower shall make (a) payments of principal in the amount of \$150,000 each on November 29, 2013, and December 31, 2013, and (b) monthly

payments of interest beginning on the first (1st) day of each month. On or before the Maturity Date, Borrower must pay to Lender all outstanding principal, accrued interest, and fees and costs owing under the Note. Borrower may prepay all or any portion of the Loan, at any time prior to the Maturity Date, without premium or penalty.

4. Amended Section 6. The following is added to Section 6 as a new Section 6.12:

6.12 Antos Debt. Permit guarantor Kenneth M. Antos ("Antos") to incur, create, assume or permit to exist any debt secured by the real property located at 5148 Spanish Heights Drive, Las Vegas, Nevada 89148, other than the first and second position deeds of trust or mortgages, in favor of _____ and _____, respectively, which exist as of the date of the Fourth Modification.

5. Amended Section 7.1.3. Section 7.1.3 of the Note is deleted in its entirety and replaced with the following:

7.1.3 if a default occurs in the due observance or performance of any covenant or agreement on the part of Borrower (other than payment) to be observed or performed pursuant to the terms of this Secured Promissory Note, the Ancillary Documents, the Antos Settlement Agreement (as defined below) and such default remains uncured for three (3) Business Days after written notice thereof from Holder;

6. Amended Section 11.2. Section 11.2 of the Note is deleted in its entirety and replaced with the following:

11.2 Antos has granted and pledged to Lender a first priority senior security interest in Antos's right, title and interest in, to and under all accounts, payment intangibles, general intangibles and rights to payment now or hereafter arising under that certain Settlement Agreement and Mutual Release, as amended, modified or supplemented from time to time, by and among Twin Towers Trading Site Management, LLC, Jeffrey Brandon, Eric Scholer, David L. Beacklean, SMG Group, Inc., and Antos, dated as of September 1, 2012 ("Antos Settlement Agreement"), pursuant to a security agreement ("Antos Security Agreement") dated as of November __, 2013, as amended.

7. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

8. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the limited liability agreement of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

9. Amendment Fee and Expenses. Borrower shall owe to Lender a fully earned and nonrefundable amendment fee in the amount of forty-five thousand dollars (\$45,000.00) (the "Amendment Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 10 below are satisfied, to pay upon demand the Amendment Fee and all reasonable fees and expenses of Lender incurred in connection with this Modification and the Loan, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

10. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by Borrower and delivery to Lender of a Warrant Agreement for three million additional membership units of Borrower, in form and substance satisfactory to Lender.

(c) Execution by Antos and delivery to Lender of the Antos Security Agreement, in form and substance satisfactory to Lender.

(d) Execution by Borrower and delivery to Lender of resolutions of Borrower to enter into a Warrant Agreement, in form and substance satisfactory to Lender.

(e) Execution by Antos and delivery to Lender of a Name Affidavit, in form and substance satisfactory to Lender.

(f) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(g) Payment in full and in good funds of the Amendment Fee.

(h) The representations and warranties in Section 3 of this Modification shall be true and correct as of the date of this Modification and any additional Advance.

(i) There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower (or any such guarantor).

11. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note.

12. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Note (other than the Existing Defaults) or a waiver of any breach, default or event of default under any Loan Document.

13. Waiver of Existing Defaults. Lender hereby waives its default rights with respect to the Existing Defaults. This waiver applies only to the Existing Defaults. It is not a waiver for any subsequent breach of the same provisions of the Note, nor is it a waiver of any breach of any other provision of the Note.

14. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument.

15. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

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IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWER: KCI INVESTMENTS, LLC, a Nevada limited liability company



By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER: CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 305 108th Ave NE
Suite 101
Bellevue, WA 98004
Facsimile: (425) 688-7003

FIFTH MODIFICATION TO SECURED PROMISSORY NOTE

THIS FIFTH MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of January 19, 2014, is entered into by and between KCI INVESTMENTS, LLC, a Nevada limited liability company ("Borrower"), and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between Borrower and Lender dated as of June 22, 2012, as modified pursuant to that First Modification to Secured Promissory Note dated as of July 19, 2012, that Second Modification to Secured Promissory Note dated as of October 22, 2012, that Third Modification to Secured Promissory Note dated as of July 19, 2013, and that Fourth Modification to Secured Promissory Note dated as of November 19, 2013, and as further amended from time to time (as modified, the "Note").

WHEREAS, Borrower has notified Lender that it is in the process of completing a reverse merger into a public shell corporation (the "Reverse Merger") and has requested Lender's consent to the Reverse Merger.

WHEREAS, Borrower has requested that Lender modify the Note in certain respects, including to extend the Maturity Date, and Lender has agreed, subject to the terms and condition set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Amended definition of "Maturity Date". The definition of "Maturity Date", as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

"Maturity Date" means April 19, 2014.

2. Consent to Reverse Merger. Lender hereby consents to the Reverse Merger, provided, that (a) Borrower shall cause the entity into which it proposes to merge (the "Public Shell") to become a borrower and pledgor under the terms of the Note and the Ancillary Documents prior to consummating the Reverse Merger, in each case, on terms and conditions, and subject to documentation satisfactory to Lender in its sole and absolute discretion, (b) Borrower shall cause the Public Shell to assume all warrants issued on or prior to the date hereof by Borrower to Lender (collectively, the "Warrants"), on terms and conditions satisfactory to Lender in its sole and absolute discretion, and (c) within fourteen (14) days after the date hereof, Borrower shall grant to Lender registration rights with respect to the shares to be acquired by Lender upon its exercise of the Warrants, such grant to be made pursuant to a registration rights agreement in form and substance satisfactory to Lender in its sole and absolute discretion.

3. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

4. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the limited liability agreement of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

5. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document.

6. Amendment Fee and Expenses. Borrower shall owe to Lender a fully earned and nonrefundable amendment fee in the amount of forty thousand five hundred dollars (\$40,500.00) (the "Amendment Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 7 below are satisfied, to pay upon demand the Amendment Fee and all reasonable fees and expenses of Lender incurred in connection with this Modification and the Loan, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

7. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(c) Payment in full and in good funds of the Amendment Fee.

(d) The representations and warranties in Section 4 of this Modification shall be true and correct as of the date of this Modification and any additional Advance.

(e) There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower (or any such guarantor).

8. Principal Payments. In addition to the monthly payments of interest required under Section 2.4 of the Note, Borrower shall pay to Lender on February 17, 2014 and March 31, 2014, a principal payment under the Note of \$150,000, each.

9. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note.

10. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Electronic delivery of an original signature shall constitute an original signature.

11. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

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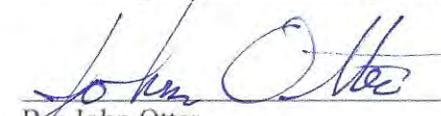
IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWER: KCI INVESTMENTS, LLC, a Nevada limited liability company


By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER: CBC PARTNERS I, LLC,
a Washington limited liability company


By: John Otter
Its: Authorized Manager Representative

Address: 305 108th Ave NE
Suite 101
Bellevue, WA 98004
Facsimile: (425) 688-7003

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

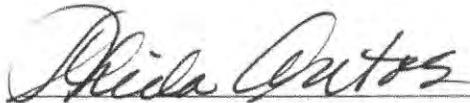
Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "Borrower") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her respective Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the Fifth Modification to Secured Promissory Note; (ii) consents to the terms and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of the Borrower, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender.

Dated effective as of the 19th day of January, 2014.

GUARANTORS:



Kenneth Antos



Shelia Antos

**SEVENTH MODIFICATION TO SECURED PROMISSORY NOTE
AND WAIVER OF DEFAULTS**

THIS SEVENTH MODIFICATION TO SECURED PROMISSORY NOTE AND WAIVER OF DEFAULTS (this "Modification"), effective as of October 31, 2014, is entered into by and among KCI INVESTMENTS, LLC, a Nevada limited liability company ("KCI"), PREFERRED RESTAURANT BRANDS, INC. f/k/a DIXIE FOODS INTERNATIONAL, INC., a Florida corporation ("Dixie" and, together with KCI, each a "Borrower" and collectively, "Borrowers") and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, KCI is currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note between KCI and Lender dated as of June 22, 2012, as modified pursuant to that certain First Modification to Secured Promissory Note dated as of July 19, 2012, that certain Second Modification to Secured Promissory Note dated as of October 22, 2012, that certain Third Modification to Secured Promissory Note dated as of July 19, 2013, that certain Fourth Modification to Secured Promissory Note dated as of November 19, 2013, that certain Fifth Modification to Secured Promissory Note dated as of January 19, 2014 (the "Fifth Modification"), and that certain Sixth Modification to Secured Promissory Note dated as of April 19, 2014 (the "Sixth Modification"), and as further amended from time to time (the "Note");

WHEREAS, Lender consented in the Fifth Modification to a reverse merger of KCI into Dixie, a public shell corporation, subject to the conditions precedent in Section 2 of the Fifth Modification (the "Merger Conditions"), which KCI has failed to satisfy;

WHEREAS the actual transaction consummated by KCI and Dixie constituted an acquisition by Dixie of KCI (the "Acquisition"), the result of which is that KCI is now a wholly owned subsidiary of Dixie, which, in turn, is a subsidiary of KCI Holding 1, LLC ("Holdings"), and, in connection with such Acquisition, the indebtedness of the Note was assumed by Dixie and all warrants previously issued by KCI to Lender were assumed by or converted into membership units of Holdings;

WHEREAS, KCI is currently in default under the terms of the Note as a result of (i) failing to make the principal payment due no later than June 30, 2014, as set forth in Section 9 of the Sixth Modification, (ii) incurring debt to Bankers Trust of South Dakota, in its capacity as trustee of the Turpin Brown Trust; Bankers Trust of South Dakota, in its capacity as trustee of The Richard D. Doermer 1999 8% Charitable Remainder Unitrust; Bankers Trust of South Dakota, in its capacity as trustee of the Richard D. Doermer 2006 6% Charitable Lead Unitrust; Bankers Trust of South Dakota, in its capacity as trustee of the Richard D. Doermer 2006 6% Charitable Remainder Unitrust; Simpson VIII, L.L.C.; Simpson IV, L.L.C.; and Richard D. Doermer (the "Third Party Lenders") in violation of Section 6.4 of the Note, and (iii) granting security interests in certain of its assets to the Third Party Lenders in violation of Section 6.5 of the Note (the "Existing Defaults");

WHEREAS, KCI and Dixie have asked that Lender extend the maturity of the Note, increase the principal amount of the Note, and waive the Existing Defaults, and Lender has agreed to such requests, subject to the terms and conditions set forth in this Modification;

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Waiver of Merger Conditions; Consent to the Acquisition. Lender hereby waives the Merger Conditions and consents to the Acquisition, subject to the terms and conditions herein.

2. Joinder of Dixie.

(a) Dixie hereby agrees to be bound with KCI, on a joint and several basis, as "Borrower" under the Note and agrees to be bound by the provisions of the Note in its entirety, as if a signatory thereto on the date of the Note as "Borrower", and Dixie shall comply with and be subject to and have the benefit of, and hereby assumes and agrees to be bound by, all of the terms, conditions, covenants, agreements and obligations set forth therein. All Advances under the Note shall be deemed to be jointly funded to and received by both Borrowers. Each Borrower jointly and severally agrees to pay, and shall be jointly and severally liable under the Note for, all Liabilities, regardless of the manner or amount in which proceeds of Advances are or were used, allocated, shared, or disbursed by or among Borrowers themselves, or the manner in which Lender accounts for such Advances or other extensions of credit on its books and records. Each Borrower acknowledges and expressly agrees that the joint and several liability of each Borrower is required solely as a condition to, and is given solely as inducement for and in consideration of, credit or accommodations extended or to be extended under this Modification, the Note and the other Ancillary Documents to any or all of Borrowers and is not required or given as a condition of extensions of credit to such Borrower. Upon any Event of Default, Lender may proceed directly and at once, without notice, against any Borrower or all to collect and recover the full amount, or any portion of the Liabilities, without first proceeding against any other Borrower or any other person, or against any security or collateral for the Liabilities. Each Borrower consents and agrees that Lender shall be under no obligation to marshal any assets in favor of any Borrower or against or in payment of any or all of the Liabilities. All references in the Note or the Ancillary Documents to "Borrower" shall be deemed to include KCI and Dixie, individually and collectively.

(b) To the extent that any Borrower shall, under the Note as a joint and several obligor, repay any of the Liabilities constituting Advances made to the other Borrower hereunder or other Liabilities incurred directly and primarily by the other Borrower (an "Accommodation Payment"), then such Borrower making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, the other Borrower in an amount equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Borrower's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of both Borrowers. As of any date of determination, the "Allocable Amount" of each Borrower shall be equal to the maximum amount of liability for Accommodation Payments that could be asserted against such Borrower hereunder without (a) rendering such Borrower "insolvent" within the meaning of Section 101 (32) of the Bankruptcy

Code, Section 2 of the Uniform Fraudulent Transfer Act (“UFTA”) or Section 2 of the Uniform Fraudulent Conveyance Act (“UFCA”), (b) leaving such Borrower with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA, or Section 5 of the UFCA, or (c) leaving such Borrower unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code or Section 4 of the UFTA, or Section 5 of the UFCA. All rights and claims of contribution, indemnification, and reimbursement under this Section 2(b) shall be subordinate in right of payment to the prior payment in full of the Liabilities. The provisions of this Section 2(b) shall, to the extent expressly inconsistent with any provision in the Note or any Ancillary Document, supersede such inconsistent provision.

3. Representations and Warranties of Dixie. Dixie hereby represents and warrants, for the benefit of Lender, as follows: that (a) it is duly organized, validly existing and in good standing under the laws of the state of its organization as set forth above, and has all requisite power and authority to own its property and to carry on its business as now being conducted, to enter into this Modification and to carry out the provisions and conditions of this Modification and the Note; (b) this Modification and the Note constitute legal, valid and binding obligations of Dixie enforceable against Dixie in accordance with the terms hereof and thereof.

4. Amended Definition of “Maturity Date”. The definition of “Maturity Date”, as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

“Maturity Date” means April 30, 2015.

5. Amended Section 2.1. Section 2.1 of the Note is deleted in its entirety and replaced with the following:

2.1 Advance. On June 25, 2012, \$300,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. On July 19, 2012, an additional \$1,700,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. On October 22, 2012, an additional \$900,000 of the principal balance of this Secured Promissory Note was advanced to Borrower and on December 21, 2012, an additional \$100,000 of the principal balance of this Secured Promissory Note was advanced to Borrower. As of December 17, 2014, Borrower has repaid \$300,000 of the principal on the Note. On or before January 30, 2015, Borrower may request an additional Advance in an amount not to exceed \$250,000.

The request for the additional Advance shall be in writing, specify Borrower’s intended use for the requested Advance and be signed by Borrower in the form attached hereto as Exhibit A (the “Advance Request”). No Advance shall be made on or after the Maturity Date, or after the occurrence of a default or Event of Default which has not been cured or waived by Lender, any such waiver to be granted at Lender’s sole discretion. Borrower agrees that Lender may rely on any Advance Request given by any person Lender reasonably believes is authorized to make such request without the necessity of independent investigation. Notwithstanding anything to the contrary contained herein, the aggregate

principal amount of all advances made hereunder shall not exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000) at any time.

6. Amended Section 2.3. Section 2.3 of the Note is deleted in its entirety and replaced with the following:

2.3 Default Interest. Upon the occurrence of an Event of Default, the unpaid principal amount of the Loan and accrued and unpaid interest thereon shall bear interest at a rate equal to the lesser of the (a) Maximum Rate or (b) Default Rate. Such interest shall accrue, commencing upon the occurrence of an Event of Default and continue until such Event of Default is cured or waived.

7. Amended Section 2.4. Section 2.4 of the Note is deleted in its entirety and replaced with the following:

2.4 Payments. Borrower shall make (a) monthly payments of interest on the first (1st) day of each month, and (b) a principal payment of Two Hundred Fifty Thousand Dollars (\$250,000) on or before January 30, 2015. Borrower may prepay all or any portion of the Loan at any time prior to the Maturity Date, without premium or penalty. Borrower shall pay the outstanding principal balance of this Note, together with all accrued and unpaid interest, fees and costs, on or before the Maturity Date.

8. Amended Use of "Security Agreement" and "Ancillary Documents". The term "Security Agreement" in Sections 5.2, 5.4, 13.3 and 13.9 is amended to be "Ancillary Documents".

9. Amended Section 7. The following paragraphs are added to Section 7 of the Note as new subsections 7.1.9 and 7.1.10, with the appropriate, corresponding punctuation changes to Sections 7.1.7 and 7.1.8:

7.1.9 any payment of principal or prepayment of interest on any debt incurred in violation of Section 6.4, regardless of whether such violation has been waived by Lender; provided that Borrower may make principal payments in an aggregate amount not to exceed \$190,000 for all such payments, pursuant to those certain promissory notes (i) dated August 28, 2013, in the original principal amount of \$90,000, executed by Borrower in favor of Simpson IV, L.L.C. and (ii) dated October 30, 2013, in the original principal amount of \$100,000, executed by Borrower in favor Richard D. Doermer; and

7.1.10 any acceleration or delivery to Borrower of any notice of intent to accelerate with respect to, or the maturation of, any debt owing by Borrower to any person or entity other than Lender.

10. Amended Section 9. Section 9 of the Note is deleted in its entirety and replaced with the following:

9. Attorneys' and Collection Fees. Should the indebtedness evidenced by this Secured Promissory Note or any part hereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings, Borrower agrees to pay and indemnify Lender for, in addition to principal and interest due and payable hereon, all costs of collection, including, without limitation, reasonable attorneys' fees, costs and expenses, incurred by Lender in collecting on or enforcing this Secured Promissory Note and the Ancillary Documents. Without limiting the foregoing, Borrower shall indemnify Lender for, and pay immediately upon demand, all costs and expenses (including attorneys' fees) incurred in connection with the negotiation, drafting, closing, modification or amendment, execution, delivery, collection, or enforcement of this Note and the Ancillary Documents and any matters contemplated by this Note or any Ancillary Document, and will reimburse Lender for all out-of-pocket expenses (including reasonable attorneys' fees, expenses and charges) on demand as they are incurred in connection with any of the foregoing.

11. Amended Section 12.2. Section 12.2 of the Note is deleted in its entirety and replaced with the following:

12.2 Survival. All indemnification rights hereunder shall survive the execution and delivery of this Secured Promissory Note and the consummation of the transactions contemplated hereby (a) for a period of three years with respect to representations and warranties made by Borrower, and (b) until fully performed with respect to covenants and agreements made by Borrower, regardless of any investigation, inquiry or examination made for or on behalf of, or any knowledge of Lender and/or any of the Indemnified Persons or the acceptance by Lender of any certificate or opinion.

12. Amended Section 13.1.

(a) The address for notices to Lender in Section 13.1 of the Note is hereby deleted in its entirety and replaced with the following:

CBC Partners I, LLC
777 108th Ave NE, Suite 1895
Bellevue, WA 98004
Fax: (425) 688-7003
Attention: Alan Hallberg

(b) The following address for notices to Dixie is added as an additional address to Section 13.1 of the Note:

Preferred Restaurant Brands, Inc.
4033 S. Dean Martin Drive
Las Vegas, NV 89103
Fax: (704) 248-3752
Attention: Kenneth Antos

13. Waiver. Lender waives its default rights with respect to the Existing Defaults. This waiver applies only to the Existing Defaults and, except as to the Existing Defaults, the execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document. Except as expressly set forth herein, all terms and conditions of the Note remain in full force and effect without waiver or modification. Each Borrower represents and warrants that as of the date hereof, there are no claims or offsets against or defenses or counterclaims to such Borrower's obligations under the Note or any Ancillary Document.

14. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

15. Representations and Warranties. Each Borrower hereby represents and warrants to Lender as follows:

(a) Such Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by such Borrower and constitute the legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by such Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to such Borrower, or the governing documents of such Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

(d) As of the date of this Modification, there exists no Event of Default as defined in the Note, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

16. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document, except as expressly stated herein.

17. Amendment Fee and Expenses. Borrowers shall jointly and severally owe to Lender a fully earned and nonrefundable amendment fee in the amount of Fifty-five Thousand Dollars (\$55,000.00) (the "Amendment Fee") contemporaneously with the earlier of Borrowers' execution and delivery to Lender of this Modification. Borrowers' execution of this Modification shall constitute their agreement, regardless of whether the conditions precedent set forth in Section 18 below are satisfied, to pay upon demand the Amendment Fee and all reasonable fees and expenses of Lender incurred in connection with this Modification and the Loan, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan). Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and each Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

18. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by each Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by Dixie and delivery to Lender of a Warrant Agreement for one million four hundred fifty thousand (1,450,000) shares of Dixie, in form and substance satisfactory to Lender.

(c) Execution by Dixie and delivery to Lender of a Security Agreement, in form and substance satisfactory to Lender.

(d) Delivery to Lender of certified resolutions of Dixie to enter into this Modification, including the joinder provisions in Section 2 hereof, and the Warrant Agreement referenced in clause (b), in each case, in form and substance satisfactory to Lender.

(e) Delivery to Lender of an incumbency certificate of Dixie, in form and substance satisfactory to Lender.

(f) Execution and delivery by Kenneth M. Antos and Sheila M. Neumann-Antos, as Trustees of the Kenneth and Sheila Antos Living Trust dated April 26, 2007 and any amendments thereto (the "Antos Trust") to Lender of a Deed of Trust on the real property located at 5148 Spanish Heights Drive, Las Vegas, Nevada 89148 (the "Real Property"), in form and substance satisfactory to Lender in its sole discretion.

(g) Delivery to Lender of a trust certificate by the Antos Trust, in form and substance satisfactory to Lender.

(h) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(i) Delivery to Lender of a name affidavit of Sheila M. Neumann-Antos in form and substance satisfactory to Lender.

(j) Payment in full and in good funds of the Amendment Fee all reasonable fees and expenses of Lender incurred in connection with this Modification, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan) for which Lender has made demand.

(k) The representations and warranties in Section 4 of the Note shall be true and correct as of the date of this Modification and any additional Advance.

(l) Since September 30, 2014, there shall have been no material adverse change, as determined by Lender, in the financial condition or business of either Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of either Borrower (or any such guarantor).

19. Holdings Resolutions and Warrant.

(a) Within sixty (60) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the ratification of the conversion of 5,858,225 membership units of KCI into an equal number of membership units of Holdings and the issuance of 5,858,225 membership units of Holdings to Lender.

(b) Borrowers shall take all actions necessary, in good faith, to cause Holdings to issue membership units in Holdings to Lender, within sixty (60) days of the date hereof (which date may be extended in Lender's sole discretion), based upon the exercise of those certain Warrants to Purchase Membership Units issued by KCI dated July 19, 2012, October 22, 2012, and November 19, 2013, for an aggregate of 5,858,225 membership units in Holdings.

(c) Within sixty (60) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the assignment and assumption by Holdings reflecting the exchange of those certain Warrants to Purchase Membership Units issued by KCI dated April 19, 2014, for an aggregate of 1,818,574 membership units of KCI, for warrants issued by Holdings to Lender for an aggregate of 1,818,574 membership units of Holdings.

20. Title Policy. Within sixty (60) days of the date hereof (which date may be extended in Lender's sole discretion), Lender shall have received a policy of title insurance, with such endorsements as Bank may require, issued by a company and in form and substance satisfactory to Lender, in such amount as Lender shall require, insuring Lender's lien on the Real Property, subject only to such exceptions as Lender shall approve in its discretion, with all costs thereof to be paid by Borrower. Borrower agrees to cause any necessary parties to provide or obtain any customary affidavits and indemnities as may be required or necessary to obtain title insurance satisfactory to Lender.

21. Blocked Account. Within sixty (60) days of the date hereof (which date may be extended in Lender's sole discretion), Borrower shall deliver to Lender a fully executed (a) springing blocked account agreement by and among Kenneth M. Antos ("Antos"), Lender and JPMorgan Chase & Co. or its affiliate for account number xxxxx3477 (the "Account"), which is the Account in which Antos deposits or receives payments under that certain Settlement Agreement and Mutual Release, as amended by and among Twin Towers Trading Site Management, LLC, Jeffrey Brandon, Eric Scholer, David L. Beacklean, SMG Group, Inc., and Antos, dated as of September 1, 2012 (the "Settlement Agreement"), and (b) irrevocable payment directive directing all payments under the Settlement Agreement to be made into the Account, subject to change only upon the direction of Lender in Lender's sole discretion. Antos covenants and agrees not to direct payments from the Settlement Agreement into any account other than the Account without the prior written consent of Lender, such consent to be withheld in Lender's sole discretion.

22. Further Assurances. Promptly upon request, Borrowers and Guarantors shall deliver, and shall cause Holdings and Third Party Lenders to deliver, such instruments, assignments, title certificates, or other documents or agreements, and shall take such actions, as Lender deems appropriate to evidence or perfect its interest in any Collateral, or otherwise to give effect to the intent of this Modification and the documents, instruments and transactions contemplated hereby and under the other Ancillary Documents, as modified hereby.

23. Information. In addition to the requirements of Section 5.6 of the Note, each Borrower shall submit to Lender (a) notice of the occurrence of a default or Event of Default under the Note or any Ancillary Document, (b) notice of the threat or commencement of litigation against either Borrower or any Guarantor in an amount in excess of \$100,000, (c) notice regarding changes in either Borrower's structure, name, ownership, officers or manager, (d) any notice received by either Borrower or Holdings with respect to any debt or obligation owing by either Borrower to any other person or entity, including the Third Party Lenders, including but not limited to any notice of default, notice of intent to accelerate or notice of acceleration, and (e) such other information as Lender may reasonably request.

24. Agency of Dixie for KCI. KCI irrevocably appoints Dixie as its agent for all purposes relevant to this Modification, the Note and the Ancillary Documents, including the giving and receipt of notices and execution and delivery of all documents, instruments, and certificates contemplated herein and all modifications hereto. Any acknowledgment, consent, direction, certification, or other action that might otherwise be valid or effective only if given or taken by both Borrowers shall be valid and effective if given or taken only by Dixie, whether or not KCI joins therein, and Lender shall have no duty or obligation to make further inquiry with respect to the authority of Dixie under this Section 24; provided that nothing in this Section 24 shall limit the effectiveness of, nor the right of Lender to rely upon, any notice, document, instrument, certificate, acknowledgment, consent, direction, certification, or other action delivered by either Borrower pursuant to this Modification, the Note, or any Ancillary Document or to require the consent of both Borrowers to any such action.

25. Ownership. KCI and Dixie shall not issue any stock, warrant, option, or other ownership interest without the prior written consent of Lender.

26. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Loan Documents to the Note shall be deemed to refer to the Note as amended hereby. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note. Failure by any Borrower or Guarantor to strictly comply with the terms of this Modification shall constitute an Event of Default under the Note.

27. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Electronic delivery of an original signature shall constitute an original signature.

28. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

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IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWERS:

KCI INVESTMENTS, LLC,
a Nevada limited liability company



By: Ken Antos
Its: Managing Member

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

PREFERRED RESTAURANT BRANDS, INC. f/k/a DIXIE
FOODS INTERNATIONAL, INC.
a Florida corporation



By: Ken Antos
Its: President

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER:

CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 777 108th Ave NE
Suite 1895
Bellevue, WA 98004
Facsimile: (425) 688-7003

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company (the "KCI") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her respective Guaranty dated June 22, 2012, (the "Guaranty"), hereby (i) acknowledges receipt of the Seventh Modification to Secured Promissory Note and Waiver of Defaults (the "Seventh Modification"); (ii) consents to the terms and execution thereof; (iii) agrees and consents to the joinder of Preferred Restaurant Brands, Inc. f/k/a Dixie Foods International, Inc. ("Dixie") as a Borrower under the Note and agrees that the he/she guarantees all indebtedness of KCI and Dixie owing to Lender under the terms of the Note and Ancillary Documents pursuant to the Guaranty, (iv) agree the term "Borrower" set forth in the Guaranty is hereby modified to mean KCI and Dixie individually and collectively; (v) agrees and confirms that "Guaranteed Obligations" as defined in the Guaranty includes all indebtedness, obligations, and liabilities of KCI and Dixie, as more fully described in the Guaranty; (vi) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; (vii) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of KCI or Dixie, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of the Borrower's present and future indebtedness to Lender; and (viii) agrees to join in and be bound by all of the terms and provisions of Section 21 (including executing the springing blocked account agreement), Section 22, and Section 26 of the Seventh Modification.

Dated effective as of the 31st day of October, 2014.

GUARANTORS:



Kenneth Antos



Shelia Antos

**EIGHTH MODIFICATION TO SECURED PROMISSORY NOTE
AND WAIVER OF DEFAULTS**

THIS EIGHTH MODIFICATION TO SECURED PROMISSORY NOTE AND WAIVER OF DEFAULTS (this "Modification"), effective as of January 23, 2015, is entered into by and among KCI INVESTMENTS, LLC, a Nevada limited liability company ("KCI"), PREFERRED RESTAURANT BRANDS, INC., a Florida corporation ("PRB" and, together with KCI, each a "Borrower" and collectively, "Borrowers") and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrowers are currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note by and among Borrowers and Lender dated as of June 22, 2012, as modified pursuant to that certain First Modification to Secured Promissory Note dated as of July 19, 2012, that certain Second Modification to Secured Promissory Note dated as of October 22, 2012, that certain Third Modification to Secured Promissory Note dated as of July 19, 2013, that certain Fourth Modification to Secured Promissory Note dated as of November 19, 2013, that certain Fifth Modification to Secured Promissory Note dated as of January 19, 2014, that certain Sixth Modification to Secured Promissory Note dated as of April 19, 2014, and that certain Seventh Modification to Secured Promissory Note dated as of October 31, 2014 (the "Seventh Modification") and as further amended from time to time (the "Note");

WHEREAS, Borrowers are currently in default under the terms of the Note as a result of (i) transferring assets outside the ordinary course of business to various subsidiaries of KCI in violation of Section 6.11 of the Note; (ii) failing to provide the certified resolutions and warrants of KCI Holding 1, LLC ("Holdings") in violation of Section 19 of the Seventh Modification, and (iii) failing to deliver a fully executed springing blocked account agreement by and among Kenneth M. Antos ("Antos"), Lender and JPMorgan Chase & Co. or its affiliate in violation of Section 21 of the Seventh Modification (the "Existing Defaults");

WHEREAS, PRB desires to obtain secured funding from TCA Global Credit Master Fund, LP ("TCA") pursuant to those certain Securities Purchase Agreement and Secured Redeemable Debenture, each dated December 31, 2014, which (absent written approval by Lender) would violate Sections 6.4 and 6.5 of the Note; and

WHEREAS, Borrowers have asked that Lender waive the Existing Defaults and approve the indebtedness and liens in favor of TCA, and Lender has agreed to such requests, subject to the terms and conditions set forth in this Modification;

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

I. Waiver. Lender waives its default rights with respect to the Existing Defaults. This waiver applies only to the Existing Defaults and, except as to the Existing Defaults, the

execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document. Except as expressly set forth herein, all terms and conditions of the Note remain in full force and effect without waiver or modification. Each Borrower represents and warrants that as of the date hereof, there are no claims or offsets against or defenses or counterclaims to such Borrower's obligations under the Note or any Ancillary Document.

2. Consent to Exceptions to Negative Covenants. Lender approves, as an exception to Sections 6.4 and 6.5 of the Note, the indebtedness of PRB to TCA in the amount of \$2,000,000 and security interests in the assets of the Borrowers to secure that amount, subject to the terms and conditions herein, including execution of an Intercreditor Agreement in form and substance satisfactory to Lender in its discretion.

3. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

4. Representations and Warranties. Each Borrower hereby represents and warrants to Lender as follows:

(a) Such Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by such Borrower and constitute the legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by such Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to such Borrower, or the governing documents of such Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in Section 4 of the Note are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

(d) As of the date of this Modification, there exists no Event of Default as defined in the Note, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default, other than the Existing Defaults.

5. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or

Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document, except as expressly stated herein.

6. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by each Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by Borrowers and delivery to Lender of a Pledge Agreement, in form and substance satisfactory to Lender.

(c) Execution by PRB and delivery to Lender of a Warrant Agreement for five hundred thousand (500,000) shares of PRB, in form and substance satisfactory to Lender.

(d) Execution by KCI Restaurant I LLC, KCI Restaurant II LLC, PRB I LLC, and any other subsidiaries of Borrowers (collectively, the "Subsidiaries") and delivery to Lender of a Security Agreement, in form and substance satisfactory to Lender.

(e) Execution by the Subsidiaries and delivery to Lender of a Guaranty, in form and substance satisfactory to Lender.

(f) Delivery to Lender of satisfactory evidence of corporate authority of Borrowers and the Subsidiaries to take the action and execute the documents required by this Modification, including by PRB for the Warrant Agreement referenced in clause (c), in each case, in form and substance satisfactory to Lender.

(g) Execution by each of the Guarantors of the Agreement and Acknowledgement of Guarantors attached hereto.

(h) Delivery to Lender of a fully executed Intercreditor Agreement by and among Lender, Borrowers, and TCA, in form and substance satisfactory to Lender.

(i) Payment in full and in good funds of all fees and expenses of Lender incurred in connection with this Modification, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan) for which Lender has made demand.

(j) The representations and warranties in Section 4 of the Note shall be true and correct as of the date of this Modification.

(k) Since September 30, 2014, there shall have been no material adverse change, as determined by Lender, in the financial condition or business of either Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value

of any collateral required hereunder or a substantial or material portion of the assets of either Borrower (or any such guarantor).

7. Holdings Resolutions and Warrant.

(a) Within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the ratification of the conversion of 5,858,225 membership units of KCI into an equal number of membership units of Holdings and the issuance of 5,858,225 membership units of Holdings to Lender.

(b) Borrowers shall take all actions necessary, in good faith, to cause Holdings to issue membership units in Holdings to Lender, within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), based upon the exercise of those certain Warrants to Purchase Membership Units issued by KCI dated July 19, 2012, October 22, 2012, and November 19, 2013, for an aggregate of 5,858,225 membership units in Holdings.

(c) Within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the assignment and assumption by Holdings reflecting the exchange of those certain Warrants to Purchase Membership Units issued by KCI dated April 19, 2014, for an aggregate of 1,818,574 membership units of KCI, for warrants issued by Holdings to Lender for an aggregate of 1,818,574 membership units of Holdings.

8. Account Ownership. Within fifteen (15) days of the date hereof (which date may be extended in Lender's sole discretion), Borrower shall cause Kenneth M. Antos ("Antos") to change the ownership of account number 8712783477, routing number 322271627 (the "Account") with JPMorgan Chase & Co. or its affiliate ("Chase") (which is the Account in which Antos deposits or receives payments under that certain Settlement Agreement and Mutual Release, as amended by and among Twin Towers Trading Site Management, LLC, Jeffrey Brandon, Eric Scholer, David L. Beacklean, SMG Group, Inc., and Antos, dated as of September 1, 2012 (the "Settlement Agreement")) to provide for Lender as sole owner and signatory thereunder (the "Ownership Change"), including executing and delivering to Lender or Chase any documents or instruments necessary to effect such change. Lender agrees that, following the Ownership Change, upon receipt of notice from Antos to Lender of the receipt of any payment into the Account pursuant to the Settlement Agreement, provided that no Event of Default has occurred and is continuing at such time, Lender shall promptly and in any event within five (5) days transfer such funds to Antos pursuant to wire instructions provided by Antos from time to time. Antos hereby grants and transfers to Lender a security interest in and lien on the Account and all funds now or hereafter deposited into the Account.

9. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Ancillary Documents to the Note shall be deemed to refer to the Note as amended hereby. All references in the Note and all Modifications to Note to the "Loan Documents" shall be deemed to refer to the "Ancillary Documents," as such may be amended or modified. Capitalized terms used herein

and not defined herein shall have the meanings assigned thereto in the Note. Failure by any Borrower or Guarantor to strictly comply with the terms of this Modification shall constitute an Event of Default under the Note.

10. Miscellaneous. This Modification and each of the Agreement and Acknowledgement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Electronic delivery of an original signature shall constitute an original signature.

11. Ratification. KCI agrees that any and all actions taken previously hereto by Antos as "Managing Member" or "Manager" on behalf of KCI in connection with the transactions contemplated by the Note and the Ancillary Documents, including execution of any such documents, be, and they hereby are, authorized, ratified, and confirmed in all respects, regardless of the title used.

12. Statutory Notice. **ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

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IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWERS:

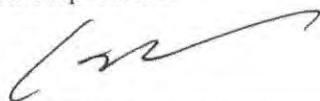
KCI INVESTMENTS, LLC,
a Nevada limited liability company



By: Kenneth M. Antos
Its: Manager

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

PREFERRED RESTAURANT BRANDS, INC.,
a Florida corporation

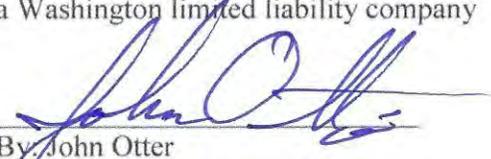


By: Kenneth M. Antos
Its: President

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER:

CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 777 108th Ave NE
Suite 1895
Bellevue, WA 98004
Facsimile: (425) 688-7003

**NINTH MODIFICATION TO SECURED PROMISSORY NOTE
AND WAIVER OF DEFAULTS**

THIS NINTH MODIFICATION TO SECURED PROMISSORY NOTE AND WAIVER OF DEFAULTS (this "Modification"), effective as of April 30, 2015, is entered into by and among KCI INVESTMENTS, LLC, a Nevada limited liability company ("KCI"), PREFERRED RESTAURANT BRANDS, INC., a Florida corporation ("PRB" and, together with KCI, each a "Borrower" and collectively, "Borrowers") and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrowers are currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note by and among Borrowers and Lender dated as of June 22, 2012, as modified pursuant to that certain First Modification to Secured Promissory Note dated as of July 19, 2012, that certain Second Modification to Secured Promissory Note dated as of October 22, 2012, that certain Third Modification to Secured Promissory Note dated as of July 19, 2013, that certain Fourth Modification to Secured Promissory Note dated as of November 19, 2013, that certain Fifth Modification to Secured Promissory Note dated as of January 19, 2014, that certain Sixth Modification to Secured Promissory Note dated as of April 19, 2014, that certain Seventh Modification to Secured Promissory Note dated as of October 31, 2014, and that certain Eighth Modification to Secured Promissory Note dated as of January 23, 2015 (the "Eighth Modification") and as further amended from time to time (the "Note");

WHEREAS, Borrowers are currently in default under the terms of the Note as a result of (i) failing to make the principal payment due under the Note on January 30, 2015; (ii) failing to provide the certified resolutions and warrants of KCI Holding 1, LLC ("Holdings") in violation of Section 7 of the Eighth Modification, and (iii) failing to transfer ownership of Kenneth M. Antos's account with JPMorgan Chase & Co. or its affiliate in violation of Section 8 of the Eighth Modification (the "Existing Defaults"); and

WHEREAS, Borrowers have asked that Lender waive the Existing Defaults and extend the maturity of the Note, and Lender has agreed to such requests, subject to the terms and conditions set forth in this Modification;

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Waiver. Lender waives its default rights with respect to the Existing Defaults. This waiver applies only to the Existing Defaults and, except as to the Existing Defaults, the execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document. Except as expressly set forth herein, all terms and conditions of the Note remain in full force and effect without waiver or modification. Each Borrower represents and warrants that as of the date hereof, there

are no claims or offsets against or defenses or counterclaims to such Borrower's obligations under the Note or any Ancillary Document.

2. Amended definition of "Maturity Date". The definition of "Maturity Date", as set forth in Section 1.1 of the Note, is deleted in its entirety and replaced with the following:

"Maturity Date" means the earlier of (a) June 29, 2015, and (b) the date on which all amounts under this Secured Promissory Note shall become due and payable pursuant to Section 7.2 of this Secured Promissory Note.

3. Amended Section 2.3. Section 2.3 of the Note is deleted in its entirety and replaced with the following:

2.3 Default Interest. Upon the occurrence and during the continuation of an Event of Default, the unpaid principal amount of the Loan and accrued and unpaid interest thereon shall bear interest at a rate equal to the lesser of the (a) Maximum Rate or (b) Default Rate. Such interest shall accrue, commencing upon the occurrence of an Event of Default and continue until such Event of Default is cured or waived. Lender shall have no obligation to provide notice to Borrower or any guarantor prior to or while charging interest at the Default Rate.

4. Amended Section 2.4. Section 2.4 of the Note is deleted in its entirety and replaced with the following:

2.4 Payments. Borrower shall make monthly payments of interest on the first day of each month. Borrower may prepay all or any portion of the Loan, at any time prior to the Maturity Date, without premium or penalty. Borrower shall pay all outstanding principal, fees, costs, and accrued and unpaid interest owing under the Loan on the Maturity Date.

5. Amended Section 6.4. Section 6.4 of the Note is deleted in its entirety and replaced with the following:

6.4 Limitation on Debt. Incur, create, assume, permit to exist, or become liable in connection with, directly or indirectly, any indebtedness, obligations, or liabilities for borrowed money, or otherwise under any promissory note, bond, indenture, or similar instrument, other than the Loan and trade debt incurred in the ordinary course of business, without the execution of a subordination agreement (in form and substance satisfactory to Lender in its sole discretion), between Lender, Borrower, and the lender of such additional debt.

6. Amended Section 6.5. Section 6.5 of the Note is deleted in its entirety and replaced with the following:

6.5 Liens. Grant to any person or entity, or permit to exist, a security interest, lien, license, or other encumbrance of any kind, direct or indirect, contingent or otherwise, in, to or upon any assets of Borrower (except for liens in favor of Lender).

7. Amended Section 7.1.

(a) Section 7.1.1 of the Note is deleted in its entirety and replaced with the following:

7.1.1 if a default occurs in the payment of any principal of, interest on, or other obligation with respect to, this Secured Promissory Note or any Ancillary Document, whether at the due date thereof or upon acceleration thereof;

(b) Section 7.1.3 of the Note is deleted in its entirety and replaced with the following:

7.1.3 if any other default by Borrower or any guarantor (other than payment) occurs under this Secured Promissory Note or under any Ancillary Document and such default remains uncured for three (3) Business Days after written notice thereof from Lender;

(c) Section 7.1.10 of the Note is deleted in its entirety and replaced with the following:

7.1.10 if any debt owing by Borrower or any guarantor to any person or entity (a) is accelerated or Borrower or any guarantor receives any notice of intent to accelerate with respect thereto, (b) matures and is not timely satisfied in full, or (c) is in default or subject to an event of default.

8. Amended Section 7.2. Section 7.2 of the Note is deleted in its entirety and replaced with the following:

7.2 Acceleration. Upon each and every such Event of Default and at any time thereafter during the continuance of such Event of Default: (a) any and all indebtedness of Borrower to Lender under this Secured Promissory Note or otherwise shall at Lender's option and without notice become immediately due and payable, both as to principal and interest (including any deferred interest and any accrued and unpaid interest and any default interest) without presentment, demand, protest, notice of dishonor, notice of acceleration or notice of intent to accelerate, all of which are hereby expressly waived by Borrower, provided, however, that upon the occurrence of any Event of Default described in Sections 7.1.4 or 7.1.5, any and all indebtedness of Borrower to Lender under this Secured Promissory Note shall automatically and immediately become due and payable, both as to principal and interest (including any deferred interest and any accrued and unpaid interest and any default interest), without notice or demand of any kind and shall thereafter accrue interest at the Default Rate until paid in full; and (b) Lender may exercise all the rights of a creditor under applicable state and/or federal law.

9. Amended Section 7.3. Section 7.3 of the Note is deleted in its entirety and replaced with the following:

7.3 Remedies on Default, Etc. In case any one or more Events of Default shall occur and be continuing, and acceleration of this Secured Promissory Note or any other indebtedness of Borrower to Lender shall have occurred, Lender may, inter alia, proceed to protect and enforce its rights by an action at law, suit in equity and/or other appropriate proceeding, whether for the specific performance of any agreement contained in this Secured Promissory Note or any Ancillary Document, or for an injunction against a violation of any of the terms hereof or thereof or in furtherance of the exercise of any power granted hereby or thereby or by law. No right conferred upon Lender by this Secured Promissory Note shall be exclusive of any other right referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise, and may be exercised by Lender at any time by Lender and from time to time after the occurrence of an Event of Default.

10. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder.

11. Representations and Warranties. Each Borrower hereby represents and warrants to Lender as follows:

(a) Such Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by such Borrower and constitute the legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by such Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to such Borrower, or the governing documents of such Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected.

(c) Borrower hereby acknowledges that (i) as of April 30, 2015, the outstanding principal balance of the indebtedness evidenced by the Note is \$3,000,000.00, and (ii) as of the date hereof, it has no defenses, offsets, or claims against the enforceability of the Note and Ancillary Documents.

(d) As of the date of this Modification, there exists no Event of Default as defined in the Note, nor any condition, act or event which with the giving of notice or the

passage of time or both would constitute any such Event of Default, other than the Existing Defaults.

12. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any default or Event of Default under the Note or a waiver of any breach, default or event of default under any Loan Document, except as expressly stated herein.

13. Fees and Expenses. Borrower shall owe to Lender a fully earned and nonrefundable amendment fee in the amount of Nineteen Thousand Five Hundred Dollars (\$19,500.00) (the "Amendment Fee") contemporaneously with Borrower's execution and delivery to Lender of this Modification. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 14 below are satisfied, to pay from time to time and indemnify Lender for, upon demand, the Amendment Fee and all other fees, costs and expenses of Lender incurred in connection with this Modification, the documents executed and delivered in connection herewith, in connection with the Note and the Ancillary Documents and in connection with any matters contemplated by the Note or any Ancillary Document, including (without limitation) reasonable attorneys' fees and expenses for the preparation, modification, negotiation, examination, collection, and enforcement hereof and thereof. Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

14. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by each Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender.

(b) Execution by each of the guarantors of the Acknowledgment and Agreement of Guarantors attached hereto.

(c) Execution by the Trustees of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto, and delivery to Lender of the Correction to Deed of Trust Assignment of Rents, Security Agreement and Fixture Filing, in form and substance satisfactory to Lender.

(d) Payment in full and in good funds of the Amendment Fee and all fees and expenses of Lender incurred in connection with this Modification, including (without limitation) attorneys' fees and expenses for the preparation, negotiation, examination and enforcement of documents (including, without limitation, this Modification and any Ancillary Documents executed or delivered in connection herewith, and all other fees and costs incidental to the closing of this Modification and the making of the Loan) for which Lender has made demand.

(e) The representations and warranties in Section 4 of the Note shall be true and correct as of the date of this Modification.

(f) Since December 31, 2014, there shall have been no material adverse change, as determined by Lender, in the financial condition or business of either Borrower (or any guarantor hereunder), nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of either Borrower (or any such guarantor).

15. Holdings Resolutions and Warrant.

(a) Within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the ratification of the conversion of 5,858,225 membership units of KCI into an equal number of membership units of Holdings and the issuance of 5,858,225 membership units of Holdings to Lender.

(b) Borrowers shall take all actions necessary, in good faith, to cause Holdings to issue membership units in Holdings to Lender, within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), based upon the exercise of those certain Warrants to Purchase Membership Units issued by KCI dated July 19, 2012, October 22, 2012, and November 19, 2013, for an aggregate of 5,858,225 membership units in Holdings.

(c) Within thirty (30) days of the date hereof (which date may be extended in Lender's sole discretion), Borrowers shall deliver to Lender evidence satisfactory to Lender in its discretion of the assignment and assumption by Holdings reflecting the exchange of those certain Warrants to Purchase Membership Units issued by KCI dated April 19, 2014, for an aggregate of 1,818,574 membership units of KCI, for warrants issued by Holdings to Lender for an aggregate of 1,818,574 membership units of Holdings.

16. References. All references in the Note to "this Secured Promissory Note" shall be deemed to refer to the Note as amended hereby, and any and all references in the Ancillary Documents to the Note shall be deemed to refer to the Note as amended hereby. All references in the Note and all Modifications to Note to the "Loan Documents" shall be deemed to refer to, collectively, the "Note" and "Ancillary Documents," as such may be amended or modified. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note. Failure by any Borrower or guarantor to strictly comply with the terms of this Modification shall constitute an Event of Default under the Note.

17. Miscellaneous. This Modification and the Acknowledgment and Agreement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Electronic delivery of an original signature shall constitute an original signature.

18. Agreement to Subsidiary Operating Agreements. In accordance with the pledge by KCI of its interest in its subsidiaries pursuant to, and as further defined in, that certain Pledge Agreement dated as of January 23, 2015, by and between KCI and Lender (the "Pledge Agreement"), Lender agrees it shall be bound by and be entitled to the economic benefits and obligations of all the provisions of the subsidiaries' operating agreement applicable to the interest acquired by Lender. Lender constitutes a "Permitted Transferee" under the subsidiaries' operating agreements because it (a) is a transferee based upon the interest it received under the Pledge Agreement, (b) is not a competitor to the subsidiaries or prohibited member, and (c) otherwise satisfies the definition provided thereunder.

19. General Release. Each Borrower and guarantor hereby absolutely and unconditionally release and forever discharge Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which Borrower or any such guarantor has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Modification, whether such claims, demands and causes of action are matured or unmatured or known or unknown.

20. Statutory Notice. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Intentionally blank

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWERS: KCI INVESTMENTS, LLC,
a Nevada limited liability company



By: Kenneth M. Antos
Its: Manager

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

PREFERRED RESTAURANT BRANDS, INC.,
a Florida corporation



By: Kenneth M. Antos
Its: President

Address: 4033 S. Dean Martin Drive
Las Vegas, NV 89103

LENDER: CBC PARTNERS I, LLC,
a Washington limited liability company



By: John Otter
Its: Authorized Manager Representative

Address: 777 108th Ave NE
Suite 1895
Bellevue, WA 98004
Facsimile: (425) 688-7003

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company, and Preferred Restaurant Brands, Inc., a Florida corporation (each a "Borrower" and collectively, "Borrowers") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her/its respective Guaranty dated June 22, 2012, and January 23, 2015, (each, a "Guaranty"), hereby (i) acknowledges receipt of the Ninth Modification to Secured Promissory Note and Waiver of Defaults (the "Modification"); (ii) consents to the terms and execution thereof; (iii) agrees and confirms that "Guaranteed Obligations" as defined in the Guaranty includes all indebtedness, obligations, and liabilities of Borrowers, as more fully described in the Guaranty; (iv) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; (v) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of Borrower's present and future indebtedness to Lender; and (vi) agrees to join in and be bound by all of the terms and provisions of the General Release contained in Section 19 thereof.

Each of the undersigned that is a subsidiary of KCI Investments, LLC ("KCI") acknowledges that it has received written notice of the pledge of KCI's interest in such subsidiary pursuant to that certain Pledge Agreement dated as of January 23, 2015, by and between KCI and Lender, has reviewed the explanation of how Lender is a Permitted Transferee (as defined in the undersigned's operating agreement) in Section 18 of the Modification and acknowledges that Lender is a Permitted Transferee. Each of the undersigned hereby waives any further requirement to validate such transfer by KCI and ratifies and consents to such transfer.

Dated effective as of the 30th day of April, 2015.

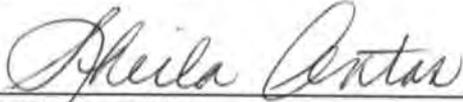
GUARANTORS:



KENNETH ANTOS

KCI RESTAURANT II LLC

By KCI INVESTMENTS, LLC, its
Managing Member



SHEILA ANTOS

By: 

Kenneth M. Antos, Manager

KCI RESTAURANT I LLC

PRB I LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By KCI INVESTMENTS, LLC, its
Managing Member

By: 

Kenneth M. Antos, Manager

By: 

Kenneth M. Antos, Manager

TENTH MODIFICATION TO SECURED PROMISSORY NOTE

THIS TENTH MODIFICATION TO SECURED PROMISSORY NOTE (this "Modification"), effective as of December 2, 2016, is entered into by and among KCI INVESTMENTS, LLC, a Nevada limited liability company ("KCI"), PREFERRED RESTAURANT BRANDS, INC., a Florida corporation ("PRB") and, together with KCI, each a "Borrower" and collectively, "Borrowers") and CBC PARTNERS I, LLC, a Washington limited liability company, or its assigns ("Lender").

RECITALS

WHEREAS, Borrowers are currently indebted to Lender pursuant to the terms and conditions of that certain Secured Promissory Note by and among Borrowers and Lender dated as of June 22, 2012, as modified from time to time, including pursuant to that certain Ninth Modification to Secured Promissory Note dated as of April 30, 2015 (the "Ninth Modification"), and as further amended from time to time (the "Note");

WHEREAS, Borrowers are currently in default under the terms of the Note as a result of (i) failing to satisfy the Note upon the maturity thereof and (ii) failing to provide the certified resolutions and warrants of KCI Holding 1, LLC ("Holdings") in violation of Section 15 of the Ninth Modification (collectively, the "Existing Defaults");

WHEREAS, Borrowers are indebted to Lender in the principal amount of \$2,950,000, plus late charges of \$19,500, and accrued interest as of October 31, 2016, of \$838,396 (together with all amounts accruing hereafter, the "Accrued Interest"), together with fees, costs and expenses; and

WHEREAS, Borrowers have asked that Lender forbear from exercising its remedies based upon the Existing Defaults under applicable law, and Lender has agreed to such requests pursuant to the terms of a Forbearance Agreement of even date herewith, including severing \$15,000 from the principal amount of the Note pursuant to a severed note executed contemporaneously with this Modification, in the principal amount of \$15,000 (the "Severed Note");

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Note shall be amended as follows:

1. Amended Principal Amount of Note. The principal amount of \$15,000 is hereby severed from the Note and is hereinafter evidenced by the Severed Note. The maximum principal amount that may be advanced under the Note and the face amount thereof are hereby decreased from \$2,950,000.00 to \$2,935,000.00. Such reduced principal obligation and all Accrued Interest, fees, costs and expenses remain due and owing pursuant to the terms of the Note, as amended hereby.

2. No Waiver. The execution of this Modification and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any amounts owing under the Note, and any default or Event of Default under the Note or a waiver of any

breach, default or event of default under the Note or any Ancillary Document. The parties agree that this Modification: (a) creates no obligations of any kind on Lender to make any future extensions or advances to any Borrower; (b) does not waive any Event of Default of a Borrower or any guarantor or under any term of the Note or any Ancillary Document; and (c) does not create any obligation on the part of Lender to forbear from exercising any of their rights and remedies under the Note or any Ancillary Document or applicable law.

3. No Other Changes. Except as explicitly amended by this Modification, all of the terms and conditions of the Note shall remain in full force and effect and shall apply to any Advance or Letter of Credit thereunder. So long as Borrower owes Lender any payments or performance under the Note or the Ancillary Documents, the security interests and liens in favor of Lender granted by Borrower are and shall remain valid, enforceable, perfected and first priority security interests against the real and personal property pledged to secure the Obligations (with the exception of the unsecured Severed Note).

4. Representations and Warranties. Each Borrower hereby represents and warrants to Lender as follows:

(a) Such Borrower has all requisite power and authority to execute this Modification and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Modification and all such other agreements and instruments has been duly executed and delivered by such Borrower and constitute the legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by such Borrower of this Modification and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to such Borrower, or the governing documents of such Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected.

(c) Borrower hereby acknowledges that (i) the Recitals are true and correct, (ii) as of the date hereof, and after the severance of \$15,000, the outstanding principal balance of the indebtedness evidenced by the Note is \$2,935,000, plus all Accrued Interest, fees, costs and expenses, (iii) such principal balance continues to accrue interest at the Default Rate, and (iv) as of the date hereof, it has no defenses, offsets, or claims against the enforceability of the Note, Severed Note and Ancillary Documents.

5. Fees and Expenses. Borrower's execution of this Modification shall constitute its agreement, regardless of whether the conditions precedent set forth in Section 6 below are satisfied, to pay from time to time and indemnify Lender for, upon demand, all fees, costs and expenses of Lender incurred in connection with this Modification, the documents executed and delivered in connection herewith, in connection with the Note and the Ancillary Documents and in connection with any matters contemplated by the Note or any Ancillary Document, including

(without limitation) reasonable attorneys' fees and expenses for the preparation, modification, negotiation, examination, collection, and enforcement hereof and thereof. Lender shall not be required to pay any premium, brokerage fee, loan broker fee, commission or similar compensation in connection with this transaction, and Borrower agrees to defend, indemnify, and hold Lender harmless from and against all claims asserted by any person on account of any such fee, commission or compensation, including attorneys' fees paid or incurred by Lender with respect to any such claim.

6. Conditions Precedent. The execution and performance of this Modification by Lender is subject to the following conditions precedent:

(a) Execution by each Borrower and delivery to Lender of this Modification, in form and substance satisfactory to Lender;

(b) Execution by each Borrower of the Severed Note;

(c) Execution by each Borrower of a Forbearance Agreement and Debt Purchase Agreement, in form and substance acceptable to Lender;

(d) Execution by each of the guarantors of the Acknowledgment and Agreement of Guarantors attached hereto, and to each of the above-referenced agreements;

(e) Delivery to Lender of a duly executed First Modification to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, by Kenneth M. Antos and Sheila M. Neumann-Antos, Trustees of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto, as trustor, related to that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing made December 17, 2014, and recorded in the Official Records of Clark County, Nevada on December 29, 2014, as instrument number 20141229-0002856;

(f) Lender's receipt from First American Title Insurance Company of a commitment to issue a modification endorsement, in form and substance acceptable to Lender, insuring the validity and priority of the Deed of Trust and Lender's lien with respect to the Nevada Property, following the recordation of the DOT Modification;

(g) Delivery to Lender of satisfactory evidence of corporate authority of Borrowers to take the action and execute the documents required by this Modification, in form and substance satisfactory to Lender; and

(h) The representations and warranties in Section 4 of the Note shall be true and correct as of the date of this Modification.

7. References. All references in the Note to "this Secured Promissory Note" shall be deemed to exclude the Severed Note, and refer to the Note as amended hereby, and any and all references in the Ancillary Documents to the Note shall be deemed to refer to the Note as amended hereby. All references to the "Loan Documents" in the Note and all Modifications to the Note (including this Modification) shall be deemed to refer to, collectively, the "Note" and

“Ancillary Documents,” as such may be amended or modified. Any references to Ancillary Documents or the Note shall not include the Severed Note. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Note.

8. Event of Default. Failure by any Borrower or guarantor to strictly comply with the terms of this Modification shall constitute an Event of Default under the Note.

9. Miscellaneous. This Modification and the Acknowledgment and Agreement of Guarantors may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Electronic delivery of an original signature shall constitute an original signature.

10. General Release. Each Borrower and guarantor hereby absolutely and unconditionally release and forever discharge Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which Borrower or any such guarantor has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Modification, whether such claims, demands and causes of action are matured or unmatured or known or unknown.

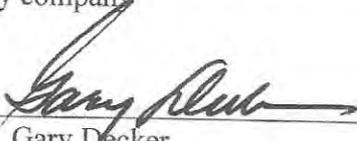
11. Statutory Notice. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWERS:

KCI INVESTMENTS, LLC, a Nevada limited liability company

By: 
Name: Gary Decker
Title: Authorized Signatory

Address: 5035 Scholarship
Irvine, CA 92612

PREFERRED RESTAURANT BRANDS, INC.,
a Florida corporation

By: 
Name: Gary Decker
Title: Authorized Signatory

Address: 5035 Scholarship
Irvine, CA 92612

LENDER:

CBC PARTNERS I, LLC, a Washington limited liability company

By: _____
Name: John Otter
Title: Authorized Manager Representative

Address: 777 108th Ave NE, Suite 1895
Bellevue, WA 98004
Facsimile: (425) 688-7003

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed as of the date first above written.

BORROWERS: KCI INVESTMENTS, LLC, a Nevada limited liability company

By: _____
Name: Gary Decker
Title: Authorized Signatory

Address: 5035 Scholarship
Irvine, CA 92612

PREFERRED RESTAURANT BRANDS, INC.,
a Florida corporation

By: _____
Name: Gary Decker
Title: Authorized Signatory

Address: 5035 Scholarship
Irvine, CA 92612

LENDER: CBC PARTNERS I, LLC, a Washington limited liability company

By: 
Name: John Otter
Title: Authorized Manager Representative

Address: 777 108th Ave NE, Suite 1895
Bellevue, WA 98004
Facsimile: (425) 688-7003

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company, and Preferred Restaurant Brands, Inc., a Florida corporation (each a "Borrower" and collectively, "Borrowers") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her/its respective Guaranty dated June 22, 2012, and January 23, 2015, (each, a "Guaranty"), hereby (i) acknowledges receipt of the Tenth Modification to Secured Promissory Note (the "Modification"); (ii) consents to the terms and execution thereof; (iii) agrees and confirms that "Guaranteed Obligations" as defined in the Guaranty includes all indebtedness, obligations, and liabilities of Borrowers, as more fully described in the Guaranty; (iv) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; (v) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of Borrower's present and future indebtedness to Lender; and (vi) agrees to join in and be bound by all of the terms and provisions of the General Release contained in Section 10 thereof.

DATED effective as the 2nd day of December, 2016.

Kenneth Antos

Shelia Antos

KCI RESTAURANT I LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Gary Decker

Name: Gary Decker

Its: Authorized Signatory

KCI RESTAURANT II LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Gary Decker

Name: Gary Decker

Its: Authorized Signatory

PRB I LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Gary Decker

Name: Gary Decker

Its: Authorized Signatory

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

Each of the undersigned guarantors of the indebtedness of KCI Investments, LLC, a Nevada limited liability company, and Preferred Restaurant Brands, Inc., a Florida corporation (each a "Borrower" and collectively, "Borrowers") to CBC Partners I, LLC ("Lender"), a Washington limited liability company, or its assigns, pursuant to his/her/its respective Guaranty dated June 22, 2012, and January 23, 2015, (each, a "Guaranty"), hereby (i) acknowledges receipt of the Tenth Modification to Secured Promissory Note (the "Modification"); (ii) consents to the terms and execution thereof; (iii) agrees and confirms that "Guaranteed Obligations" as defined in the Guaranty includes all indebtedness, obligations, and liabilities of Borrowers, as more fully described in the Guaranty; (iv) reaffirms all obligations to Lender pursuant to the terms of the Guaranty; (v) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Note and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty for all of Borrower's present and future indebtedness to Lender; and (vi) agrees to join in and be bound by all of the terms and provisions of the General Release contained in Section 10 thereof.

DATED effective as of the ___ day of November, 2016.



Kenneth Antos



Sheila Antos

KCI RESTAURANT I LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Name: _____
Its: Authorized Signatory

KCI RESTAURANT II LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Name: _____
Its: Authorized Signatory

PRB I LLC

By KCI INVESTMENTS, LLC, its
Managing Member

By: _____
Name: _____
Its: Authorized Signatory

EXHIBIT 7

EXHIBIT 7

Inet #: 20141229-0002856
Fees: \$39.00
N/C Fee: \$25.00
12/29/2014 12:03:20 PM
Receipt #: 2265155
Requestor:
FIRST AMERICAN COMMERCIAL N
Recorded By: CYV Pgs: 23
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN: 163-29-615-007

When recorded, return to:
LANE POWELL pc
601 SW Second Ave, Suite 2100
Portland, OR 97204
Attn: Skyler Tanner
NCS 706 877

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

This Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing is made as of December 17, 2014, by Kenneth M. Antos and Sheila M. Neumann-Antos, Trustees of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto, as trustor ("Trustor"), having a notice address of 5148 Spanish Heights Drive, Las Vegas, NV 89148, to First American Title Insurance Company, a Nebraska corporation, as trustee ("Trustee"), having a notice address of 2 First American Way, Santa Ana, CA 92707, for the benefit of CBC Partners I, LLC, a Washington limited liability company, as beneficiary ("Beneficiary"), having a notice address of 777 108th Ave NE, Suite 1895, Bellevue, WA 98004.

WITNESSETH

FOR GOOD AND VALUABLE CONSIDERATION, TRUSTOR hereby jointly and severally irrevocably grants, bargains, sells, transfers and assigns to Trustee, its successors and assigns, in trust pursuant to this document and Nevada law, WITH POWER OF SALE, the real property located in Clark County, Nevada, described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "**Real Property**").

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights-of-way, easements, privileges, reversions and appurtenances thereunto belonging, or in anywise appertaining (whether now or hereafter acquired) and the buildings and improvements thereon (all as part of the premises hereby conveyed) which shall be deemed to include but not to be limited to any and all of the following whether now owned or hereafter acquired:

(i) all leases (subject to the absolute assignment hereinafter described) and other agreements affecting the use, enjoyment or occupancy of the premises and/or improvements now or hereafter entered into (the "**Leases**"), and all rents, issues, profits, damages, deposits, royalties, revenue, proceeds and benefits therefrom and from any business or other activity conducted or operated thereon, now existing or hereafter created;

(ii) all improvements, landscaping, fixtures, equipment and building materials and supplies (whether or not annexed thereto or located thereon) now or hereafter used in connection therewith (collectively, the "**Improvements**"), including, without in any manner limiting the generality of the foregoing, all machinery, materials, appliances and fixtures for

generating or distributing air, water, heat, electricity, light, fuel or refrigeration, for ventilating, cooling or sanitary purposes, for the exclusion of vermin or insects and for the removal of dust, refuse or garbage; telephone, computer, security, surveillance and other electronic or similar systems; wall safes, engines, machinery, boilers, furnaces, oil burners, coolers, refrigeration plants, motors, cabinets, shelving, lockers, partitions, doors, vaults, elevators, sprinkling systems, irrigating systems, awnings, window shades, Venetian blinds, curtains, draperies, light fixtures, fire hoses, fire brackets, fire boxes, fire sprinklers, alarm systems, drapery rods, brackets, screens, floor tile, linoleum, carpets, plumbing, water systems and power systems, washers and dryers, incinerators, communication systems, kitchen and other appliances, built-in furniture and bars, walk-in refrigerator boxes, deep freeze cabinets, steam tables, dishwashers, bake ovens, set-up tables, kitchen ranges and any and all other kitchen equipment or installations; and all other and further installations and appliances on the Real Property, all of said items, whether now or hereafter located thereon, shall, at the option of Beneficiary, be deemed to be for all purposes of this instrument a part of the realty;

(iii) all development rights or credits, air rights and all water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) in or hereafter relating to or used in connection with the Real Property and any and all shares of stock evidencing any such water rights;

(iv) Trustor's right, title and interest in and to all reciprocal easement and similar agreements, rights to the nonexclusive use of common drive entries or similar benefits applicable to the Real Property or any part thereof, together with Trustor's right, title and interest in and to the estates or interests burdened thereby;

(v) all right, title and interest of Trustor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property;

(vi) all the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire in the real property encumbered hereby, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the real property encumbered hereby, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

(vii) all deposits made with or other security given to utility companies by Trustor with respect to the Real Property and/or the Improvements; all advance payments of insurance premiums made by Trustor with respect thereto and all claims or demands relating to such deposits, other security and/or such insurance; and any monies on deposit with or for the benefit of Beneficiary, including but not limited to deposits for the payment of real estate taxes or special assessments against the Real Property, Improvements and/or Leases or for the payment of premiums on policies of fire and other hazard insurance for or with respect to the Real Property, Improvements and/or Leases;

(viii) all Trustor's rights, title and interests, privileges, benefits and remedies in, to and under all permits, licenses, franchises, certificates, approvals, consents and agreements required for the construction, use, occupancy, marketing or operation of any and all Improvements now or hereinafter erected on the Real Property or any business operated by Trustor thereon, including, without limitation, building permits, zoning approvals and use permits, variances, environmental certificates, licenses, certificates of operation, warranties and guarantees;

(ix) all names under or by which the Real Property or the Improvements or the businesses operated by Trustor thereon may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks, logos, designs, trade names, patents pending and the goodwill associated therewith;

(x) all books and records, signs, customer lists, promotional materials, and general intangibles of Trustor relating to the Real Property and/or Improvements, and all accounts, contract rights, instruments, chattel paper, claims for relief or indemnity, choses in action and other rights of Trustor for payment of money, for property sold or lent, for services rendered, for money lent, or for advances or deposits made relating to the Real Property and/or Improvements, including, without limitation, all property tax refunds and refunds of any other monies paid by or on behalf of Trustor relating to the Real Property and/or Improvements;

(xi) all rights of Trustor to the use, in connection with the Real Property, of any contracts executed by Trustor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Property and/or Improvements, including:

(1) all agreements heretofore or hereafter entered into with any design architect, landscape architect, civil engineer, electrical engineer, soils engineer, mechanical engineer, or other contractor, architect or engineer in connection with the design or engineering of the Project;

(2) all construction contracts, all subcontracts and all other agreements relating to the construction of the Project or required for the use, occupancy or operation of the Project;

(3) all other agreements heretofore or hereafter entered into with any property manager with respect to the management, leasing, or operation of the Project;

(4) all plans and specifications, designs, drawings, engineering drawings, blueprints, surveys and other matters relating to the existing Improvements or prepared for any construction on or improvements to the Real Property and/or Improvements and all studies, data and drawings related thereto; and

(5) any and all present and future amendments, modifications, supplements, general conditions, change orders and addenda to any of the items described in clauses (1), (2), (3) and (4) above;

(xii) all rights of Trustor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which Trustor has obtained the agreement of any person or entity to pay or disburse any money for Trustor's sale (or borrowing on the security) of the Real Property and/or Improvements or any part thereof, including all sales agreements, deposit receipts, escrow agreements and other ancillary documents and agreements entered into with respect to the sale to any purchasers of any part of the Real Property or the Improvements, together with all deposits and other proceeds of the sale thereof provided that the foregoing shall not be deemed to permit such sales or transfers in violation of the terms hereof;

(xiii) all rights, if any, of Trustor in or to any fund, program or trust monies and any reimbursement therefrom directly or indirectly established, maintained or administered by any governmental authority or any other individual or entity which is designed to or has the effect or providing funds (whether directly or indirectly or as reimbursement) for the repair or replacement of storage tanks (whether above or below ground) located on the Real Property or the remediation or cleanup of any spill, leakage or contamination from any such tank or resulting from the ownership, use or maintenance of any such tank or to compensate third parties for any personal injury or property damage;

(xiv) all substitutions and replacements of, and accessions and additions to, any of the foregoing; and

(xv) all proceeds of any of the foregoing, including, without limitation, proceeds of any voluntary or involuntary disposition or claim respecting any thereof (pursuant to judgment, condemnation award or otherwise) and all goods, documents, general intangibles, chattel paper and accounts, wherever located, acquired with cash proceeds of any of the foregoing or proceeds thereof.

All property granted, transferred and assigned to Trustee hereunder is hereinafter referred to as the "**Trust Property**," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed; Trustor warrants that its interest in the title to all property conveyed by this Deed of Trust is clear, free and unencumbered, and Trustor shall forever warrant and defend the same unto Trustee, its successors and assigns, against all claims whatsoever, except those matters consented to in writing by Beneficiary. Trustor agrees that any greater title to the Trust Property hereafter acquired by Trustor during the term hereof shall be subject hereto, provided, however, that no merger of title shall occur without Beneficiary's prior written consent.

FOR THE PURPOSE OF SECURING:

One: Payment of any and all amounts (collectively, the "**Guarantied Obligations**") due and owing by Trustor under that certain Guaranty from Kenneth Antos and Sheila Antos (individually and collectively, "**Guarantor**") dated June 22, 2012, in favor of Beneficiary (the "**Guaranty**"), guarantying the indebtedness evidenced by that certain Secured Promissory Note (and any renewals, extensions, modifications and substitutions thereof) (collectively, the "**Note**"), executed by KCI Investments, LLC, a Nevada limited liability company, and Preferred Restaurant Brands, Inc., a Florida corporation (individually and collectively, "**Borrower**"), dated June 22,

2012, as modified, in the maximum principal sum of THREE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$3,250,000.00), together with interest thereon, late charges and collection costs as provided in the Note.

Two: Payment of such additional amounts as may hereafter be loaned by Beneficiary or its successors or assigns to Borrower or Trustor or its successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

Three: Payment of all moneys herein agreed or provided to be paid by Borrower or Trustor, including, without limitation, any and all advances made by Beneficiary or its successors or assigns, to protect or preserve the security of this Deed of Trust.

Four: (i) Performance of each agreement of Trustor contained in this Deed of Trust or in any other agreement, document or instrument given by Guarantor or Trustor to secure the Guaranteed Obligations (collectively, the "**Loan Documents**"); and (ii) the satisfaction of those terms and conditions contained herein if applicable to Trustor or within Trustor's control.

ARTICLE ONE

TRUSTOR'S COVENANTS

TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

1.01 Payment of Indebtedness. To perform, observe and comply with each and every provision hereof, of the Loan Documents and of all other instruments of security or other agreements entered into in connection herewith.

1.02 Payment of Taxes and Other Charges. To pay: (a) before delinquency, all taxes and assessments of every type or nature affecting the Trust Property or any part thereof, including all rents or charges for water, sewer and other utilities (collectively, the "**Impositions**"); (b) all other adverse claims, liens, charges, and encumbrances which now are or shall hereafter be or appear to be a lien on the Trust Property prior to the lien of this Deed of Trust; (c) all taxes upon this Deed of Trust or the interest of Beneficiary herein, or upon the Note or debt secured hereby (excluding federal income taxes or state business taxes payable by Beneficiary); and (d) all assessments, fees, maintenance charges and other expenses payable by Trustor pursuant to any declaration of covenants, conditions, restrictions or easements applicable to the Trust Property or any part thereof. If any law is enacted which imposes payment of all or any of the taxes in the aforesaid clause (c) upon Beneficiary, and the agreement of Trustor, as herein provided, to pay such tax or taxes, is legally inoperative, then the debt hereby secured, without any deduction, shall, at the option of Beneficiary, become immediately due and payable, notwithstanding anything to the contrary contained herein or in any law heretofore or hereafter enacted.

1.03 Insurance. To provide and maintain policies of "all risk" property insurance on the Trust Property, in an amount not less than the full replacement cost from time to time of the improvements, fixtures, and equipment comprising the Trust Property but not, in any event, to be less than \$3,660,000 — .00, together with a standard mortgagee clause (Form 438BFU

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or similar) making losses thereunder payable to Beneficiary and a so-called Replacement Cost or Restoration Endorsement with an Agreed Amount Endorsement. Trustor will also provide public liability and property damage insurance with a single combined liability limit in the amount of at least \$1,000,000 and containing a Broad Form Comprehensive General Liability Endorsement; earthquake insurance; flood insurance, if the Real Property or any part thereof lies within a federally designated flood zone; and, when required by Beneficiary, insurance against any other risks as may be designated by Beneficiary. All such policies shall be in amounts acceptable to Beneficiary, shall be with companies or associations of companies authorized to do business in the State of Nevada and rated A or better in the "Best's Insurance Guide", shall name any person designated by Beneficiary (including without limitation, Beneficiary) as additional insureds, shall contain a provision to the effect that the waiver of subrogation rights by the insured does not void coverage, shall contain such special endorsements as may be required by the terms of any Leases, and shall otherwise be in form and substance satisfactory to Beneficiary. Additionally, all such policies of insurance shall not be subject to cancellation without thirty (30) days' prior notice to Beneficiary and shall not be subject to modification without Beneficiary's prior written approval.

If at any time during the term hereof the amount or coverage of insurance which Trustor is required to carry under this Section 1.03 is, in Beneficiary's reasonable judgment, materially less than the amount or type of insurance coverage typically carried by owners or lessees of properties located in Clark County, Nevada, which are similar to and operated for similar purposes as the Trust Property, Beneficiary shall have the right to require Trustor to increase the amount or change the types of insurance coverage required under this Section 1.03.

If the coverage or the insurers that Trustor has obtained or selected fail to adhere to the foregoing standards, Trustor fails to upgrade their coverage, and Beneficiary in its sole discretion determines that such failure could result in a material impairment of Beneficiary's security, Beneficiary may procure appropriate insurance that meets the foregoing standards and may advance funds under the Deed of Trust to pay for such coverage, or if insurance is not available that meets the foregoing standards, Beneficiary shall have the right to declare the indebtedness hereby secured to be immediately due and payable, and thereafter such indebtedness shall be fully due and payable. If Trustor has notice of any condition that would wholly or partially invalidate any such insurance, Trustor shall promptly cure such condition. At least thirty (30) days before expiration of such policies, Trustor shall deliver to Beneficiary renewals thereof, with evidence of premiums paid.

In the event of loss, Trustor shall give prompt notice by mail to Beneficiary, and Beneficiary may make proof of loss if not made promptly by Trustor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary, instead of to Trustor or Trustor and Beneficiary jointly; such insurance proceeds or any part thereof may be applied by Beneficiary in its sole discretion to the payment of interest due on the indebtedness secured hereby, the reduction of the principal amount of said indebtedness (in the inverse order of maturity), the payment of any other obligation hereby secured, or the restoration or repair of the Trust Property, with the balance, if any, after such application payable to Trustor. Notwithstanding the foregoing, any proceeds attributable to a loss of rents shall be held by Beneficiary for the benefit of Trustor and applied to the payment of interest and principal as and when due under the terms of the Note. Beneficiary shall not be responsible for such insurance or for the collection of any insurance moneys, or for the solvency of any insurer or any insurance underwriter. Application of

insurance proceeds by Beneficiary shall not cure or waive any default hereunder or invalidate any act done hereunder because of any such default.

In the event of sale of the Trust Property under the power of sale herein granted to Trustee, or foreclosure of this Deed of Trust as a mortgage, or in the event Beneficiary or a receiver appointed by the court shall take possession of the Trust Property without sale, all right, title and interest of Trustor in and to all transferable insurance policies covering the Trust Property then in force and any unearned premiums paid thereon shall inure to the benefit of and pass to Beneficiary in possession, receiver or purchaser at such sale, as the case may be, and Beneficiary is hereby appointed attorney-in-fact for Trustor to assign and transfer said policies.

1.04 [Reserved.]

1.05 Care of Property. To keep the Trust Property and all common areas (collectively, the "**Common Areas**") appurtenant to, or benefiting all or any portion of the Trust Property which are within Trustor's control in good condition and repair, and not to commit or permit waste thereof; not to remove or demolish, nor alter the design or structural character of, any building, fixture, equipment, fence, wall, or other improvements comprising part of the Trust Property, without the prior written consent of Beneficiary; to keep all buildings or improvements comprising part of the Trust Property free of termites, dry rot, fungus, roaches and all other harmful or destructive insects; to keep all plants, trees and shrubs comprising part of the Trust Property neatly pruned and in good condition; to keep the Trust Property free of rubbish and other unsightly or unhealthful conditions; and not to in any way change or restrict the use of the Trust Property or Common Areas without the prior written consent of Beneficiary. Beneficiary or Trustee, or both, may, at any time or from time to time, enter and inspect or protect the Trust Property, in person or by a representative, in such manner and to such extent as it may deem necessary.

1.06 Improvements, Repairs. Subject to the limitations on Trustor's alteration of the Trust Property, as provided in Section 1.05, to promptly complete any improvements that may be commenced in a good and workmanlike manner and, in conformity with plans and specifications approved by Beneficiary, and Trustor shall, with reasonable diligence, repair and restore any portions of the Trust Property that may be damaged or destroyed, whether or not insurance against the cause of such damage or destruction is collected. Trustor shall pay when due all claims for work performed or materials furnished, or both, on or in connection with the Trust Property or any part thereof, and, subject to Section 1.12, shall pay, discharge, or cause to be removed, all mechanic's, artisan's, laborer's or materialmen's charges, liens, claims of liens, or encumbrances upon the Trust Property.

1.07 Actions Affecting Trust Property. To appear in and prosecute or defend any action or proceeding that may affect the Trust Property or the priority of this Deed of Trust, the security of Beneficiary hereunder or the title of Trustee hereunder; and Trustor will pay all reasonable costs, expenses (including the cost of searching title), and attorneys' and paralegal fees incurred in such action or proceeding. Beneficiary or Trustee may, at its option, appear in and defend any action or proceeding purporting to affect the priority of this Deed of Trust or the Trust Property or the rights or powers of Beneficiary or Trustee. Beneficiary, at its option, may (but shall have no obligation to) pay, purchase, contest or compromise any adverse claim, encumbrance, charge or lien, that in

the judgment of Beneficiary appears to be prior or superior to the lien of this Deed of Trust (a "**Prior Encumbrance**"). All amounts paid, suffered or incurred by Beneficiary in exercising the authority herein granted, including reasonable attorneys' and paralegal fees, shall be secured hereby and shall be reimbursed to Beneficiary upon demand. Notwithstanding the foregoing, in the event Beneficiary pays, purchases, or expends any sums to discharge in full or in part any such Prior Encumbrance, Beneficiary shall be subrogated to the lien position of the holder of the Prior Encumbrance to the extent of any such payment, purchase or sum expended.

1.08 Laws. To comply with all laws, ordinances, regulations, orders, rules, covenants, conditions and restrictions affecting the Trust Property, and not to suffer or permit any act to be done in or upon the Trust Property or in or upon any Common Areas within Trustor's control in violation thereof, and to preserve and keep in full force and effect all licenses and permits affecting Trustor or the Trust Property or the Common Areas within Trustor's control. Trustor shall promptly comply with and deliver to Beneficiary copies of all notices received by Trustor alleging any violation of any laws, ordinances, regulations, orders, rules, covenants, conditions or restrictions affecting the Trust Property or Common Areas.

1.09 Beneficiary's Right to Perform. That, if Trustor fails to do so, Beneficiary may (but shall not be obligated to) do any or all things required of Trustor by any of the provisions of this Deed of Trust and incur and pay all reasonable expenses in connection therewith.

1.10 Beneficiary's Expenses. To reimburse Trustee and Beneficiary, respectively, promptly upon demand, all sums of money which either shall pay pursuant to any of the provisions of this Deed of Trust, together with interest thereon, until repaid, from the time of the payment thereof, at the default rate payable pursuant to Section 2.3 of the Note (the "**Default Rate**").

1.11 [Reserved.]

1.12 Right of Contest. The validity or the amount of any tax or statutory lien upon the Trust Property may be contested by Trustor by appropriate proceedings, in good faith and with reasonable diligence, and, during the period of such contest, the nonpayment of such tax or lien (the "**Contested Lien**") shall not be the cause of an Event of Default, if and only if:

(a) The Contested Lien is discharged of record, if permitted under applicable law, and such contest shall have the effect of preventing the collection of the amount of the Contested Lien and the enforcement of the Contested Lien as a lien or charge upon the Trust Property;

(b) Such contest does not involve a forfeiture or sale of the Trust Property or otherwise impair or adversely affect the lien hereof;

(c) Trustor gives reasonable advance written notice to Beneficiary of Trustor's intention to contest the validity or the amount of such Contested Lien; and

(d) Prior to such contest, Trustor provides evidence reasonably satisfactory to Beneficiary of Trustor's ability to pay the amount of such Contested Lien if the validity thereof is sustained by a court of competent jurisdiction.

1.13 Hazardous Waste. The real property and improvements constituting the Trust Property have not contained, do not presently contain, and Trustor shall not suffer or permit such property to contain or to be used in any manner for the storage, use or disposal of, (a) any oil, petroleum or any other hazardous or toxic chemical, material, substance or waste as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., and the applicable provisions of Nevada Revised Statutes ("NRS") including, without limitation, NRS Chapters 444, 444A, 445A, 445B, 445C, 459, 486A, 590 and 618 or any regulations adopted pursuant to any of the foregoing; (b) asbestos in any form which is or could become friable; (c) urea formaldehyde foam insulation; (d) transformers or other equipment which contain dielectric fluids containing levels of polychlorinated biphenyls, in excess of fifty (50) parts per million; (e) any other chemical, material, or substance exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Trust Property or the owners of property adjacent to the Trust Property or clean up obligations upon an owner of the Trust Property. There is no underground storage tank on the Trust Property. Trustor has not stored nor caused to be stored any of the equipment or substances described in subsections (a) through (e) of this Section 1.13 on, in, under, or about the Trust Property. The Trust Property is not subject to any federal, state or local "superfund" lien, proceedings, claim, liability or action, or the threat or likelihood thereof, for the cleanup, removal or remediation of any hazardous substance from the Trust Property or from any other real property owned or controlled by Trustor or in which Trustor has any interest, legal or equitable, in Nevada. Trustor shall forthwith notify Beneficiary in writing of any notices of environmental violations affecting the Trust Property, or any other real property owned by Trustor in Nevada, which notice shall include a copy of the notice of violation. Trustor hereby grants to Beneficiary, its agents, employees, consultants and contractors the right to enter upon the Trust Property and to perform such tests of the Trust Property as are reasonably necessary to determine Trustor's compliance with this Section or, should Beneficiary elect to do so in its sole and absolute discretion, to correct any violation of the laws or regulations of the nature described in this Section.

1.14. Indemnity. Trustor shall indemnify, defend, protect and hold Beneficiary and Trustee harmless from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused by (i) any act, omission or negligence of Trustor or any tenant of the Trust Property, or their respective contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur, or (ii) any use of the Trust Property, or any part thereof, and any service delivery facilities excluding any such claims, loss, proceedings, damages, cause of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused solely by, Beneficiary's active negligence or willful misconduct after the entry of possession upon the Trust Property by Beneficiary or its agents pursuant to Article Four of this Deed of Trust; or (iii) the use, storage, existence or generation of any hazardous substance or materials of the type described in Section 1.13 either upon or in connection with the Trust Property, including, without limitation, the

cost of any clean up, removal, remediation or other response required by any governmental entity having jurisdiction over such matters, or (iv) any failure of Trustor or the Trust Property to comply with any requirements of The Americans With Disabilities Act, 42 U.S.C. ' 12101, et seq., and all applicable rules and regulations promulgated thereunder (the "ADA"). The provisions of this Section 1.14 shall survive the repayment of the obligations secured hereby and shall survive any foreclosure, transfer by deed in lieu of foreclosure or other sale hereunder.

1.15. [Reserved.]

ARTICLE TWO

ASSIGNMENT OF RENTS

2.01. Assignment of Rents. Notwithstanding anything to the contrary contained in this Deed of Trust, all of the existing and future rents, issues, profits, income, revenues, security and other tenant deposits arising out of or otherwise relating to the Trust Property or any part thereof or from the operation or conduct of any business or other activity thereon by Trustor, together with the Leases are hereby presently and absolutely assigned to Beneficiary. Trustor hereby authorizes and directs the tenants of the Trust Property that, upon written notice from Beneficiary and after the occurrence of an Event of Default, all payments required under the Leases, or in any way respecting same, shall be made directly to Beneficiary as they become due. Trustor hereby relieves the tenants from any liability to Trustor by reason of said payments being made to Beneficiary. Nevertheless, until Beneficiary gives written notice to the tenants of the Trust Property to make such payments to Beneficiary, Trustor is given conditional permission to collect and retain all such rents and/or payments in accordance with the terms of the Assignment. Beneficiary is hereby authorized to give such notification upon the occurrence of any Event of Default hereunder.

2.02 Insurance Proceeds. All proceeds of any insurance required by Section 1.03 are hereby assigned to Beneficiary, subject to the provisions of Section 1.03.

2.03 Condemnation and Other Proceedings. All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of or for any damage to the Trust Property or any part thereof and any award for change of grade of streets thereon are hereby assigned and shall be paid to Beneficiary. Beneficiary shall have the right to participate in any such proceedings, and Trustor shall not settle or otherwise resolve any such proceedings or execute or deliver any deed in lieu thereof without the prior written consent of Beneficiary. Trustor agrees to execute such further assignments of any such award, judgment or settlement as Beneficiary may reasonably require, and to deliver to Beneficiary all proceeds of any such award, judgment or settlement which may be received by Trustor. Any such monies shall be applied in the same manner and with the same effect as provided in this Deed of Trust for the disposition of the proceeds of fire and other insurance.

2.04 Royalties. Trustor hereby assigns and transfers to Beneficiary all damages, royalties and revenue of every kind, nature and description whatsoever that Trustor may be entitled to receive whether by reason of loss of or damage to the Trust Property or from any person owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations of the Trust

Property, together with the right in Beneficiary to receive and receipt therefor and apply the same to the indebtedness hereby secured either before or after any default hereunder, and Beneficiary may demand, sue for and recover any such payments but shall not be required so to do.

2.05 Application. Neither the application nor the release of any sums described in this Article Two shall cure or waive any Event of Default or notice of breach and election to sell hereunder or notice of sale or invalidate any act done pursuant to such notice.

ARTICLE THREE

SECURITY AGREEMENT AND FIXTURE FILING

3.01 Security Agreement. Trustor hereby grants to Beneficiary a security interest under the Nevada Uniform Commercial Code (the "UCC") in and to such portions of the Trust Property as may constitute goods, accounts, general intangibles, chattel paper, inventory, fixtures, equipment or other personal property, and any replacements, modifications or additions thereof or thereto, whether now or hereafter acquired, and any and all "Proceeds" thereof. As used herein, "Proceeds" has the meaning assigned to it under the UCC, and, in any event, shall include but not be limited to (i) any and all proceeds of any insurance (including without limitation, property, casualty and title insurance), indemnity, warranty or guaranty payable from time to time with respect to any of the Trust Property (including without limitation the provisions of the security agreement contained herein); (ii) any and all proceeds in the form of accounts, security or other tenant deposits, prepaid expenses, tax escrows, down payments (to the extent the same may be pledged under applicable law), collections, contract rights, documents, instruments, chattel papers, liens and security instruments, guaranties (whether such guaranties are given by individuals, corporations, partnerships, or by any federal, state or local government or quasi-government entities), or general intangibles relating in whole or in part to the Trust Property and all rights and remedies of whatever kind or nature Trustor may hold or acquire for the purpose of securing or enforcing any obligations due Trustor thereunder; (iii) any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trust Property by any governmental authority; (iv) the rents, issues and profits or other benefits, including security or other tenant deposits, arising out of, in connection with or pursuant to any lease, license or other use of the Trust Property or any part thereof, including, without limitation, any business or other activity operated or conducted on the Trust Property or any part thereof; and (v) any and all other amounts from time to time paid or payable in connection with any of the Trust Property.

Trustor shall execute any and all documents and writings, including without limitation financing statements, as Beneficiary may reasonably request, to preserve and maintain the priority of the security interest created hereby on property which may be subject to the foregoing security agreement, and shall pay to Beneficiary on demand any reasonable expenses incurred by Beneficiary in connection with the preparation, execution and filing of any such documents. Trustor hereby authorizes and empowers Beneficiary to execute and file, on Trustor's behalf, all financing statements and refilings and continuations thereof as Beneficiary deems necessary or advisable to create, preserve and protect said security interest. This Deed of Trust shall be deemed a security agreement as defined in the UCC and the remedies for any violation of the covenants,

terms and conditions to the agreements contained in this Deed of Trust shall be (i) as prescribed herein, (ii) as available under general law, (iii) as to such part of the collateral which is also reflected in a financing statement by the specific statutory consequences now or hereafter enacted and specified in the UCC, or (iv) any combination of the foregoing, all at Beneficiary's sole election. A photographic or other reproduction of this Deed of Trust shall be sufficient as a financing statement for filing wherever filing may be necessary to perfect or continue the security interest granted herein.

Trustor and Beneficiary agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing Beneficiary's option, as provided in this Deed of Trust, that everything used in connection with the production of income from the Trust Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust, at all times and for all purposes and in all proceedings both legal or equitable, may be regarded as part of the real property encumbered by this Deed of Trust.

All property which is subject to the provisions of this security agreement shall be purchased or obtained by Trustor in its name and free and clear of any lien or encumbrance, except the lien hereof, for use only at the Trust Property, and shall be and at all times remain free and clear of any lease or similar arrangement, chattel financing, installment sale agreement, security agreement and any encumbrance of like kind, so that the lien hereof shall attach to and vest in Trustor for the benefit of Beneficiary, with the priority herein specified, immediately upon the installation or use of the same in the Trust Property, and Trustor warrants and represents that Beneficiary's security interest in such property is a validly attached and binding lien, properly perfected and prior to all other liens therein.

Trustor agrees that all property of every nature and description covered by the lien and charge of this Deed of Trust, together with all such property and interests covered by such security interest or interests, are encumbered as a unit, and upon the occurrence of an Event of Default hereunder, or under any security or other agreement now or hereafter securing the indebtedness hereby secured, at Beneficiary's option, may be foreclosed upon or sold in the same proceedings or at the same time, and all of said property and interests may, at Beneficiary's option be sold as such in one unit as a going business and not in lots or parcels, or, at Beneficiary's option, may be sold in lots, parcels or such other convenient designation as Beneficiary in its sole discretion may elect.

3.02 Fixture Filing. Trustor agrees that the filing of this Deed of Trust in the real estate records of the county where the real property described in **Exhibit "A"** is located shall also operate from the time of filing as a fixture filing in accordance with the UCC. The address of the secured party from which information concerning the security interests granted hereunder may be obtained is the address of Beneficiary set forth on page 1 above.

ARTICLE FOUR

EVENTS OF DEFAULT AND REMEDIES

4.01 Event of Default. The term "**Event of Default,**" wherever used in this Deed of Trust, shall mean any one or more of the following events (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) An Event of Default under the Note

(b) Failure by Trustor to pay (1) any taxes and assessments prior to delinquency; or (2) any renewal insurance premiums thirty (30) days prior to expiration or cancellation of existing policies; or (3) any other sums to be paid by Trustor hereunder or under any other instrument securing the Note when due or, if a due date is not specified, then failure to pay such sums within five (5) days after written demand by Beneficiary.

(c) If any intentional material inaccuracy shall exist in any of the financial statements or in any other information furnished by or to be furnished by or on behalf of Trustor to Beneficiary pursuant to the provisions of this Deed of Trust or furnished or to be furnished to Beneficiary to induce Beneficiary to make the loan evidenced by the Note.

(d) (1) The filing by or against Trustor of a petition in bankruptcy or for relief under any bankruptcy or similar laws, and with respect to a petition filed against Trustor, such petition is not dismissed within sixty (60) days after it is filed; or (2) the entry of an order for relief with respect to Trustor under any federal or state law relating to bankruptcy or insolvency; or (3) if Trustor seeks or consents to or acquiesces in the appointment of any trustee, receiver, master, sequestrator or liquidator of itself or of all of the rent, revenues, issues, earnings, profits or income from the Trust Property or any part thereof; or (4) if Trustor makes any general assignment for the benefit of creditors; or (5) if Trustor is or becomes insolvent (under any definition of such term); or (6) any trustee, receiver, sequestrator or liquidator of Trustor or any part of the Trust Property is appointed and, in the case of any involuntary proceeding, such action is not dismissed within sixty (60) days; or (7) the cessation, dissolution or abandonment by Trustor of the Trust Property; or (8) the attachment, execution, commencement of foreclosure against or other judicial seizure of or affecting the Trust Property or material part thereof, unless Trustor dissolves, bonds against, or otherwise eliminates such action, attachment, execution or seizure within fifteen (15) days of its occurrence.

(e) The entry by any court of competent jurisdiction of a judgment or decree that an undertaking by Trustor as herein provided to pay the Note or any interest thereon, or any taxes, assessments, levies, liabilities, obligations or encumbrances is legally inoperative or cannot be enforced, or in the event of the passage of any law changing in any way or respect the laws now in force for the taxation of deeds of trust or mortgages or debts secured thereby for any purpose, or the manner of collection of any such taxes, so as to affect adversely either the security of this Deed of Trust, the indebtedness or other sums secured hereby, the rate of interest on the Note or all or any portion of the indebtedness, and such judgment shall not be appealed and stayed pending appeal within ten (10) days after entry thereof.

(f) Except as otherwise provided in Section 1.12 hereof, default in any obligation of Trustor owed to a third party and secured by a lien on the Trust Property.

(g) Subject to Section 1.12 hereof, whether by operation of law or otherwise, Trustor shall create or permit the creation of any lien or other encumbrance upon the Trust Property, except for assessment and taxes levied but not yet due and payable.

(h) A breach of the provisions of Section 1.03 hereof.

(i) A Disposition or an Encumbrance (as such terms are defined in Section 5.01 hereof) in violation of the provisions of Section 5.01 hereof.

(j) Failure by Trustor to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Deed of Trust or any other agreement or instrument executed by Trustor evidencing or securing the indebtedness evidenced by the Note within the time periods provided therein, and (except as otherwise provided in any other provision of this Section 4.01) with respect to any curable, non-monetary Event of Default having no specific time period within which such act or event becomes an Event of Default, Trustor shall have received from Beneficiary twenty (20) days' notice specifying the defect or failure and shall have failed to comply with such notice, provided, however, that the right to cure such default shall exist only so long as (i) the defect or failure is capable of cure, (ii) no forfeiture or taking of the Trust Property can occur during the period of such curing and (iii) no other Event of Default shall exist or be continuing.

(k) The occurrence of any of the events described in Section 4.01 (c) or 4.01 (d) with respect to Borrower or any guarantor of the Note.

4.02 Acceleration; Sale. Upon the occurrence of an Event of Default, Beneficiary, without further notice or demand, may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature of such default, which notice may contain an election to cause the Trust Property to be sold under this Deed of Trust. Notice of acceleration to Trustor shall not be required. If Beneficiary elects to cause the sale of the Trust Property, Beneficiary shall provide the Trustee with true and correct copies of this Deed of Trust, the Note, and all documents evidencing expenditures secured hereby. Trustee shall record and give such notices of breach and election to sell by trustee's sale in the manner required by law, and after the lapse of time such as then may be required by law, Trustee, without notice to Trustor, under the power of sale contained herein, shall sell the Trust Property at the time and place fixed by it in said notice of trustee's sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, subject to any statutory or common law right which Trustor may have to direct such order, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale, provided that Beneficiary, in lieu of a cash bid, may bid in all or part of the indebtedness hereby secured. Trustee may postpone sale of all or any portion of the Trust Property by public declaration at such time and place of sale, and from time to time thereafter may postpone such sale by public declaration at the time and place fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Trust Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any

matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Trustee or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee incurred in connection with such sale, including costs to insure or obtain evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate; all other sums secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

4.03 Notices. Trustee is not obligated to notify any party hereto of any 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 and relating to the Trust Property or unless otherwise required by law. All notice and cure periods provided herein or in the Loan Documents shall run concurrently with any notice or cure period required by law. Without limiting the foregoing, Beneficiary or Trustee shall be entitled to cause a notice of breach or default and election to sell to be recorded and mailed if any event occurs which, with the giving of notice and/or passage of time, would constitute an Event of Default or would entitle Beneficiary to accelerate the indebtedness secured hereby and the recording and mailing to Trustor of such notice of breach or default and election to sell shall constitute notice of the failure to perform pursuant hereto or thereto. The foregoing shall not be deemed to limit, modify or impair any rights of Trustor to receive notices and/or any applicable cure periods expressly provided in this Deed of Trust.

4.04 Foreclosure Permitted. In lieu of sale pursuant to the power of sale conferred hereby, at the option of Beneficiary this Deed of Trust may be foreclosed in the same manner provided for by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies, available to it hereunder, and otherwise available at law or in equity. All rights and remedies shall be cumulative.

4.05 Possession after Default. Upon the occurrence of an Event of Default, Beneficiary, in its name and/or in the name of Trustor, may operate and maintain all or any portion of the Trust Property or any business or other activity conducted or operated thereon to such extent as Beneficiary deems advisable, and Trustor agrees that Beneficiary shall be entitled to do and perform any acts necessary or proper to preserve the value of the Trust Property, and to sue for and otherwise collect and receive all rents, issues, income and profits thereof and from the operation of any business or other activity conducted or operated thereon, including those past due and unpaid as well as those accruing thereafter, and may rent or lease the Trust Property or any portion thereof to such person or persons and for such periods of time and on such terms and conditions as Beneficiary in its discretion may determine. Trustor further agrees that Beneficiary may also take possession of, and use, any and all personal property of Trustor contained in the Trust Property or used by Trustor in the rental or leasing of the Trust Property or any part thereof. Beneficiary may apply all such rents, issues, profits and income collected or received by it to the payment of the costs and expenses incurred in the operation of the Trust Property or to protect and preserve the security thereof, and then in the manner hereinabove specified in respect of proceeds of sale of the Trust Property or any business or other activity conducted or operated thereon, or any part or all of such moneys may be released by Beneficiary at its sole option. The expenses (including receiver's fees, if any, and compensation to any agent appointed by Beneficiary, and counsel fees and costs and disbursements, including paralegal fees) incurred in taking possession and effecting collection or attempting to take possession and effect collection, shall be deemed an expense of this Deed of

Trust to be paid by Trustor and secured hereby. Neither the entering upon and taking possession of the Trust Property nor the collection of such rents, issues, profits and income and the application or release thereof as aforesaid, shall cure or waive any Event of Default or notice of breach and election to sell hereunder or notice of sale or invalidate any act done pursuant to such notice. In dealing with the Trust Property or any related personal property, Beneficiary shall not be deemed to be a mortgagee in possession, except at its option, and Beneficiary shall be without any liability, charge or obligation to Trustor with respect to such dealing, except for liability for willful misconduct and gross negligence, and all net losses, costs and expenses incurred shall be secured hereby and payable by advancements reimbursed by Trustor to Beneficiary upon demand.

4.06 Additional Security. If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, security interests, deeds of trust, pledges, contracts of guaranty, letters of credit, assignments of rents, assignments of insurance policies or other additional security, Beneficiary, in its sole and absolute discretion, may exhaust all or any portion of such security as well as the security hereunder, either concurrently or independently and in such order as it may determine in its sole and absolute discretion, and may apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust, all or any other security including the security hereunder and without waiving any breach or default or any right or power, whether exercised hereunder or contained herein or in any such other security agreement or instrument. Trustor hereby waives any right or privilege which it or its creditors might otherwise have to require Trustee and/or Beneficiary to proceed against the assets encumbered hereby or by any other security agreements or instruments securing the Note in any particular order or fashion under any legal or equitable doctrine or under principles of marshaling or suretyship, and further agree that upon the occurrence of an Event of Default hereunder or under any such agreement or instrument and after the expiration of any applicable grace period following notice, Beneficiary may proceed to exercise any or all remedies with regard to any or all assets encumbered hereby or by any other security agreements or instruments securing the Note in such manner and order as Beneficiary in its sole and absolute discretion may determine.

4.07 Acceptance of Sums After Default. The acceptance by Beneficiary of any sum in payment, or part payment, of any indebtedness secured hereby, after the same is due or after the giving of any notice of default, or the giving or recording of any notice of breach, or after giving of any notice of sale, shall not constitute a waiver of the right to require prompt payment, when due, of all other sums so secured, nor shall such acceptance cure or waive any remaining Event of Default or invalidate any sale held pursuant to such notice for any such remaining Event of Default, or prejudice any of the rights of Beneficiary under this Deed of Trust. Notwithstanding anything to the contrary contained in this Deed of Trust or in any other agreement securing the Note and without limiting the generality of this Section 4.07, in the case of any Event of Default, Beneficiary may accept payments or performance of any obligations due hereunder without thereby waiving the existence of such Event of Default if the payment or performance is not sufficient to completely cure such Event of Default. Beneficiary, from time to time before a Trustee's sale, may rescind any notice of breach or default and election to sell by executing, delivering and causing Trustee to record a written notice of such rescission. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other notices of

breach and election to sell, nor otherwise affect any term, covenant or condition hereof or under any obligation secured hereby, or any of the rights, obligations or remedies of the parties thereunder.

4.08 Beneficiary's Costs. In the event Beneficiary deems it necessary to employ legal counsel or to take legal action to collect the indebtedness secured hereby, to enforce any provision hereof, to prepare any modification, renewal or extension of the Note, this Deed of Trust, or any related loan or security document, to prepare documents regarding any transfer of all or any part of the Trust Property, or to protect any of Beneficiary's rights hereunder (including any protection of Beneficiary's rights in connection with any proceedings under any state or federal bankruptcy or insolvency laws and in connection with any appellate proceedings), Trustor covenants and agrees to pay to Beneficiary, in addition to taxable costs of any legal proceeding or action, attorneys' fees and paralegal fees actually incurred, and all reasonable costs of preparation and conduct of such proceedings and documents, including costs of title searches and title policy commitments, all of which shall be secured hereby and, if paid by Beneficiary, shall bear interest at the Default Rate from the date such sums are evidenced by Beneficiary.

4.09 [Reserved.]

ARTICLE FIVE

DUE ON SALE OR ENCUMBRANCE

5.01 Due on Sale or Encumbrance. Upon the voluntary or involuntary sale, lease, exchange, assignment, conveyance, transfer or other disposition (herein collectively called "**Disposition**") of all or any portion of the Trust Property (or any interest therein), or all or any part of the beneficial ownership interest in Trustor (if Trustor is a corporation, partnership, trust, or other legal entity), including, but not by way of limitation, a Disposition of all or any portion of the Trust Property (or any interest therein), or all or any portion of the beneficial interest in Trustor between or among Trustor (if more than one) or co-owners of any Trustor, or in the event Trustor conveys or grants to any other person a lien or a security interest in the Trust Property or any part thereof or voluntarily or involuntarily permits or suffers the Trust Property to be further encumbered (herein collectively called "**Encumbrance**"), then Beneficiary may at its option, declare an Event of Default hereunder and in connection therewith enforce any and all of its rights, remedies and recourses as set forth in this Deed of Trust and any other loan documents entered into in connection with the loan secured hereby; provided, however, Beneficiary shall not enforce such rights, remedies, and recourses if, prior to the Disposition or Encumbrance, it consents in writing to the Disposition or Encumbrance in question. It is expressly agreed that in connection with determining whether to grant or withhold such consent the determination made by Beneficiary shall be conclusive and Beneficiary may require as conditions to granting such consent payment in full of any outstanding amounts under the Note and Beneficiary's reasonable attorneys' fees in connection with such Disposition or Encumbrance.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

6.01 No Waiver or Release. Without affecting the liability of Trustor, Borrower, any guarantor, co-maker or endorser of the Note or any person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Beneficiary with respect to any security not expressly released in writing, Beneficiary may, at any time and from time to time, either before or after maturity of the Note, and without notice or consent:

(a) Release any guarantor or other person liable for payment of all or any part of the indebtedness or for performance of any obligation secured hereby.

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness secured hereby, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.

(c) Exercise or refrain from exercising or waive any right or remedy Beneficiary may have.

(d) Accept additional security of any kind.

(e) Consent to the filing of any map, plat or replat of the Trust Property.

(f) Consent to the granting of any easement on the Trust Property.

(g) Make or consent to any agreement with Trustor changing the terms of this Deed of Trust, releasing all or any part of the security or collateral for the Note or subordinating the lien or any charge hereof.

6.02 Successor Trustee. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor; in addition Beneficiary in its discretion may appoint another Trustee in the place and stead of said Trustee or any successor in trust. The title herein conveyed to Trustee shall be vested in said successor, which appointment shall be in writing and shall be duly recorded in the Recorder's Office of the county in which the above-described land is situated.

6.03 Irrevocable Trust. The trusts herein created are irrevocable.

6.04 Statement. Trustor agrees to pay Beneficiary's reasonable charge, up to the maximum amount permitted by law, for any statement regarding the obligations secured by this Deed of Trust requested by Trustor or on its behalf.

6.05 No Offset. No offset or claim that Trustor now has or may in the future have against Beneficiary shall relieve Trustor from paying installments or performing any other obligation herein or otherwise secured hereby. Trustor within ten (10) days after any request of Beneficiary, shall furnish a written statement of the amount due on the Note and a description of any alleged offsets, counterclaims, or defenses to the payment thereof.

6.06 Defects. Trustor shall, upon request of the Beneficiary or Trustee, promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgments hereof (the costs and expenses of which shall be paid by Trustor), and shall execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be requested by the Trustee or by the Beneficiary to carry out more effectively the purposes of this Deed of Trust, to subject to the lien and security interest hereby created any of Trustor's properties, rights or interest covered or intended to be covered hereby, and to perfect and maintain such lien and security interest.

6.07 Further Assurances. Trustor shall execute and deliver to Beneficiary, upon demand, any additional instruments or security documents necessary to secure to Beneficiary or to Trustee any right or interest granted by this Deed of Trust. If any rights, easements or other hereditaments shall hereafter become appurtenant to the Trust Property, or any part thereof, Trustor shall deliver to Beneficiary, upon demand, a supplemental deed of trust in the form approved by Beneficiary covering such rights and interests.

6.08 [Reserved.]

6.09 Business Purpose. The proceeds of the Note secured hereby shall be used by Trustor exclusively for commercial, investment or business purposes and not for personal, family or household purposes.

6.10 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey, without warranty, the estate in the Trust Property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto," or by other appropriate terms.

6.11 Construction. Subject to the provisions of Section 5.01, this Deed of Trust shall inure to and bind the heirs, legatees, administrators, executors, successors and assigns of the parties hereto, and shall be so construed that wherever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, the use of the masculine gender shall include the feminine gender, and shall likewise be so construed as applicable to and including a corporation or corporations that may be a party or parties hereto. The captions herein are for reference only. As used herein, the terms "Trustor" and "Beneficiary" shall be deemed to include their respective heirs, successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law. In the event that more than one person or entity is a Trustor hereunder, then all references to "Trustor" shall be deemed to refer equally to each of said persons or entities, all of whom shall be jointly and severally liable for all of the obligations of Trustor hereunder. The term "**Beneficiary**" shall mean the owner and the holder of the Note secured hereby, whether or not named as Beneficiary herein. Any appointment herein of Beneficiary as attorney-in-fact for Trustor shall be with full power of substitution. This Deed of Trust was prepared after negotiations by and between Trustor and Beneficiary; the fact that it has been typed by one party does not require the language of this Deed of Trust to be strictly interpreted against either Trustor or Beneficiary.

6.12 Notice of Sale. Trustor hereby requests that a copy of any notice of sale hereunder be mailed to it at its address hereinbefore set forth.

6.13 No Usury Intended. If from any circumstances whatever, payment or performance of any provision of this Deed of Trust or of the Note secured hereby, at the time performance of such provision shall be due, shall require a payment in excess of that permitted by any applicable law, the obligation to be paid or performed shall be reduced to the limit allowed by such law, so that in no event shall any exaction be possible under this Deed of Trust, the Note, or any other agreement given in connection herewith, that is in excess of any limitation of law. By acceptance of this Deed of Trust, Beneficiary expressly waives the right to demand any such excess. The provisions of this paragraph shall control every other provision of this Deed of Trust, the Note, and any other such agreement.

6.14 Time for Performance. Time is of the essence hereof. No failure on the part of Beneficiary to exercise any of its rights hereunder arising upon the occurrence of an Event of Default or any waiver thereof shall be construed to prejudice its rights in the event of any other or subsequent Event of Default. No delay on the part of Beneficiary in exercising any of such rights shall be construed to preclude it from the exercise thereof at any time during the continuance of such Event of Default. Beneficiary may enforce any one or more remedies or rights hereunder successively or concurrently at its option.

6.15 Changes. This Deed of Trust may not be changed orally but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. No waiver, change, modification or discharge of this Deed of Trust shall be binding and enforceable against the Beneficiary unless duly executed in writing by a corporate officer of the Beneficiary with an office located at Beneficiary's principal office.

6.16 Manner of Giving Notice. Unless otherwise required by applicable law, all notices required to be given hereunder shall be served personally, sent by overnight courier by a nationally recognized courier service, or by registered or certified mail, postage prepaid, return receipt requested, and addressed to Trustor, Trustee and Beneficiary at their respective addresses first above written. Such addresses may be changed by notice to the other parties given in the same manner as provided in this paragraph. Notices shall be deemed to have been given upon the receipt thereof if personally served, or three (3) days after depositing such notice in the U.S. Mail in accordance with this section.

6.17 Severability. If any one or more of the provisions of this Deed of Trust or the applicability of any such provision to a specific situation shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Deed of Trust and all other applications of such provisions shall not be affected thereby.

6.18 Waiver of Statute of Limitations. Trustor waives the provisions of any applicable statute of limitations, to the full extent permitted by law.

6.19 Participations. Beneficiary shall have the right at any time to sell, assign, transfer, negotiate or grant participations in all or any part of the loan secured hereby or the Note. Trustor hereby acknowledges and agrees that any such disposition will give rise to a direct obligation of Trustor to each such participant.

6.20 Governing Law. This Deed of Trust shall be governed by the laws of the State of Washington, except to the extent that the laws of the State of Washington violate the public policy of the State of Nevada, or conflict with the laws of the State of Nevada with respect to the creation, perfection and enforcement of the liens and security interests created by this Deed of Trust.

6.21 Waivers.

(a) Trustor and Guarantor each waive all benefits of the one-action rule under NRS 40.430, which means, without limitation, Trustor and Guarantor each waive the right to require Lender to (i) proceed against Borrower, any other guarantor of the Loan, any pledgor of collateral for any person's obligations to Lender or any other person related to the Note and Loan Documents, (ii) proceed against or exhaust any other security or collateral Lender may hold, or (iii) pursue any other right or remedy for Guarantors' benefit.

(b) Except to the extent prohibited by law, Trustor and Guarantor each waive the provisions of NRS 40.495(3) and (4), including, without limitation the right to a fair market hearing pursuant to NRS 40.495(4)(a) and the limitation on the money judgment set forth in NRS 40.495(4)(b), and agree that the amount of a money judgment against Guarantor shall be in the full amount of the Guaranteed Obligations.

(c) Except to the extent prohibited by law, Trustor and Guarantor each waive the provisions of NRS 107.095 and agree that, notwithstanding NRS 107.095(3), Guarantor's liability under the Guaranty shall not be affected by Lender's failure to give any notice required by that statute.

6.22 Statutory Covenants. The following covenants, Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are adopted and made a part of this Deed of Trust. The parties agree that the amount of fire insurance required by Covenant Number 2 shall be equal to 100% of the full replacement costs of the improvements, fixtures and other property constituting the Property, the rate of interest in Covenant Number 4 shall be the interest rate then accruing pursuant to the Note, and the percent of counsel fees under Covenant No. 7 shall be reasonable. Except for Covenants Numbers 6, 7 and 8, to the extent that any terms of this Deed of Trust are inconsistent with such statutory covenants, the terms of this Deed of Trust will control. Covenants Number 6, 7 and 8 shall control over the express terms of any inconsistent terms of this Deed of Trust.

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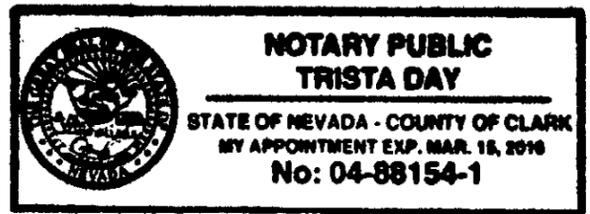
IN WITNESS WHEREOF, these presents have been executed the day and year first above written.

Kenneth M. Antos, as Trustee of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on December 17, 2014, by Kenneth M. Antos, as Trustee of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto.


Notary Public

Sheila M. Neumann-Antos, as Trustee of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on December 17, 2014, by Sheila M. Neumann-Antos, as Trustee of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto.

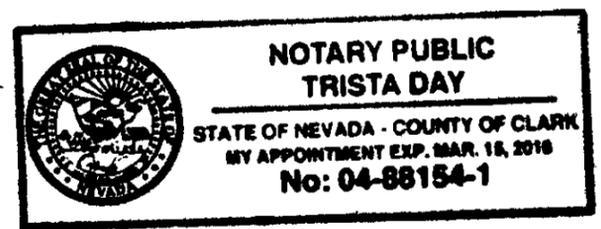

Notary Public

EXHIBIT "A"

Legal Description

Situated in the State of Nevada, County of Clark, described as follows:

LOT SEVEN (7) IN BLOCK FIVE (5) OF SPANISH HILLS ESTATES UNIT 5A, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 107, OF PLATS, PAGE 58, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

The Trust Property or its address is commonly known as 5148 Spanish Heights Drive, Las Vegas, NV 89148. The Trust Property tax identification number is 163-29-615-007.