

PROMISSORY NOTE

April 2, 2025

PRINCIPAL AMOUNT: \$500,000.00

FOR VALUE RECEIVED, the undersigned, 9000 ARLINGTON AVE LLC, a California limited liability company ("**Borrower**"), whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302, promises to pay to the order of RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000/\$500,000 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000/\$500,000 interest ("**Lender**"), at c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248, or at such other place as the Holder of this Note may from time to time designate in writing, in lawful money of the United States of America, the principal sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00), and so much as may be advanced to others (concerned third-parties) from time to time as unpaid Borrower obligations, with interest at the rate, and with principal and interest due and payable, all as set forth below. This Promissory Note is sometimes referred to herein as this "**Note**", and the loan evidenced by this Note is sometimes referred to herein as the "**Loan**". The Lender and/or its transferees or assigns are sometimes referred to herein as the "**Holder**" of this Note. This Note is secured by that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith (the "**Deed of Trust**"), made by Borrower, as Trustor, for the benefit of Lender, as Beneficiary. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Deed of Trust and the other Loan Documents associated with the Loan.

1.1 Maturity Date. The date when all sums due under this Note are due and payable is the "**Maturity Date**". The Maturity Date shall mean March 31, 2026.

1.2 Rate of Interest. The principal balance outstanding shall bear interest at the annual rate of Thirteen and 95/100ths per cent (13.95%) per annum (the "**Note Rate**"). Interest on the principal Loan amount shall be calculated from the date the loan is funded.

1.3 Method of Computation of Interest. Interest for periods of one or more whole calendar months shall be calculated on the basis of one-twelfth (1/12) of one year's interest for each such month that principal is outstanding. Interest for a period of less than a whole calendar month shall be calculated on the basis of one-three hundred sixtieth (1/360) of one year's interest on the outstanding principal at the applicable rate times the number of days during such period that principal is outstanding.

1.4 Monthly Payments Prior to Maturity Date. On the first day of each calendar month commencing June 1, 2025, until the Maturity Date, there shall be due and payable a monthly payment in an amount of \$5,812.50 equal to all accrued interest. Except as otherwise set forth herein or in the other Loan Documents, interest shall be paid in arrears.

1.5 Payment in Full upon Maturity Date. On the Maturity Date, the entire unpaid principal balance and all accrued interest shall be due and payable.

1.6 Prepayments. Borrower may prepay all or any part of the principal balance provided, however, that any partial prepayments of principal shall be made in even, one thousand dollar (\$1,000) increments.

1.7 Payment by Electronic Funds Transfer. Until directed otherwise in writing by Holder, all payments made under this Note shall be made by electronic funds transfer ("EFT") debit entries to Borrower's account at an Automated Clearing House member bank. Each payment shall be initiated by Holder through the Automated Clearing House network for settlement on the designated date. Prior to each payment due date, Borrower shall deposit and/or maintain sufficient funds in Borrower's account to cover each debit entry.

1.8 Security. This Note is secured by, among other things, that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith (the "**Deed of Trust**"), encumbering Borrower's interest in real property described in the Deed of Trust and improvements located or to be located thereon, and certain personal property, which Deed of Trust is subordinate to that certain Senior Deed of Trust as defined in the Deed of Trust. This Note, the Deed of Trust, and all other present and future agreements, documents and instruments executed or to be executed in connection with the Loan, all extensions, renewals, substitutions, replacements and modifications of any of the foregoing documents are referred to herein, collectively, as the "**Loan Documents**".

1.9 Application of Payments. All payments received, irrespective of how they may be designated by Borrower, shall be applied in this order: first, to amounts other than interest and principal, if any, owing under this Note, the Deed of Trust or any of the other Loan Documents; second, to accrued interest; third, to principal; except that, after the occurrence and during the continuation of any Event of Default, all amounts received shall be applied in such order as Holder, in its sole discretion, may elect. Borrower waives the application of Sections 1479 and 2822(a) of the California Civil Code and any other statute or rule of law that would otherwise direct, or permit Borrower to direct, the order of application of payments made by Borrower or amounts otherwise received by Holder.

1.10 No Waiver by Acceptance of Overdue or Partial Payments. If Holder accepts payment of any overdue amount, or partial payment of an amount due and the remainder of such amount is unpaid, such acceptance shall in no event: (a) constitute a cure or waiver of Borrower's default with respect to such overdue or unpaid amount; (b) prevent Holder from exercising any of its rights and remedies with respect to Borrower's default; or (c) constitute a waiver of Holder's right to require full and timely payment of amounts becoming due thereafter or to exercise any of Holder's rights and remedies for any failure to so pay.

1.11 Late Payment Charge. Borrower acknowledges that late payment to Holder of any sums due hereunder will cause Holder to incur costs not contemplated hereunder, the exact amount of which would be impracticable or extremely difficult to ascertain. Such costs include processing and accounting costs, the expenses incurred and time and effort associated with recovering the delinquent payment, and the loss of timely use of the payment amount.

Accordingly, if any amount due from Borrower, whether interest or principal, is not received by Holder or Holder's designee within ten (10) calendar days after its due date, Borrower shall then pay to Holder a late payment charge equal to TEN percent (10.00%) of such overdue amount (the "**Late Charge**"). Borrower and Lender agree that such Late Charge represents a fair and reasonable estimate of the costs Holder will incur by reason of late payment. This provision shall not be construed as extending the time for payment of any amount under this Note, and acceptance of a Late Charge by Holder shall in no event constitute a waiver of Borrower's default with respect to the overdue amount nor prevent Holder from exercising any of its rights and remedies with respect to such default.

1.12 Default. The term "Default" shall mean the occurrence of an Event of Default as defined in the Deed of Trust. The existence of a Default shall be deemed to be on the first date of the occurrence of an Event of Default (the "**Date of Default**"), and all rights and remedies of Lender, Beneficiary and Trustee under the Loan Documents with respect thereto, with or without notice, shall be retroactive to the Date of Default.

1.13 Acceleration upon Default. Upon the occurrence of an Event of Default, Holder may, at its election, declare the entire balance of principal and accrued interest immediately due and payable. A delay by Holder in exercising any right of acceleration after an Event of Default shall not constitute a waiver of the Event of Default or of the right of acceleration or any other right or remedy for such Event of Default, including the imposition of the Default Rate (defined below) from the Date of Default. The failure by Holder to exercise any right of acceleration as a result of an Event of Default shall not constitute a waiver of the right of acceleration or any other right or remedy with respect to any other Event of Default, whenever occurring.

1.14 Interest Rate after Default. From and after the Date of Default, with or without acceleration of the unpaid balance, the unpaid principal balance and costs incurred shall, from and after such the Date of Default, and without notice, bear interest until paid at the rate of TWENTY FOUR percent (24.00%) per annum (the "**Default Rate**").

1.15 Enforcement / Attorneys' Fees and Costs. Borrower shall immediately reimburse Holder for all fees and costs, including reasonable attorneys' fees and experts' fees and costs, incurred by Holder for: (a) enforcement of this Note or any of its terms, or the exercise of any rights or remedies hereunder and/or at law, in equity or otherwise, whether or not any action or proceeding is filed; (b) representation of Holder in any bankruptcy, insolvency, reorganization or other debtor-relief or similar proceeding of or relating to Borrower or Borrower's transferees or assigns, to any person liable (by way of guaranty, assumption, endorsement or otherwise) upon any of the obligations of this Note, or to the Property; or (c) representation of Holder in any action or proceeding relating to the Property, including, but not limited to, foreclosure, receivership, lien or stop-notice enforcement, bankruptcy, eminent domain and probate actions or proceedings, whether commenced by Holder or any other person, and whether commenced prior or subsequent to payment of all obligations under this Note. All such fees and costs shall bear interest until paid at the rate applicable from time to time under this Note. This section shall survive payment of all obligations under this Note and reconveyance of the deed of trust securing this Note.

1.16 Waivers by Borrower and Other Parties. The Borrowers, endorsers, guarantors and sureties of this Note hereby waive diligence, demand, presentment, notice of non-payment,

notice of dishonor, protest and notice of protest, agree that the time for performance of any obligation under this Note may be extended from time to time without notice, consent to the release without notice of any party liable hereon or herefor, consent to the addition without notice of parties liable hereon or herefor, and consent to the acceptance without notice of further security for this Note, including other types of security, all without in any way affecting their liability, and waive the right to plead any and all statutes of limitations as a defense to this Note, any guaranty hereof or any agreement to pay the obligations hereof, to the full extent permitted by law.

1.17 Full Payment. All amounts payable under this Note shall be paid in full without setoff, deduction or counterclaim. All amounts payable under this Note shall be free and clear of and without any deduction or withholding for or on account of any taxes, levies, duties, charges, fees, restrictions or conditions of any nature now or hereafter imposed by any country, federal, state, county or local government or any political subdivision or taxing authority thereof or therein. Borrower shall indemnify Holder against any such taxes, levies, imposts, duties, charges and fees (other than taxes on the income of Holder imposed by any taxing authority) which may be assessed against Holder or claimed or demanded from Holder in respect of any amount payable by Borrower hereunder, and against any costs, charges, expenses or liability arising out of or with respect to such assessment, claim or demand, to the full extent permitted by law.

1.18 Time of the Essence. Time is of the essence with respect to the payment and performance of the obligations under this Note.

1.19 No Oral Waivers or Modifications. No provision of this Note may be waived or modified orally, but only in a writing signed by Holder.

1.20 Governing Law. This Note shall be governed by and construed under the laws of the State of California, without regard to conflict of law provisions.

1.21 Severability. Every provision of this Note is intended to be several. If any provision of this Note is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the other provisions hereof, which shall remain binding and enforceable.

1.22 Limitation upon Interest. All agreements between the Borrower and Holder, now existing or hereafter arising, are hereby expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Holder hereof for the use, forbearance or detention of money to be loaned hereunder or otherwise, or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof exceeds the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Holder hereof shall ever receive as interest under this Note or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder (without charge for prepayment) and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal, such excess shall be refunded to Borrower.

1.23 Licenses. The loan evidenced by this Note has been negotiated and arranged by RTI Properties, Inc., licensed real estate brokers, California Department of Real Estate license identification number 01125534/00793526, for compensation paid by Borrower.

1.24 Headings. Headings herein are used for convenience of reference only and do not define or limit the scope of provisions of this Note.

1.25 Successors and Assigns. This Note binds Borrower and its successors, permitted assigns, heirs, administrators and executors, and inures to the benefit of Holder and its successors, assigns, participants, heirs, administrators and executors. Holder in its sole discretion may transfer this Note, and may sell or assign participations or other interests in all or any part of this Note, all without notice to or consent of Borrower.

1.26 Joint and Several Liability; Separate and Community Property. The liability of multiple Borrowers is joint and several. Any married person who executes this Note agrees that recourse may be had against his or her separate property and against community property.

1.27 Counterparts. This Note may be executed in one or more counterparts, each of which shall be deemed an original.

9000 ARLINGTON AVE, LLC, a
California limited liability company

By _____
Cole Moscatel, Manager

Recording Requested By
MONARCH TITLE COMPANY
Order No. MT214999-VC
APN: 2069-073-024

When Recorded Mail To:

RTI PROPERTIES, INC.
c/o Robert Abbasi
19300 South Hamilton Avenue, Suite 210
Gardena, California 90248
robert@rtiproperties.com

**DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING
(Second Priority)**

**THIS DEED OF TRUST IS JUNIOR AND SUBORDINATE TO THE FIRST DEED OF TRUST DEED
IN FAVOR OF REDIGER INVESTMENT MORTGAGE FUND, RECORDING CONCURRENTLY
HEREWITH.**

THIS DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Deed of Trust**”), made as of April 2, 2025, is entered into by and among:

9000 ARLINGTON AVE LLC, a California limited liability company (“**Trustor**”), whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302 and

MONARCH TITLE COMPANY (“**Trustee**”), whose address is 701 North Brand Boulevard, Suite 350 Glendale, California 91203 and

RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000.00/\$500,000.00 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000.00/\$500,000.00 interest (“**Beneficiary**”), whose address is c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248.

Trustor irrevocably grants, conveys and assigns to Trustee, IN TRUST FOR THE BENEFIT OF BENEFICIARY, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor’s right, title and interest, whether now owned or hereafter acquired, in and to that certain real property hereinafter described (the “**Land**”), together with, all buildings and other improvements and fixtures now or hereafter located thereon (the “**Improvements**”), all development rights, mineral and oil rights, appurtenances, easements and rights relating thereto, and all additions and accretions to, and the proceeds of, any of the foregoing (all of the foregoing being collectively referred to as the “**Property**”):

Property Address: 23476 Palm Drive, Calabasas, California 91302

LOTS 17 AND 18 OF TRACT NO. 45948, IN THE CITY OF CALABASAS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1154, PAGES 61 THROUGH 65 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT NOTICE OF LOT MERGER RECORDED OCTOBER 20, 1994 AS INSTRUMENT NO. 1905820, OF OFFICIAL RECORDS.

For the purpose of securing the payment of the indebtedness under a loan (the "**Loan**") from Beneficiary to Trustor evidenced by a Promissory Note (the "**Note**") in the principal amount of FIVE HUNDRED THOUSAND and No/100 Dollars (\$500,000.00), including future advances thereunder, if any, together with the payment of all other sums becoming due and payable to Beneficiary under the documents and instruments evidencing or securing the Loan (together with this Deed of Trust, the "**Loan Documents**"), and the performance of all covenants and obligations of Trustor under the Loan Documents, payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, and all modifications, extensions and renewals of any of the obligations secured hereby, however evidenced (collectively the "**Secured Obligations**"). The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all principal, interest, prepayment charges (if any), late charges, other charges, payments, and loan fees at any time accruing or assessed on any of the Secured Obligations.

All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. Any and all persons or entities who may have or acquire an interest in all or any part of the Property shall be deemed to have notice of the terms of the Secured Obligations.

This Deed of Trust is subordinate only to that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "**Senior Deed of Trust**") in favor of REDIGER INVESTMENT MORTGAGE FUND securing a loan to Trustor in the original principal amount of \$2,750,000.00 (the "**Senior Loan**").

ARTICLE 1. ASSIGNMENT OF LEASES AND RENTS

1.1 **Assignment.** Trustor hereby irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all leases of the Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Property or any portion thereof, whether now existing or entered into after the date hereof ("**Leases**"); and (b) the rents, revenue, income, issues, deposits security deposits, letters of credit, lease bonds and other deposit substitutes or credit enhancements and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("**Payments**"). The term "Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property.

1.2 **Grant of License.** Beneficiary confers upon Trustor a license ("**License**") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to Section 4.4 without notice and without taking possession of the Property. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

1.3 **Effect of Assignment.** The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property. Beneficiary shall not be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise by Beneficiary any of the rights, remedies or powers granted to Beneficiary hereunder; or (ii) the failure of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

1.4 **Representations and Warranties.** Trustor represents and warrants that: (a) there are no Leases at the Property other than those set forth in writing and delivered to Beneficiary; (b) all existing Leases are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default, or event which would constitute a breach or default after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (c) no rent or other payment under any existing Lease has been paid by any lessee for more than one (1) month in advance; and (d) none of the lessor's interests under any of the Leases has been transferred or assigned.

1.5 **Leasing Covenants.** Trustor covenants and agrees at Trustor's sole cost and expense to: (a) perform the obligations of lessor contained in the Leases and enforce by all available remedies performance by the lessees of the obligations of the lessees contained in the Leases; (b) give Beneficiary prompt written notice of any default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) exercise Trustor's best efforts to keep all portions of the Property that are capable of being leased at all times at rentals not less than the fair market rental value; (d) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease if requested to do so; and (e) execute and record such additional assignments of any Lease or specific subordinations (or subordination, attornment and non-disturbance agreements executed by the lessor and lessee) of any Lease to the Deed of Trust, in form and substance acceptable to Beneficiary, as Beneficiary may request. Trustor shall not, without Beneficiary's prior written consent: (i) enter into any Leases after the date hereof with a term in excess of three years (including extensions); (ii) execute any other assignment relating to any of the Leases; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rentals one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee. Any such attempted action in violation of the provisions of this Section 1.5 shall be null and void. Without in any way limiting the requirement of Beneficiary's consent hereunder, and subject to the requirements of the Senior Deed of Trust, any sums received by Trustor in consideration of any termination (or the release or discharge of any lessee) modification or amendment of any Lease shall be applied to reduce the outstanding Secured Obligations and any such sums received by Trustor shall be held in trust by Trustor for such purpose.

1.6 **Estoppel Certificates.** Within thirty (30) days after written request by Beneficiary, Trustor shall deliver to Beneficiary, and to any party designated by Beneficiary, estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying (if such be the case): (a) that the foregoing assignment and the Leases are in full force and effect; (b) the date of each lessee's most recent payment of rent; (c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the foregoing assignment or the Leases, as the case may be; and (d) any other information reasonably requested by Beneficiary.

ARTICLE 2. SECURITY AGREEMENT AND FIXTURE FILING

2.1 **Security Interest.** Trustor hereby grants and assigns to Beneficiary a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property, in which Trustor now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on the Land and the Improvements; together with all rents and security deposits derived from Land and Improvements; all accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money arising from or related to the ownership, management, leasing, operation, sale or disposition of the Land and the Improvements; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Land and the Improvements, or any of their affiliates; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Land and the Improvements, whether decreed or undeclared, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Land and the Improvements; all advance payments of insurance premiums made by Trustor with respect to the Land and the Improvements; all plans, drawings and specifications relating to the Land and the Improvements; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any loan agreement; all reserves, deferred payments, deposits, security deposits, letters of credit, lease bonds and other deposit substitutes, credit enhancements, other like items, accounts, refunds, cost savings and payments of any kind related to the Land and the Improvements or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property, which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under the California Uniform Commercial Code, as amended or recodified from time to time ("UCC").

2.2 Representations and Warranties. Trustor represents and warrants that: (a) Trustor has, or will have, good title to the Collateral; (b) Trustor has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; (c) Trustor's principal place of business is located at the address shown in the heading of this Deed of Trust; and (d) Trustor's legal name is exactly as set forth on the first page of this Deed of Trust and all of Trustor's organizational documents or agreements delivered to Beneficiary are complete and accurate in every respect.

2.3 Covenants. Trustor agrees: (a) to execute and deliver such documents as Beneficiary deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Beneficiary prior written notice thereof; (c) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights hereunder; and (d) that Beneficiary is authorized to file financing statements in the name of Trustor to perfect Beneficiary's security interest in Collateral.

2.4 **Remedies.** This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect or continue the perfection of the lien or security interest created by this Deed of Trust. Upon the occurrence of a Default (as hereinafter defined), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person or entity, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

2.5 **Expenses.** Expenses of retaking, holding and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorneys' fees and legal expenses. Trustor, on demand, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

ARTICLE 3. RIGHTS AND DUTIES OF THE PARTIES

3.1 **Title.** Trustor represents and warrants that, except as disclosed to Beneficiary in a writing which refers to this warranty, Trustor lawfully holds and possesses fee simple title to the Property without limitation on the right to encumber, and that this Deed of Trust is a SECOND priority lien on the Property.

3.2 **Taxes and Assessments.** Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Property or any interest therein (the "**Impositions**"). Trustor shall also pay prior to delinquency all Impositions imposed by reason of its interest in any Secured Obligation or in the Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.

3.3 **Performance of Secured Obligations.** Trustor shall promptly pay and perform each Secured Obligation when due.

3.4 **Liens, Encumbrances and Charges.** Trustor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Trustor shall pay when due all obligations secured by or which may become liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or Collateral, or any interest therein, whether senior or subordinate hereto.

3.5 **Damages, Insurance and Condemnation Proceeds.** Subject to the Senior Deed of Trust, the following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Property or Collateral; (iii) all proceeds of any insurance policies (whether or not expressly required by Beneficiary to be maintained by

Trustor, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss sustained to all or any part of the Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in Section 3.6(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in such order and amounts as Beneficiary in its sole discretion may choose, and/or Beneficiary may release all or any part of the proceeds to Trustor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary. At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may condition such application upon reasonable conditions.

3.6 **Maintenance and Preservation of the Property.** Trustor covenants: (a) to insure the Property and Collateral against such risks as Beneficiary may require and, at Beneficiary's request, to provide evidence of such insurance to Beneficiary, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Property and Collateral in good condition and repair; (c) not to remove or demolish the Property or Collateral or any part thereof, not to alter, restore or add to the Property or Collateral without Beneficiary's prior written consent; (d) not to initiate or acquiesce in any change in any zoning or other land classification which affects the Property without Beneficiary's prior written consent; (e) to complete or restore promptly and in good and workmanlike manner the Property and Collateral, or any part thereof which may be damaged or destroyed, without regard to whether Beneficiary elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in Section 5.6; (f) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes of every kind and character which affect the Property or Collateral and pertain to acts committed or conditions existing thereon; (g) not to commit or permit waste of the Property or Collateral; and (h) to do all other acts which from the character or use of the Property or Collateral may be reasonably necessary to maintain and preserve its value.

3.7 **Defense and Notice of Losses, Claims and Actions.** At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and Collateral and title to and right of possession of the Property and Collateral, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Property or Collateral and of any condemnation offer or action.

3.8 **Acceptance of Trust; Powers and Duties of Trustee.**

(a) Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice: (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat; and (iii) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

(b) With the approval of Beneficiary, Trustee shall have the right to take any and all lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property.

(c) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other

moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(d) Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

3.9 **Compensation; Exculpation; Indemnification.**

(a) Trustor shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this trust, including attorneys' fees. Trustor shall pay to Beneficiary reasonable compensation for services rendered concerning this Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or Collateral or under this Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Property after a Default (hereinafter defined) or from any other act or omission (regardless of whether same constitutes negligence) of Beneficiary in managing the Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

(b) Trustor indemnifies and holds harmless Trustee and Beneficiary from and against all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title and value, and other expenses which either may suffer or incur: (i) by reason of this Deed of Trust, (ii) by reason of the execution of this Deed of Trust or in performance of any act required or permitted hereunder or by law, (iii) as a result of any failure of Trustor to perform Trustor's obligations, or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property. The above obligations of Trustor to indemnify and hold harmless Beneficiary and Trustee shall survive the release and cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Deed of Trust.

(c) Trustor shall pay all amounts and indebtedness arising under this Section 3.9 immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

3.10 **Substitution of Trustee.** From time to time, by a writing, signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 3.10 shall be conclusive proof of the proper substitution of such new Trustee.

3.11 **Due on Sale or Encumbrance.** If the Property or any interest therein shall be sold, transferred (including, without limitation, through sale or transfer of a majority or controlling interest of the corporate stock or general partnership interests or limited liability company interests of Trustor, except as otherwise expressly permitted in the Loan Agreement), mortgaged, assigned, further encumbered or leased, whether directly or

indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, THEN Beneficiary, in its sole discretion, may declare all Secured Obligations immediately due and payable.

3.12 **Releases, Extensions, Modifications and Additional Security.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property and Collateral or in any manner obligated under the Secured Obligations ("**Interested Parties**"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Deed of Trust upon the Property and Collateral.

3.13 **Reconveyance.** Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto.

3.14 **Subrogation.** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to the Loan Documents or by the proceeds of any loan secured by this Deed of Trust.

3.15 **Hazardous Materials.**

(a) **Representations and Warranties.** Trustor hereby specially represents and warrants to the best of Trustor's knowledge as of the date of this Agreement as follows:

(i) Except as previously disclosed to Beneficiary in the written environmental reports and documents delivered by Trustor to Beneficiary, the Property is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of any oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "wastes," "regulated substances," "industrial solid wastes," or "pollutants" under the Hazardous Materials Laws, as described below, and/or other applicable environmental laws, ordinances and regulations (collectively, the "**Hazardous Materials**"). "Hazardous Materials" shall not include commercially reasonable amounts of such materials used in the ordinary course of operation of the Property which are used and stored in accordance with all applicable environmental laws, ordinances and regulations.

(ii) The Property is in compliance with all laws, ordinances and regulations relating to Hazardous Materials ("**Hazardous Materials Laws**"), including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601 et seq.; the Toxic

Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f et seq.; and all comparable state and local laws, laws of other jurisdictions or orders and regulations.

(iii) There are no claims or actions ("**Hazardous Materials Claims**") pending or threatened against Trustor or the Property by any governmental entity or agency or by any other person or entity relating to Hazardous Materials or pursuant to the Hazardous Materials Laws.

(iv) The Property has not been designated as Border Zone Property under the provisions of California Health and Safety Code, Sections 25220 et seq. and there has been no occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be designated as Border Zone Property.

(b) **Hazardous Materials Covenants.** Trustor agrees as follows:

(i) **No Hazardous Activities.** Trustor shall not cause or permit the Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials.

(ii) **Compliance.** Trustor shall comply and cause the Property to comply with all Hazardous Materials Laws.

(iii) **Notices.** Trustor shall immediately notify Beneficiary in writing of: (i) the discovery of any Hazardous Materials on, under or about the Property; (ii) any knowledge by Trustor that the Property does not comply with any Hazardous Materials Laws; (iii) any Hazardous Materials Claims; and (iv) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be designated as Border Zone Property.

(iv) **Remedial Action.** In response to the presence of any Hazardous Materials on, under or about the Property, Trustor shall immediately take, at Trustor's sole expense, all remedial action required by any Hazardous Materials Laws or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims.

(c) **Hazardous Materials Indemnity.** Trustor hereby agrees to defend, indemnify and hold harmless Beneficiary, its directors, officers, employees, agents, successors and assigns from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation, attorneys' fees and expenses) which Beneficiary may incur as a direct or indirect consequence of the use, generation, manufacture, storage, disposal, threatened disposal, transportation or presence of Hazardous Materials in, on, under or about the Property. Trustor shall immediately pay to Beneficiary upon demand any amounts owing under this Indemnity, together with interest thereon at the rate provided in the Loan Documents. Trustor's duty and obligation to defend, indemnify and hold harmless Beneficiary shall survive the release, reconveyance or partial reconveyance of the Deed of Trust.

(d) **Legal Effect of Section.** Trustor and Beneficiary agree that: (a) this Article 3 is intended as Beneficiary's written request for information (and Trustor's response) concerning the environmental condition of the real property security as required by California Code of Civil Procedure §726.5; and (b) each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the real property security is intended by Beneficiary and Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure §736, and as such it is expressly understood that

Trustor's duty to indemnify Beneficiary hereunder shall survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Trustor's obligation under the Loan Documents.

3.16 **Right of Inspection.** Beneficiary, its agents and employees, may enter the Property at any reasonable time for the purpose of inspecting the Property and Collateral and ascertaining Trustor's compliance with the terms hereof, including the presence of Hazardous Materials.

3.17 **Senior Loan.** Trustor shall comply with the terms and provisions of the Senior Deed of Trust and all documents and instruments evidencing or securing the Senior Loan. Trustor shall forward to Beneficiary any notice of default issued by the lender under the Senior Loan immediately upon receipt thereof.

ARTICLE 4. DEFAULT PROVISIONS

4.1 **Default.** The term "Default" shall mean the occurrence of an Event of Default as defined herein. The existence of a Default shall be deemed to be on the first date of the occurrence of an Event of Default (the "Date of Default"), and all rights and remedies of Beneficiary and Trustee under the Loan Documents with respect thereto, with or without notice, shall be retroactive to the Date of Default. Events of Default are:

(a) The failure of Trustor to make any payment of principal or interest on the Note when the same is due and payable, whether at maturity, by acceleration or otherwise;

(b) The failure of Trustor to pay any other amount due hereunder or under the Note when the same is due and payable;

(c) The sale or transfer of the Property, including, without limitation, through sale or transfer of a majority or controlling interest of the corporate stock, general partnership interests or limited liability company interests of Trustor, without the prior written consent of Beneficiary;

(d) Except for the Senior Deed of Trust, the mortgage, assignment or further encumbrance of the Property, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary;

(e) The failure of Trustor to perform any non-monetary obligation hereunder, and the continuance of such failure for ten (10) days after notice, or within any longer grace period, if any, allowed in the Loan Documents for such failure;

(f) The failure to be true of any representation or warranty of Trustor contained in the Loan Documents;

(g) The existence of any Default as defined in the Loan Documents;

(h) The existence of any default or event of default under the Senior Deed of Trust or the other loan documents evidencing or securing the Senior Loan.

(i) The conduct at or on the Property of any illegal activity under California or Federal law, including but not limited to Cannabis Activities, as defined in the Loan Documents.

4.2 **Rights and Remedies.** At any time after Default, Beneficiary and Trustee shall each have all the following rights and remedies:

- (a) With or without notice, to declare all Secured Obligations immediately due and payable;
- (b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor and, in connection therewith, to enter upon the Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons.
- (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;
- (d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;
- (e) To enter upon, possess, manage and operate the Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Property, to make, terminate, enforce or modify Leases of the Property upon such terms and conditions as Beneficiary deems proper, to make repairs, alterations and improvements to the Property as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof;

(f) To execute a written notice of such Default and of its election to cause the Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;

(g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

(h) Upon sale of the Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g. commissions, attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Beneficiary (in its sole and absolute discretion) deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Trustor and Beneficiary; and (z) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Property.

4.3 **Application of Foreclosure Sale Proceeds.** After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (a) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

4.4 **Application of Other Sums.** All sums received by Beneficiary under Section 4.2 or Section 1.2, less all costs and expenses incurred by Beneficiary or any receiver under Section 4.2 or Section 1.2, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.

4.5 **No Cure or Waiver.** Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interests created by this Deed of Trust.

4.6 **Payment of Costs, Expenses and Attorneys' Fees.** Trustor agrees to pay to Beneficiary immediately and without demand all costs and expenses incurred by Trustee and Beneficiary (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the

Note as specified therein. In addition, Trustor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any attorneys' fees.

4.7 **Power to File Notices and Cure Defaults.** Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Property and Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Property and Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Beneficiary may perform any obligation of Trustor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act (whether such failure constitutes negligence) by Beneficiary under this Section.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 **Merger.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Property unless Beneficiary consents to a merger in writing.

5.2 **Obligations of Trustor, Joint and Several.** If more than one person has executed this Deed of Trust as "Trustor", the obligations of all such persons hereunder shall be joint and several.

5.3 **Waiver of Marshalling Rights.** Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property and Collateral, hereby waives all rights to have the Property and Collateral and/or any other property, which is now or later may be security for any Secured Obligation ("Other Property") marshalled upon any foreclosure of the lien of this Deed of Trust or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

5.4 **Rules of Construction.** When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

5.5 **Successors in Interest.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section 5.5 does not waive or modify the provisions of Section 3.11.

5.6 **Execution in Counterparts.** This Deed of Trust may be executed in any number of counterparts. All counterparts shall be construed together and shall constitute but one Deed of Trust.

5.7 **Governing Law.** This Deed of Trust shall be construed in accordance with the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California.

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5.8 **Notices.** All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Deed of Trust shall be in writing and shall be considered as properly given if delivered personally, electronic mail or sent by first class United States Postal Service mail, postage prepaid, except that Notice of Default may be sent by electronic mail, certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt at the address set forth above; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties are set forth in the heading of this Deed of Trust. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date set forth above.

9000 ARLINGTON AVE, LLC, a California
limited liability company

By _____
Cole Moscatel, Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

The undersigned Borrower hereby authorizes Lender to initiate debit entries to Borrower's account at an Automated Clearing House member bank through the Automated Clearing House network for settlement on the designated date. Prior to each payment due date, Borrower shall deposit and/or maintain sufficient funds in Borrower's account to cover each debit entry, initially in the sum of **\$5,812.50** on the 5th of each month or first banking day after the 5th when the 5th falls on a non-banking day, commencing **June 2025**:

Borrower's bank is hereby authorized to honor the withdrawals. This monthly debit shall be in payment of interest due on the trust deed loan on the property located at **23476 Palm Drive, Calabasas, California 91302**.

Borrower agrees to pay Lender \$100.00 for each EFT item returned unpaid by Borrower's bank. This charge may be in addition to the late charge provided in the Loan Documents.

Dated: April 2, 2025

9000 ARLINGTON AVE, LLC, a
California limited liability company

By _____
Cole Moscatel, Manager

NAME OF BANK:

NAME ON ACCOUNT:

ACCOUNT NUMBER:

ROUTING NUMBER:

TAX ID NUMBER FOR ACCOUNT:

ATTACH VOIDED CHECK

(Please make sure account and routing numbers are clearly visible.)

CONTINUING GUARANTY

This Continuing Guaranty (the “**Guaranty**”) is made as of April 2, 2025, by Cole Moscatel, whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302 (“**Guarantor**”), with reference to the following facts:

A. Subject to certain terms and conditions, RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000.00/\$500,000.00 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000.00/\$500,000.00 interest (“**Lender**”) has agreed to make a loan (the “**Loan**”) to 9000 ARLINGTON AVE LLC, a California limited liability company, (“**Borrower**”) evidenced by that certain Promissory Note of even date herewith executed by Borrower in favor of Lender (the “**Note**”). The Loan is to be secured by, among other things, that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith executed by Borrower, as trustor, in favor of Lender, as beneficiary (the “**Deed of Trust**”). The Note, the Deed of Trust, and all other present and future agreements, documents and instruments executed or to be executed in connection with the Loan, and all extensions, renewals, substitutions, replacements and modifications of any of the foregoing documents are referred to herein, collectively, as the “**Loan Documents**”.

B. As an essential inducement to and as a condition to Lender’s making of the Loan, and in consideration therefor, Guarantor has agreed to execute this Guaranty.

C. Guarantor will obtain substantial direct and indirect benefits from the Loan.

NOW, THEREFORE, in consideration of the foregoing recitals, and to induce and in consideration for the making of the Loan, Guarantor agrees as follows:

Guaranty. Guarantor unconditionally and irrevocably guaranties to Lender the full and timely payment and performance when due of all of Borrower’s indebtedness and obligations of any nature whatsoever, now existing or arising in the future, under the Note, Deed of Trust, any of the other Loan Documents and all extensions, renewals, substitutions, replacements and modifications of any of the foregoing documents (collectively, the “**Obligations**”).

Guaranty of Payment; Independent Obligation. This Guaranty is a guaranty of payment and performance and not of collectability. Guarantor’s obligations under this Guaranty are independent of those of Borrower or any other person. Lender may bring one or more separate actions against Guarantor without proceeding against Borrower or any other person or any security, and without pursuing any other remedy. Lender’s rights under this Guaranty shall not be exhausted by any action of Lender until all of the Obligations have been indefeasibly paid and performed in full.

Rights of Lender. Lender shall have the right, without notice to or consent by Guarantor, to: (a) renew, extend, accelerate, waive, settle, compromise, release, restructure, liquidate, increase, decrease and otherwise modify, or refuse to modify, the Obligations, the liability of any person therefor as principal, guarantor, surety or otherwise, and/or any security therefor, and accept new or additional documents, instruments, or agreements relative to the Obligations; (b) consent or not consent to any change, restructure or termination of the individual, partnership, corporate or other organizational structure or existence of Borrower or any other person; (c) pursue in any order or manner, or not pursue, and make elections among, Lender’s remedies against Borrower, any other person, and any security,

and accept transfers of security in lieu of foreclosure, even if any rights that Guarantor may have, including subrogation, reimbursement, indemnity, contribution and/or participation in security, are thereby impaired or extinguished; (d) take, hold, release, perfect, fail to perfect, subordinate, and/or apply the proceeds of any security for and any guaranties of the Obligations; (e) apply amounts received, including partial payments, from any source on account of the Obligations toward payment thereof in such order and to such portions as Lender may elect, notwithstanding any contrary designation by Borrower, Guarantor or any other person; and (f) assign Lender's rights under this Guaranty in whole or part. Guarantor waives any right or defense that might arise by reason of Lender's exercise of any such rights, even if, as a result, Guarantor has no recourse to Borrower, to security or to other persons for amounts paid by Guarantor.

Waivers. Guarantor's liability shall not be affected by any circumstance, including cessation of Borrower's liability, other than indefeasible payment and performance in full of the Obligations. Guarantor waives: (a) any right to require Lender to proceed against Borrower, any other person, or any security now or hereafter held by Lender, or to pursue any other remedy whatsoever; (b) any defense based upon any legal disability of, any release, discharge or limitation of the liability of, any restraint or stay applicable to actions against, or the death, incapacity, lack of authority or termination of existence of, Borrower or any other person; (c) any defense based upon or arising out of any defense Borrower or any other person may have to any of the Obligations, including the running of any statute of limitations; (d) any right of setoff, recoupment or counterclaim; (e) notice, demand, presentment, protest, notice of acceptance, notice of protest, notice of dishonor and notice of any action or inaction; (f) any defense based upon negligence of Lender, including any failure to record any deed of trust or other document, otherwise perfect any lien or security interest, or file a claim in any Bankruptcy (as defined below); (g) all rights of subrogation, reimbursement, indemnity and contribution against Borrower or any other person, participation in security provided by Borrower or any other person, and all rights to enforce any remedy that Lender may have against Borrower or any other person or security, until all Obligations have been indefeasibly paid and performed in full; (h) any defense related to any change in the person(s) liable for the Obligations, whether by reason of a change in the structure of Borrower, assumption of the Obligations by another person, transfer of any security for the Obligations, or otherwise; (i) any right to revoke this Guaranty, including any such right arising under California Civil Code § 2815; and (j) all rights and defenses that are or may become available to Guarantor by reason of California Civil Code §§ 2787 through 2855, inclusive, 2899 and/or 3433.

Impairment of Subrogation and Other Rights. Guarantor waives all rights and defenses that Guarantor may have because the Obligations are or may become secured by real or personal property. This means, among other things: (a) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower or otherwise; and (b) if Lender forecloses on any real or personal property collateral pledged by Borrower or otherwise (i) the amount of the Obligations may be reduced only by the price for which that collateral was sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (ii) Lender may collect from Guarantor even if Lender, by foreclosing on the real or personal property collateral, has destroyed any right Guarantor may have to collect from Borrower or any other person. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Obligations are or may become secured by real or personal property. These rights and defenses include, but are not limited to, any rights or defenses based upon California Code of Civil Procedure §§ 580a, 580b, 580d, or 726. Guarantor also waives all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as nonjudicial foreclosure with respect to security for the Obligations, has destroyed Guarantor's rights of subrogation and/or reimbursement, if any, against

Borrower or any other person by the operation of California Code of Civil Procedure § 580d or otherwise.

Guarantor's Knowledge. Guarantor represents and warrants to Lender that it has had full access to and has reviewed all of the documentation of the Obligations, and has fully informed itself of all circumstances bearing upon the risks of executing this Guaranty, with such assistance of legal counsel and other experts as Guarantor requires. Guarantor represents and warrants to Lender that it is relying on its own knowledge of and is fully informed with respect to Borrower's financial condition, and has adequate means to keep itself fully informed of Borrower's financial condition and all other matters relating to Borrower's ability to perform the Obligations. Guarantor assumes full responsibility for doing so and agrees that Lender shall have no duty to report to Guarantor any information which Lender receives about Borrower's financial condition or any other matters relating to Borrower's ability to perform the Obligations, regardless of whether Lender has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume, has reason to believe that such facts are unknown to Guarantor, or has a reasonable opportunity to communicate such facts to Guarantor. Guarantor waives any right or defense related to any lack of knowledge by or lack of notice to Guarantor of any such matters.

Continuance of Guaranty. Guarantor's liability under this Guaranty shall continue in effect notwithstanding any payment or performance received by Lender on account of the Obligations, and notwithstanding any release of this Guaranty, such that, if any claim is made upon Lender at any time for avoidance, recovery, return or repayment with respect to any such payment or performance, and if Lender pays or otherwise returns value on any such claim in whole or part, whether pursuant to judgment, decree, order, settlement, voluntary payment or otherwise, Guarantor shall remain liable as though such payment or performance had never been received by Lender. Lender may elect in its sole discretion whether to contest or pay any such claim.

Effect of Bankruptcy. In this Guaranty, "**Bankruptcy**" means any voluntary or involuntary bankruptcy, insolvency, receivership, reorganization, liquidation, debtor-relief or similar proceeding. Guarantor's obligations under this Guaranty shall not be altered, limited, stayed or otherwise affected by any Bankruptcy of Borrower or any other person, or by any defense Borrower or any other person may have to the Obligations by reason of any such Bankruptcy. Any stay of enforcement or stay of acceleration of the time for payment of any of the Obligations as against Borrower or any other person, in Bankruptcy or otherwise, shall not affect Guarantor's liability under this Guaranty or the time for payment or performance by Guarantor hereunder, and all Obligations otherwise subject to acceleration shall be payable by Guarantor upon demand notwithstanding any such stay.

Claims in Bankruptcy and Other Proceedings. Guarantor shall file in any Bankruptcy or other proceeding in which the filing of claims is required or permitted all claims Guarantor may have against Borrower on any indebtedness of Borrower to Guarantor. Guarantor assigns to Lender all rights of Guarantor thereunder and arising therefrom, and shall execute any necessary documents reflecting such assignment. If Guarantor does not file any such claim at least twenty (20) days prior to any applicable deadline, then Lender, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor or, in Lender's discretion, to assign the claim to a nominee and cause such proof of claim to be filed in such nominee's name. This power of attorney is coupled with an interest and is irrevocable until the indefeasible payment and performance in full of all of the Obligations. All cash, property and other distributions of any kind which otherwise would be payable to Guarantor in respect of all such claims shall be paid to Lender, or as Lender elects otherwise in writing. Guarantor's obligations under this Guaranty shall not be satisfied, however, except to the extent of cash received

by Lender, and if Lender receives anything other than cash it shall be held as security for amounts due under this Guaranty.

Subordination. All existing and future obligations of Borrower to Guarantor are hereby subordinated to Borrower's full and indefeasible payment and performance of the Obligations. Upon any default under any of the Obligations or hereunder, all obligations of Borrower to Guarantor shall be collected, enforced and received by Guarantor as trustee for Lender, and all amounts received shall be paid over to Lender for application to the Obligations and/or to Guarantor's liability hereunder.

Security Interest. Guarantor grants to Lender a security interest in all monies, securities and other personal property of Guarantor now or hereafter in Lender's possession, and all present and future deposit accounts of Guarantor with Lender, as security for the obligations of Guarantor hereunder.

Costs and Expenses. Guarantor shall immediately reimburse Lender for all reasonable fees and costs, including attorneys' and experts' reasonable fees and costs, incurred by Lender for: (a) enforcement (including post-judgment) or prevention of a breach of this Guaranty or any of its terms, or the exercise of any rights or remedies hereunder and/or at law, in equity or otherwise, whether or not any action or proceeding is filed; (b) representation of Lender in any Bankruptcy of or relating to Borrower, to Guarantor, or to any security for the Obligations or for this Guaranty; (c) representation of Lender in any action or proceeding relating to any security for the Obligations or for this Guaranty; and (d) representation of Lender in connection with any claim upon Lender for avoidance, recovery, return or repayment of any payment or performance of the Obligations, in Bankruptcy or otherwise. All such fees and costs shall bear interest until paid at the rate applicable to the Obligations.

Controlling Law; Jurisdiction; Service. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of California, without regard to principles of conflicts of law. Guarantor irrevocably submits to the non-exclusive jurisdiction of any state or federal court located in Los Angeles, California. Guarantor irrevocably consents to the service of process in any action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Guarantor at its address set forth below, but nothing herein shall affect Lender's right to serve process in any other manner permitted by law.

Parties Bound and Benefited. This Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor and Lender.

Interpretation. In addition to definitions set forth above, in this Guaranty: (a) "**Borrower**" means both the named Borrower and any other person at any time primarily liable for all or any part of the Obligations; (b) if there are multiple Borrowers, "**Borrower**" means all and any one or more of them; (c) if there are multiple Guarantors, "**Guarantor**" means all and any one or more of them; (d) "**Lender**" means both the named Lender and any other or future owners or holders, including pledgees and participants, of the Obligations or any portion thereof or interest therein; and (e) "**person**" means any individual, corporation, partnership, limited liability company, governmental authority, or other entity of any kind.

Joint and Several Liability; Separate and Community Property. If there are multiple Guarantors (or other guarantors), their liability is joint and several. Any married person who executes this Guaranty agrees that recourse may be had against his or her separate property and against community property.

Entire Agreement; Modifications; Waiver; Cumulative Remedies. This Guaranty constitutes the entire agreement between Guarantor and Lender with respect to its subject matter, and supersedes all prior or contemporaneous agreements, representations and understandings. No supplement to or modification of this Guaranty shall be binding unless executed in writing by Guarantor and Lender, nor shall any waiver of any of Lender's rights hereunder be effective unless executed in writing by Lender. No such waiver shall be applicable except in the specific instance for which given. No delay or failure by Lender to exercise any right or remedy against Borrower or Guarantor or any other person or security shall constitute a waiver of that right or remedy or any other. All remedies of Lender under this Guaranty and under, arising out of, or relating to the Obligations, are cumulative, and are in addition to all remedies of Lender at law or in equity.

Headings; Severability. Headings in this Guaranty are for convenience only and do not define or limit the scope of provisions of this Guaranty. The invalidity or unenforceability of any one or more provisions of this Guaranty will not affect the validity or enforceability of any other provision.

WAIVER OF RIGHTS OF TRIAL BY JURY. TO THE FULLEST EXTENT PERMITTED BY LAW (INCLUDING, WITHOUT LIMITATION, ANY LAW HEREAFTER IN EFFECT), EACH OF GUARANTOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, INTENTIONALLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE (INCLUDING BY WAY OF JURY TRIAL) IN RESOLVING ANY DISPUTE OR LITIGATION (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG GUARANTOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS GUARANTY, THE LOAN, THE LOAN DOCUMENTS, OR ACTIONS OF BORROWER, GUARANTOR OR LENDER RELATING TO THE LOAN. THIS PROVISION AND THE WAIVER SET FORTH HEREIN ARE MATERIAL INDUCEMENTS TO LENDER TO MAKE THE LOAN.

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

GUARANTOR:

COLE MOSCATEL

REAL PROPERTY LOAN AGREEMENT

THIS AGREEMENT (**Agreement**) is made on April 2, 2025, by and between 9000 ARLINGTON AVE LLC, a California limited liability company, ("**Borrower**"), whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302 and RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000.00/\$500,000.00 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000.00/\$500,000.00 interest (**Lender**), whose address is c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248. The Agreement is entered into for the purpose of transacting a loan secured by real property.

Upon execution of this Agreement by Borrower and the deposit of Lender's Escrow and Title Instructions (**Instructions**) with GLENDALE ESCROW (**Settlement Agent**), an escrow shall be opened with Settlement Agent. Borrower and Lender agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions of Settlement Agent or other instruments as may reasonably be required by Settlement Agent in order to consummate the transactions contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of the Instructions. To the extent of any inconsistency between the provisions of such supplemental instructions and the provisions of the Instructions, the provisions of the Instructions shall control.

MONARCH TITLE COMPANY shall serve as the title insurer in this transaction (**Title Company**).

Defined terms initially appear herein in bold. Capitalized terms and terms not otherwise defined herein shall have the meaning given to such terms in the loan documents associated with this loan.

1. The Loan.

(a) Lender shall make a loan to Borrower (**Loan**) in the sum of \$500,000.00 (**Loan Amount**), pursuant to the terms of the other Loan Documents, to be secured by a SECOND PRIORITY DEED OF TRUST upon the real property commonly known as 23476 Palm Drive, Calabasas, California 91302 and more particularly described as follows (**Property**):

LOTS 17 AND 18 OF TRACT NO. 45948, IN THE CITY OF CALABASAS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1154, PAGES 61 THROUGH 65 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE MINERALS, OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT NOTICE OF LOT MERGER RECORDED OCTOBER 20, 1994 AS INSTRUMENT NO. 1905820, OF OFFICIAL RECORDS.

2. Loan Documents.

(a) The Loan shall be evidenced by the following **Loan Documents**, which shall be submitted by Lender to Settlement Agent for execution by Borrower:

- (i) Agreement.
- (ii) Promissory Note (**Note**).
- (iii) Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (**Deed of Trust**).
- (iv) Electronic Funds Transfer (**EFT**) Authorization.
- (v) Continuing Guaranty of Cole Moscatel.
- (vi) Environmental Indemnity Agreement.

(b) The **Closing Documents** are the following Loan Documents:

- (i) Deed of Trust.

3. Close of Escrow.

(a) The **Close, Close of Escrow** or **Closing** shall be the completion of the loan transaction contemplated by this Agreement as signified by the following:

(i) Delivery to Lender of executed Loan Documents along with an executed Intercreditor and Subordination Agreement between Lender and Rediger Investment Mortgage Fund;

(ii) Recording of the Closing Documents in the Office of the Recorder of the County of Los Angeles, California; and

(iii) Upon Closing, Title Company shall issue a standard coverage ALTA Loan Policy of title insurance, insuring Lender in the sum of \$625,000.00, which sum is equal to *one hundred twenty five per cent* (125%) of the Loan Amount (**Title Policy**). The Title Policy shall insure that title to the Property is vested in Borrower and that the Deed of Trust is a SECOND PRIORITY DEED OF TRUST on the Property, subject only to (A) a first priority Deed of Trust (**Senior Deed of Trust**) in favor of Rediger Investment Mortgage Fund securing a loan in the original amount not to exceed \$2,750,000.00 (**Senior Loan**), and (B) the following exceptions shown in Title Company's Preliminary Report, Order No. MT214999-VC dated as of March 19, 2025:

- **Permitted Exceptions:** Item numbers A, D, and 1 through 5 inclusive.
- The following exceptions shall be DELETED and not appear on the Title Policy: Item numbers B, C, and 6 through 10 inclusive. ALL property taxes due as of closing must be paid through Escrow.

(b) The Closing shall occur on or about April 4, 2025.

4. Obligations of Borrower Prior to Closing.

(a) Obtain hazard insurance in an amount not less than the insurable value of the Improvements to the Property with the normal conditions including fire, extended coverage,

vandalism, malicious mischief, and a losses payable endorsement naming Lender, RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST and BRONZETREE TERRACES, LLC, c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248, as mortgagee. A certificate of evidence of such insurance shall be deposited in escrow and a copy provided to Lender prior to funding. The term "hazard insurance coverage" means insurance against losses caused by perils which are commonly covered in policies described as a "Homeowner's Policy," "General Property Form," "Guaranteed Replacement Cost Insurance," "Special Building Form," "Standard Fire," "Standard Fire with Extended Coverage," "Standard Fire with Special Form Endorsement," or comparable insurance coverage to protect the Property against loss or damage from fire or other perils covered within the scope of a standard extended coverage endorsement. The term **Improvements** means buildings or structures attached to the Property.

(b) Provide Settlement Agent with a copy of a voided check for the bank account Borrower is designating for debiting monthly payments by EFT;

(c) Certify that no junior financing is being employed in this transaction, unless otherwise approved by Lender;

(d) Provide Settlement Agent or Title Company with any funding which Borrower is obligated to make in this transaction prior to funding by Lender;

5. Borrower's Payment of Costs and Fees.

(a) Lender shall be without cost or expense in this transaction.

(b) Lender shall wire the **Loan Proceeds** of \$500,000.00 to the title company to be held in escrow. At closing, the following shall be paid from loan proceeds:

(i) Interest on the principal Loan amount at the rate of 13.95% per annum in the amount of \$193.750 per diem, calculated according to a 360-day year¹, from and including the date the Loan is funded up to and including April 30, 2025. Notwithstanding anything to the contrary, if Borrower prepays the indebtedness of this Loan then due during the first four (4) months after disbursement by Lender (“Yield Maintenance Period”), then in addition to such indebtedness then due, Borrower shall pay to Lender an amount equal to the interest on the principal that would have accrued thereon at the applicable rate for the remaining number of days after the date of such prepayment through the expiration of the Yield Maintenance Period.

(ii) **Origination Fee** payable to RTI Properties, Inc., licensed real estate brokers, California Department of Real Estate (**DRE**) License Identification Number 01125534/00793526, for negotiating and arranging the Loan.² Said brokers shall be paid the sum of \$17,500.00.

(iii) A wire fee of \$35.00.

(v) An Evaluation, Legal, and Processing fee of \$1,500.00 which has been paid outside escrow.

(c) Lender shall fund escrow *before* deducting the costs and fees in Section 5(b) which escrow shall pay at closing.

(d) Borrower shall pay, subject to verification and approval of the estimated closing statement provided by Settlement Agent, for all other charges, in amounts to be determined by Settlement Agent, Title Company or by agreement between Borrower and a third party, including, but not limited to:

¹ Interest computed based on a 360-day year is greater than interest computed based on a 365-day year.

² The BRE may be contacted for license information at (916) 227-0931 or www.dre.ca.gov.

- Liens and encumbrances, which are chargeable to Borrower, and required by Lender to be deleted from title above;
- Title insurance premiums;
- Recording charges;
- Escrow costs and fees;
- Fire insurance premiums;
- Wire fees;
- Messenger and overnight delivery costs;
- Miscellaneous fees and costs.

6. Borrower's Warranties.

Borrower hereby represents and warrants as follows:

(a) Borrower certifies to Lender that all representations and warranties made in all of the Loan Documents are true and correct and do not contain any untrue statement of any material fact or omit any material fact necessary to make such representations and warranties not misleading. All such representations and warranties shall remain true and correct as of the date hereof and as of the date of any renewal, extension or modification of the Loan, and at all times the Loan is outstanding. Each representation and warranty made in any Loan Document, or in any other document delivered to Lender by Borrower or any guarantor of the Loan, shall be deemed to have been relied upon by Lender notwithstanding any investigation, inspection or inquiry theretofore or thereafter made by or on behalf of Lender;

(b) Borrower has read and understands the Loan Documents and/or has employed counsel or representatives in connection therewith and acknowledges that the Loan Documents constitute the entire agreement of the parties with respect to the Loan, and supersede in all

respects any and all other negotiations, representations, correspondence or communications between or among the parties, and their agents and representatives, whether oral or written;

(c) Borrower acknowledges that the Loan has been negotiated and arranged by RTI Properties, Inc., real estate brokers licensed by the State of California, as the agent for Lender, for compensation paid by Borrower. Borrower further acknowledges that said brokers performed services with respect to the Loan transaction, including, but not limited to: inspection of the Property, negotiation of the terms of the Loan, consultation and advice to Lender, title review and consultation with Title Company, document review, calculation of payments, drafting and preparation of Loan Documents, consultation with Settlement Agent and submittal of Loan Documents to Settlement Agent for execution and processing.

(d) Borrower is duly organized, validly existing, and in good standing under the laws of the state of its organization and all other states if any in which Borrower is required to be qualified.

(e) A true and complete copy of Borrower's organizational documents and all amendments thereto have been furnished to Lender, and no party is in default of its obligations under Borrower's organizational documents and no condition exists which, with the giving of notice and/or the passage of time, would constitute a default under Borrower's organizational documents.

(f) The individuals executing the Loan Documents on behalf of Borrower and any guarantor are authorized and empowered by their signatures alone to bind Borrower and any such guarantor, respectively.

(g) There are no actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting it, the Property, the Collateral or any guarantor of the Loan, or involving the validity or enforceability of this Deed of Trust or the priority of the lien thereof, at law or in equity, or before or by any governmental entity which has jurisdiction or

control over the Property or the Collateral, including, without limitation, any federal authority, state, city, county, agency, department, commission, board, bureau or instrumentality or political subdivision of any of them (**Governmental Authority**). Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority.

(h) To the best of Borrower's knowledge, neither the Property, nor any portion thereof nor interest therein, has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity, as defined by California or Federal law, including activities relating to the growth, harvesting, use, storage, distribution or sale of cannabis or products containing cannabis (**Cannabis Activities**) at the Property.

(i) There has not, to the best of Borrower's knowledge, been, and shall never hereafter be committed by Borrower or any other person or entity in occupancy of or involved with the operation or use of the Property, any act or omission affording the federal government or any state or local government the right of forfeiture as against the Property or any part thereof or any monies paid in performance of Borrower's obligations under this Agreement, the Note, the Deed of Trust or the other Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. Without limiting the foregoing, and notwithstanding the provisions of the California Adult Use of Marijuana Act and any other laws in the State of California that decriminalize or otherwise permit Cannabis Activities, Borrower acknowledges that Cannabis Activities are illegal under Federal law and agrees not to engage in or permit any Cannabis Activities on the Property.

7. Miscellaneous Provisions.

(a) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors, nominees, and assigns. Except as otherwise provided for herein, neither this Agreement, nor any interest

herein, shall be assignable by Borrower without the written consent of Lender having been first obtained.

(b) In addition to the acts and deeds recited herein and contemplated to be performed, executed, or delivered by Borrower, Borrower and Lender shall perform, execute, or deliver or cause to be performed, executed, or delivered at the close of escrow or after the close of escrow, any and all further acts, deeds and assurances as Settlement Agent or Title Company may reasonably require to consummate the transaction contemplated hereunder.

(c) This Agreement shall be construed under and in accordance with the laws of the State of California. The proper venue for any action filed by either party to enforce or interpret the provisions of this Agreement shall be the County of Los Angeles.

(d) This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Agreement.

(e) The headings used throughout this instrument have been used for convenience only and do not constitute matter to be considered in interpreting this Agreement.

(f) In the event of any dispute hereunder or any proceeding to enforce the provisions hereof, regardless of whether the Loan contemplated by this Agreement actually closes, the prevailing party in such dispute or proceeding shall be entitled to recover, among other things, all costs, reasonable attorneys' fees and reasonable disbursements, regardless of whether such dispute or proceeding is handled by attorneys who are employees of such party or outside counsel. "Prevailing party in any dispute or proceeding" shall mean the party who obtains substantially all of the relief sought by such party.

(g) Time is of the essence of this Agreement, it being understood that each date or time for performance set forth herein, particularly the Closing Date, and the obligations of the

parties to be satisfied by such dates, have been agreed upon pursuant to specific negotiation by the parties.

(h) This Agreement is intended to be solely for the benefit of Lender and Borrower, and no other person shall have any other rights hereunder or be deemed to be a third party beneficiary hereof.

(i) This Agreement does not constitute a commitment by Lender to make the Loan.

(j) The satisfaction of all conditions herein is a condition precedent to any obligation Lender may have under this Agreement and the Loan Documents.

(k) **NOTICE TO BORROWER: THIS LOAN REQUIRES A BALLOON PAYMENT (THE FULL PRINCIPAL BALANCE OF THE LOAN) AT THE MATURITY DATE. IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN AGREEING TO THE AMOUNT AND THE TERMS OF THIS LOAN.**

BORROWER:
9000 ARLINGTON AVE, LLC, a California
limited liability company

By _____
Cole Moscatel, Manager

LENDER:
RICHARD IRWIN KANE, TRUSTEE OF
THE RICHARD IRWIN KANE 2006 TRUST

By _____
Richard Irwin Kane, Trustee

BRONZETREE TERRACES, LLC, a
Colorado limited liability company

By _____
Robert Abbasi, Managing Member

LOAN ESCROW AND TITLE INSTRUCTIONS

TO: GLENDALE ESCROW (**Settlement Agent**)
 MONARCH TITLE COMPANY (**Title Company**)
FROM: RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE
 2006 TRUST and BRONZETREE TERRACES, LLC (**Lender**)
DATE: April 2, 2025

These Loan Escrow and Title Instructions (**Instructions**) are made for the purpose of completing a loan transaction secured by real property (**Loan**). Defined terms initially appear in bold. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the **Loan Documents** associated with the Loan.

PROVISIONS OF THE LOAN

1. The Loan.
 - (a) The **Loan Amount** is \$500,000.00.
 - (b) **Lender** RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000.00/\$500,000.00 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000.00/\$500,000.00 interest, whose address is c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248.
 - (c) **Borrower** is 9000 ARLINGTON AVE LLC, a California limited liability company, whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302.

(d) The **Property** securing the Loan is commonly known 23476 Palm Drive, Calabasas, California 91302 and is more particularly described in Lender's **Deed of Trust**.

(e) The Loan shall be secured by Lender's Deed of Trust recorded against the Property as a SECOND PRIORITY DEED OF TRUST subordinate to a FIRST PRIORITY DEED OF TRUST (**Senior Deed of Trust**) securing a loan in the original amount of \$2,750,000.00 (**Senior Loan**) made by Rediger Investment Mortgage Fund (**Senior Lender**) to borrower.

2. Loan Documents.

(a) The Loan shall be evidenced by the following **Loan Documents**, which shall be submitted by Lender to Settlement Agent in trust for execution by Borrower:

- (i) Loan Agreement (**Agreement**).
- (ii) Promissory Note (**Note**).
- (iii) Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (**Deed of Trust**).
- (iv) Electronic Funds Transfer (**EFT**) Authorization.
- (v) Continuing Guaranty of Cole Moscatel.
- (vi) Environmental Indemnity Agreement.

(b) The **Closing Documents** are the following Loan Documents, which, after execution by Borrower, shall be submitted by Settlement Agent to Title Company for recording in accordance with these Instructions:

- (i) Deed of Trust.

3. Close of Escrow.

(a) The **Close, Close of Escrow** or **Closing** shall be the completion of the loan transaction signified by the following in accordance with the terms of these Instructions:

(i) Delivery to Lender of executed Loan Documents and an executed Intercreditor and Subordination Agreement (**Intercreditor Agreement**) by and between Lender and Senior Lender;

(ii) Recording of the Deed of Trust in the Office of the Recorder of the County of Los Angeles, California; and

(iii) Issuance to Lender of a policy of title insurance, as defined below.

(b) The Closing shall occur on or about April 4, 2025.

4. Borrower's Payment of Costs and Fees

(a) Lender shall be without cost or expense in this transaction.

(b) Lender shall wire the **Loan Proceeds**, which for purposes of the Closing shall be \$500,000.00 to Title Company to be held in escrow. At closing, the following shall be paid from loan proceeds:

(i) Interest on the Loan Amount at the rate of 13.95% per annum in the amount of \$193.750 per diem, calculated according to a 360-day year¹, from and including the date the Loan is funded up to and including April 30, 2025. Said amount shall be paid at closing to the **RTI Properties, Inc. Loan Trust Account**.

(ii) **Origination Fee** payable to RTI Properties, Inc., licensed real estate brokers, California Department of Real Estate (**DRE**) License Identification Number

¹ Interest computed based on a 360-day year is greater than interest computed based on a 365-day year.

01125534/00793526, for negotiating and arranging the Loan.² Said brokers shall be paid the sum of \$17,500.00.

(iii) A wire fee of \$35.00 paid to RTI Properties, Inc.

(iv) An Evaluation, Legal, and Processing fee of \$1,500.00 paid to RTI Properties, Inc. which has been paid outside escrow.

(c) Borrower shall pay, subject to verification and approval of the estimated closing statement provided by Settlement Agent, for all other charges, in amounts to be determined by Settlement Agent, Title Company or by agreement between Borrower and a third party, including, but not limited to:

- Liens and encumbrances, which are chargeable to Borrower, and required by Lender to be deleted from title pursuant to the Instructions to Title Company set forth below;
- Title insurance premiums;
- Recording charges;
- Escrow costs and fees;
- Fire insurance premiums;
- Wire fees;
- Messenger and overnight delivery costs;
- Miscellaneous fees and costs.

INSTRUCTIONS TO SETTLEMENT AGENT

5. Prior to requesting funding from Lender and Closing, Settlement Agent shall perform the following:

² The BRE may be contacted for license information at (916) 227-0931 or www.dre.ca.gov.

(a) Provide Lender with written confirmation verifying Settlement Agent's approval of and commitment to abide by these Instructions.

(b) Obtain Senior Lender's execution of the Intercreditor Agreement and Borrower's execution of all Loan Documents and any other required documents, acknowledged and notarized as necessary, and return the original executed Loan Documents (except the Deed of Trust), and the Intercreditor Agreement and other documents to Lender pursuant to these Instructions.

(i) With respect to execution of the Loan Documents, the chain of possession of the Loan Documents is the responsibility of Settlement Agent, and as such, they must be under Settlement Agent's *exclusive* control and/or supervision at all times. This means that Loan Documents must be either, (1) executed in Settlement Agent's office, before a notary employed by Settlement Agent, or (2) executed remotely, before an insured and bonded mobile notary arranged by Settlement Agent, with the executed Loan Documents returned *by the notary* directly to Settlement Agent's office.

(c) Scanned or faxed copies of the executed Loan Documents, the Intercreditor Agreement—and all other documents, *must be in possession of Lender prior to funding*. Original documents, exclusive of the Deed of Trust, shall be delivered or overnight expressed to Lender's office address as set forth below.

(d) Confirm that Borrower has obtained **hazard insurance** in an amount not less than the insurable value of the improvements to the Property with the normal conditions including fire, extended coverage, vandalism, malicious mischief, and a losses payable endorsement naming Lender, RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST and BRONZETREE TERRACES, LLC, c/o RTI Properties,

Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248, as mortgagee. A certificate of evidence of such insurance shall be deposited in escrow and a copy provided to Lender prior to funding. The term "hazard insurance coverage" means insurance against losses caused by perils which are commonly covered in policies described as a "Homeowner's Policy," "General Property Form," "Guaranteed Replacement Cost Insurance," "Special Building Form," "Standard Fire," "Standard Fire with Extended Coverage," "Standard Fire with Special Form Endorsement," or comparable insurance coverage to protect the Property against loss or damage from fire or other perils covered within the scope of a standard extended coverage endorsement. The term **Improvements** means buildings or structures attached to the Property.

(e) Obtain a voided check for the bank account Borrower is designating for debiting monthly payments by EFT.

(f) Determine that no junior financing is being employed in this transaction, except as otherwise provided for in these Instructions.

(g) Provide Lender with an Estimated Closing Statement and any revisions thereto;

(h) Obtain any funding required by Borrower or any other parties from whom funds are due.

(i) Submit the Closing Documents to Title Company, together with these Instructions.

(j) NO GAP FUNDING: Settlement Agent and Title Company are expressly prohibited from disbursing all or any portion of the Loan Proceeds to anyone until they

have confirmed the recordation of the Closing Documents in the Official Records by obtaining instrument numbers and date and time of recordation of each Closing Document.

6. Subsequent to Closing, Settlement Agent shall perform the following:
 - (a) Provide Lender with Settlement Agent's Final Settlement Statement.
 - (b) Direct the applicable providers to mail or deliver the ALTA Lender's Policy of Title Insurance and recorded Deed of Trust to Lender's office address.

INSTRUCTIONS TO TITLE COMPANY

7. Prior to Closing, provide Lender with written confirmation verifying Title Company's approval of and commitment to abide by these Instructions and perform the following:

(a) Submit the Deed of Trust to the County Recorder to be recorded as a SECOND PRIORITY DEED OF TRUST;

(b) Commit in writing to Lender that, upon Closing, Title Company shall issue a standard coverage ALTA Loan Policy of title insurance, together with the endorsement(s) (**Endorsement**) described below, insuring Lender, in the sum of \$625,000.00, which sum is equal to *one hundred twenty five per cent* (125%) of the Loan Amount (**Title Policy**). The Title Policy shall insure that title to the Property is vested in Borrower and that the Deed of Trust is a SECOND PRIORITY DEED OF TRUST on the Property, subject only to (i) the Senior Deed of Trust, and (ii) the following exceptions shown in Title Company's Preliminary Report, Order No. MT214999-VC dated as of March 19, 2025:

- **Permitted Exceptions:** Item numbers A, D, and 1 through 5 inclusive.
- The following exceptions shall be DELETED and not appear on the Title Policy: Item numbers B, C, and 6 through 10 inclusive. ALL property taxes due as of closing must be paid through Escrow.

(c) A Waiver of Arbitration Endorsement attached to the Title Policy deleting any condition of the Title Policy relating to arbitration.

(d) Within fifteen days following Closing, issue the Title Policy and mail or deliver it to Lender at its office address.

MISCELLANEOUS

8. Lender agrees to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions of Settlement Agent or other instruments as may reasonably be required by Settlement Agent in order to consummate the transactions contemplated herein. Any such supplemental instructions shall not conflict with, amend or supersede any portions of these Instructions. To the extent of any inconsistency between the provisions of such supplemental instructions and the provisions of these Instructions, the provisions of these Instructions shall control.

9. Except as otherwise provided herein with respect to execution and delivery of Loan Documents, Settlement Agent, Title Company, Borrower and Lender shall deliver documents and papers to one another and give all notices, demands or other communications in writing via email, fax and/or United States registered or certified mail, return receipt requested, postage prepaid, or by personal delivery (by recognized overnight express or courier service) as follows:

If to Lender, to:

Richard Irwin Kane, Trustee Of The Richard Irwin
Kane 2006 Trust and Bronzetree Terraces, LLC
c/o RTI Properties, Inc.
19300 S. Hamilton Avenue, Suite 210
Gardena, California 90248
Attn: Robert Abbasi
Telephone: (310) 532-5008
Fax: (310) 532-9174
E-mail: robert@rtiproperties.com

If to Title Company, to: Monarch Title Company
701 North Brand Boulevard, Suite 350
Glendale, California 91203
Attn: Veronica Concetti
Order No. MT214999-VC
Telephone: (818)510-4852
E-mail: teamconcetti@monarchtc.com

If to Settlement Agent, to: Glendale Escrow
330 West Arden Avenue, #120
Glendale, California 91203
Attn: Aline Mouradian
Escrow No. 028343-AM
Telephone: (818) 550-6200
E-mail: Aline@glendaleescrow.com

10. During the course of underwriting the Loan, Lender has received documents from Borrower and other sources which are available to be inspected by Settlement Agent and Title Company at Lender's office during regular business hours. Lender offers you the opportunity to review these documents so that you have the ability to review and consider all documents received by Lender, which you may deem material to your decision to Close the Loan or issue the requested Title Policy. In the alternative, upon your written request, Lender shall send to you copies of these documents. If you do not inspect these documents or request copies of these documents, Lender shall consider that you have waived your right to require disclosure of these documents to you by Lender prior to your Closing of the Loan or issuing the requested Title Policy.

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11. Time is of the essence in this matter.

LENDER:

RICHARD IRWIN KANE, TRUSTEE OF
THE RICHARD IRWIN KANE 2006
TRUST

By _____
Richard Irwin Kane, Trustee

BRONZETREE TERRACES, LLC, a
Colorado limited liability company

By _____
Robert Abbasi, Managing Member

TITLE: Monarch Title Company

By _____
Name: Veronica Concetti
Title: Title Officer

ESCROW: Glendale Escrow

By _____
Name: Aline Mouradian
Title: Escrow Officer

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (**Agreement**) is made and entered into as of April 2, 2025 (**Effective Date**) by and between 9000 ARLINGTON AVE LLC, a California limited liability company, whose address is 23901 Calabasas Road, Suite 1068, Calabasas, California 91302 (**Borrower**), and RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST, as to an undivided \$400,000.00/\$500,000.00 interest and BRONZETREE TERRACES, LLC, a Colorado limited liability company, as to an undivided \$100,000.00/\$500,000.00 interest (**Lender**), whose address is c/o RTI Properties, Inc., 19300 South Hamilton Avenue, Suite 210, Gardena, California 90248, in connection with and as partial consideration for financial accommodations by Lender to Borrower in the principal amount of the \$500,000.00 (**Loan**), pursuant to the Real Property Loan Agreement dated the Effective Date executed by Borrower and Lender (**Loan Agreement**), evidenced by the Promissory Note dated the Effective Date executed by Borrower and secured by the Deed of Trust dated the Effective Date executed by Borrower encumbering the Property defined in the Loan Agreement together with all other Loan Documents evidencing and perfecting the Loan (**Loan Documents**). Borrower and any guarantor of the Loan (**Guarantor**) are referred to collectively, and jointly and severally, as “**Indemnitor**” and do hereby certify, represent, and warrant to Lender, and agree as follows:

1. When used herein, the following initially-capitalized terms shall have the following meanings, unless otherwise defined in the other Loan Documents.

(a) The term “**Environmental Claim**” shall mean any and all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, inquiries, investigations, studies or notices relating to any Hazardous Substance or any Environmental Law, including, without limitation, liabilities and claims relating to enforcement, cleanup, removal, and remedial actions taken pursuant to any Environmental Law, together with all claims made or threatened by any third party against any Indemnitor or the Property relating to damage, contribution, cost-recovery compensation, loss, or injury resulting from the presence, release or discharge of any Hazardous Substance, including without limitation those arising as a result of strict liability, whether under Environmental Law or otherwise.

(b) The term “**Environmental Law**” shall mean any federal, state or local law (whether common law or statute), ordinance, rule, regulation, or judicial or administrative decision or policy or guideline, relating to the environment, health, and safety now or hereafter existing, any

Hazardous Substance (including, without limitation, the use, handling, transportation, production, disposal, discharge, or storage of the substance), industrial hygiene, soil, groundwater, and indoor and ambient air conditions or the environmental conditions on the Property, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [42 USC §§ 9601 et seq.], as amended from time to time; the Hazardous Substances Transportation Act [49 USC §§ 1801 et seq.], as amended from time to time; the Resource Conservation and Recovery Act [42 USC §§ 6901 et seq.], as amended from time to time; and the Federal Water Pollution Control Act [33 USC §§ 1251 et seq.], as amended from time to time.

(c) The term “**Hazardous Substance**” shall mean all of the following: (a) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, flammable substance, explosive, radioactive material, hazardous waste or substance, toxic waste or substance or any other waste, material, or pollutant that: (i) poses a hazard to the Property or to persons on the Property, or (ii) causes the Property to be in violation of any Environmental Law; (b) asbestos or asbestos-containing material; (c) urea-formaldehyde; (d) transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls; (e) radon gas; (f) lead paint; (g) freon gas; (h) any substance, material or waste that is classified or regulated as dangerous, harmful or deleterious to health, or a pesticide, herbicide, or any other agricultural chemical, and including all types and species of mold; (i) any chemical, material or substance defined as or included in the definition of “hazardous substance,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic substances,” “toxic materials” or “toxic waste” or words of similar import under any applicable local, state, or federal law or under the regulations adopted or publications promulgated pursuant to those laws, including, but not limited to, any Environmental Law, and/or any other chemical, material, or substance that may pose a hazard to the environment.

(d) The term “**Indemnified Parties**” shall mean and includes Lender, any parent, subsidiary, or affiliated company of Lender, any assignee or successor in interest of all or part of Lender’s interest in the Loan or the Loan Documents, any owner of a participation interest in the Loan or the Loan Documents, any purchaser who acquires all or part of the Property from Lender, its parent, or any of its subsidiaries or affiliates, any recipient of a deed or assignment in lieu of foreclosure of all or part of the Property, any court appointed receiver, and the officers, directors, employees and agents of each of them.

(e) The term “**Release**” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the

environment, including continuing migration of any Hazardous Substance that goes into the soil, surface water, or groundwater of the Property, whether or caused by, contributed to permitted by, acquiesced to, or known to Indemnitor and not constituting a De Minimum Amount.

2. Except as disclosed in writing by Indemnitor to Lender or in any environmental reports delivered to Lender prior to the date of this Agreement, Indemnitor represents and warrants to the Indemnified Parties that neither the Property nor Indemnitor nor, to Indemnitor's knowledge, any tenant are in violation of any Environmental Law applicable to the Property, and neither the Property nor Indemnitor nor, to Indemnitor's knowledge, any tenant are subject to any existing, pending or threatened investigation pertaining to the Property by any federal, state or local governmental authority or are subject to any remedial obligation or lien under or in connection with any Environmental Law.

3. Except as disclosed in writing by Indemnitor to Lender or in any environmental reports delivered to Lender prior to the date of this Agreement, Indemnitor represents and warrants to the Indemnified Parties that (a) neither Indemnitor nor, to Indemnitor's knowledge, any tenant of Indemnitor (i) has obtained, or is required by any Environmental Law to obtain, any environmental permit, approval, or license, or (ii) has filed, or is required by any Environmental Law to file, any environmental registration, either (A) to construct or use any improvements, fixtures or equipment that are or intended to be part of, or are located on, the Property or (B) to operate any business that is being conducted or intended to be conducted on the Property, and (b) there are no factors or circumstances related to Hazardous Substances or any environmental conditions known to Indemnitor that would materially impair the ability of Indemnitor or its tenant to obtain any such permit, approval, registration, or license necessary for continuing the present operation and, if applicable, the future development, of the Property.

4. Indemnitor has undertaken an appropriate inquiry into the previous ownership and uses of the Property consistent with good commercial practice. If any environmental questionnaire is executed by Indemnitor and delivered to Lender, Indemnitor represents and warrants to the Indemnified Parties that, to the best of Indemnitor's knowledge, the information disclosed in any such environmental questionnaire is true, complete and correct. Based on Indemnitor's inquiry, Indemnitor represents and warrants to the Indemnified Parties that other than as disclosed in writing by Borrower to Lender prior to the Effective Date, Indemnitor, including, without limitation, any officer, director, employee, affiliate, tenant, partner or joint venturer of Indemnitor, has no actual knowledge or notice of the actual, alleged or threatened presence or release of Hazardous Substances in, on, around or potentially affecting any part of the Property or the soil, groundwater or soil vapor on or under the Property, or the migration of any Hazardous Substance, from or to any other property adjacent to or in

the vicinity of the Property that would materially impair the ability of Indemnitor or its tenant to obtain any permit, approval, registration, or license necessary for continuing the present operation and, if applicable, the future development, of the Property. Indemnitor's intended future use of Property will not result in the Release of any Hazardous Substance in, on, around or potentially affecting any part of the Property or in the soil, groundwater or soil vapor on or under the Property, or the migration of any Hazardous Substance from or to any other property adjacent to or in the vicinity of the Property. Indemnitor shall promptly notify Lender in writing if Indemnitor, including, without limitation, any officer, director, employee, agent, affiliate, partner, or joint venturer, of Indemnitor, has any actual knowledge or notice that any statement in this Section 4 is no longer accurate.

5. Indemnitor shall neither use nor permit any third party to use, generate, manufacture, produce, store, or Release, on, under or about the Property, or transfer to or from the Property, any Hazardous Substance except in compliance with all applicable Environmental Laws, provided that if any third party, by act or omission or by intent or accident, allows any foregoing action to occur, Indemnitor shall promptly remedy such condition, at its sole expense and responsibility, in accordance with Section 8 below. Furthermore, Indemnitor shall promptly discharge any environmental liens to be placed on any portion of the Property.

6. Indemnitor has complied, and shall comply and require all occupants of the Property, regardless of length of occupancy, to comply, at Indemnitor's sole expense and responsibility, with all Environmental Laws governing or applicable to Hazardous Substances with respect to the Property, including those requiring disclosures to prospective and actual buyers of all or any portion of the Property.

7. Indemnitor shall give prompt written notice to Lender at the address set forth in the Loan Documents executed in connection with the Loan if any of the following occur:

(a) Indemnitor knows, suspects or believes there may be any Hazardous Substance in, on, around or potentially affecting the Property or the soil, groundwater or soil vapor on or under the Property, or that Indemnitor, the Property or, to Indemnitor's knowledge, any tenant may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance with respect to the Property;

(b) Indemnitor becomes aware of any proceeding, including lawsuit, investigation or settlement by or with any federal, state or local governmental authority (including, without limitation, the U.S. Environmental Protection Agency or any other federal, state or local governmental agency) with respect to the presence of any Hazardous Substance on the Property or the migration thereof from or to any other property adjacent to, or in the vicinity of, the Property;

(c) Upon becoming aware of same, all claims made or threatened by any third party against Indemnitor or the Property relating to any loss or injury resulting from any Hazardous Substance;

(d) Indemnitor's discovery of any occurrence or condition on any property adjoining or in the vicinity of the Property that could reasonably be expected to cause the Property or any part thereof to be subject to any restrictions on its ownership, occupancy, transferability or use under any Environmental Laws;

(e) Indemnitor's discovery of a violation of any Environmental Law that Indemnitor is legally required to report to any federal, state or local governmental authority or the discovery of a Release of a Hazardous Substance in sufficient quantities to be reportable under any Environmental Law to any federal, state or local governmental authority;

(f) Indemnitor's discovery, receipt, or notice that an environmental lien has been or will be placed on the Property; and

(g) Indemnitor knows, suspects or believes that an Environmental Claim has been or will be asserted against either Indemnitor or the Property.

8. Indemnitor has complied and, upon a Release, shall comply, to Lender's reasonable satisfaction, with the reasonable recommendations of any qualified environmental engineer or other expert, who shall be acceptable to Lender, which apply or pertain to the Property. Upon a Release, Indemnitor shall conduct and complete, to Lender's reasonable satisfaction, all investigations, studies, sampling, and testing as may be (i) reasonably recommended by any qualified environmental engineer or other expert, who shall be reasonably acceptable to Lender and (ii) reasonably required by Lender. Indemnitor shall provide to Lender copies of all results and reports relating to such investigations, studies, sampling and testing. Indemnitor shall conduct and complete, to Lender's reasonable satisfaction, all remedial, removal, and other actions necessary to clean up and remove Hazardous Substances in, on, or materially affecting the Property:

(a) In accordance with and as required by all applicable Environmental Laws; and

(b) In accordance with and as required by all applicable orders and directives of all governmental authorities.

Indemnitor shall provide to Lender copies of all results and reports relating to such remedial, removal, and other actions.

9. In the event of a Release, Indemnitor shall, within thirty (30) days after demand by Lender, provide Lender with a bond, letter of credit, or other assurance evidencing to Lender's

reasonable satisfaction that sufficient funds are available to pay the cost of complying with the requirements of Section 8 above.

10. Indemnitor's obligations under this Agreement shall not be diminished or affected in any respect as a result of any notice, disclosure or knowledge, if any, to or by any of the Indemnified Parties of the release, presence, existence or threatened release of Hazardous Substances in, on, around, or potentially affecting the Property or the soil, groundwater or soil vapor on or under the Property, or of any matter covered by Indemnitor's obligations hereunder. No Indemnified Party shall be deemed to have permitted, caused, contributed to or acquiesced in any such release, presence, existence or threatened release of Hazardous Substances or any other matter covered by Indemnitor's obligations hereunder solely because Lender or any other Indemnified Party had notice, disclosure or knowledge thereof, whether at the time this Agreement is delivered or at any other time.

11. If at any time any Indemnified Party reasonably believes that there exists on the Property any condition that could be reasonably expected to result in any material liability, cost, or expense to the owner, occupier, or operator of the Property arising under any Environmental Law, then the Indemnified Parties and their contractors, agents and representatives (hereinafter, "**Site Reviewers**") shall have the right at any reasonable time and from time to time to enter upon and visit the Property for the purposes of observing the Property, taking and removing reasonable soil or groundwater samples, and reasonable conducting tests and/or site assessments on any part of the Property (collectively, "**Site Assessments**") for the purpose of determining whether there exists on the Property any such condition. In doing so, such Indemnified Party shall take reasonable efforts to not unduly interfere with the rights of tenants occupying the Property under their leases. The Indemnified Parties have no duty, however, to conduct any Site Assessment, and no Site Assessment shall impose any liability on any Indemnified Party. In no event shall the completion of any Site Assessment be a representation that Hazardous Substances are or are not present in, on, under or around the Property, or that there has been or shall be compliance with any Environmental Law or any other law or governmental regulatory or liability pronouncement. The Indemnified Parties owe no duty of care to protect Indemnitor or any other party against, or to inform Indemnitor (except as provided herein) or any other party of, any Hazardous Substances or any other adverse condition affecting the Property. The Indemnified Party shall make reasonable efforts to avoid interfering with Indemnitor's and any tenant's use of the Property in exercising any rights provided in this Section. The Site Reviewers are hereby authorized to enter upon the Property for the purpose of conducting Site Assessments. The Site Reviewers are further authorized to perform both reasonable above and below the ground testing for environmental conditions or the presence of Hazardous Substances on the

Property and such other tests on the Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Indemnitor will supply to the Site Reviewers such historical and operational information regarding the Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The reasonable cost of performing such Site Assessments shall be paid by Indemnitor upon demand of any Indemnified Party. On request, such Indemnified Party shall make the results of such Site Assessments fully available to Indemnitor provided (i) that Indemnitor has fully reimbursed such Indemnified Party for the cost of such Site Assessments, and (ii) neither Indemnitor nor any other party is entitled to rely on any Site Assessment conducted by or on behalf of any Indemnified Party, which Site Assessment shall be for the sole benefit and use of the Indemnified Party.

12. Any Indemnified Party shall have the right, but not the obligation, without in any way limiting Lender's or any Indemnified Party's other rights and remedies under the Loan Documents, to enter onto the Property or to take such other actions as it deems reasonably necessary or advisable to clean up, remove, resolve, or minimize the impact of, or otherwise deal with, any Hazardous Substances on or affecting the Property following receipt of any notice from any person, entity or governmental authority asserting the existence or possible existence of any Hazardous Substances pertaining to the Property or any part thereof that, if true, could be reasonably expected to result in an Environmental Claim, order, notice, suit, imposition of a lien on the Property, or other reasonable action and/or that, in any Indemnified Party's reasonable opinion, could be reasonably expected to jeopardize the Lender's or any Indemnified Party's security under the Loan Documents. In doing so, such Indemnified Party shall take reasonable efforts to not unduly interfere with the rights of tenants occupying the Property under their leases. All reasonable costs and expenses paid or incurred by an Indemnified Party in the exercise of any such rights shall be payable by Indemnitor upon demand.

13. Any Indemnified Party shall have the right, at any time to appear in and to participate in, as a party if it elects, and be represented by counsel of its own choice in, any action or proceeding in connection with any Environmental Law that affects the Property. Upon demand by any Indemnified Party, Indemnitor shall defend any investigation, action or proceeding involving any matter covered by Indemnitor's obligations hereunder which is brought or commenced against any Indemnified Party, whether alone or together with Borrower or any other person, all at Indemnitor's own cost and by counsel to be approved by the Indemnified Party in the exercise of its reasonable judgment.

14. Indemnitor shall indemnify, defend and hold the Indemnified Parties harmless from, for and against any and all Environmental Claims, liabilities, damages (including foreseeable and unforeseeable consequential damages), losses, fines, penalties, judgments, awards, settlements, and costs and expenses (including, without limitation, reasonable attorneys' fees, experts', engineers' and consultants' fees, and costs and expenses of investigation, testing, remediation and dispute resolution) (collectively referred to as "**Environmental Costs**") that directly or indirectly arise out of or relate in any way to:

(a) Any investigation, cleanup, remediation, removal, or restoration work of site conditions of the Property relating to Hazardous Substances (whether on the Property or any other property);

(b) Any resulting damages, harm, or injuries to the person or property of any third parties or to any natural resources involving Hazardous Substances relating to the Property;

(c) Any actual or alleged past or present disposal, generation, manufacture, presence, processing, production, Release, storage, transportation, treatment, or use of any Hazardous Substance on, under, or about the Property;

(d) Any actual or alleged presence of any Hazardous Substance on the Property;

(e) Any actual or alleged past or present violation of any Environmental Law relating to the Property;

(f) Any actual or alleged past or present migration of any Hazardous Substance from the Property to any other property, whether adjoining, in the vicinity, or otherwise, or migration of any Hazardous Substance onto the Property from any other property, whether adjoining, in the vicinity, or otherwise;

(g) Any lien on any part of the Property under any Environmental Law;

(h) Any Environmental Claim by any federal, state, or local governmental agency and any claim that any Indemnified Party is liable for any such asserted Environmental Claim allegedly because it is an "owner" or "operator" of the Property under any Environmental Law;

(i) Any Environmental Claim asserted against any Indemnified Party by any person other than a governmental agency, including any person who may purchase or lease all or any portion of the Property from Indemnitor, from any Indemnified Party, or from any other purchaser or lessee; any person who may at any time have any interest in all or any portion of the Property; any person who may at any time be responsible for any cleanup costs or other Environmental Claims relating to the Property; and any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance relating to the Property;

(j) Any Environmental Claim which any Indemnified Party reasonably believes at any time may be incurred to comply with any law, judgment, order, regulation, or regulatory directive relating to Hazardous Substances and the Property, or which any Indemnified Party reasonably believes at any time may be incurred to protect the public health or safety;

(k) Any Environmental Claim resulting from currently existing conditions in, on, around, or materially affecting the Property, whether known or unknown by Indemnitor or the Indemnified Parties at the time this Agreement is executed, and any such Environmental Claim resulting from the activities of Indemnitor, Indemnitor's tenants, or any other person, in, on, around, or materially affecting the Property; or

(l) Breach of any representation or warranty by or covenant of Indemnitor in this Agreement.

Notwithstanding anything contained herein to the contrary, the foregoing indemnity shall not apply to

(i) matters determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of any Indemnified Party; (ii) matters resulting solely from the actions of Indemnified Parties taken after such parties have taken title to, or exclusive possession of the Property, provided that, in both cases, such matters shall not arise from or be accumulated with any condition of the Property, which condition was not caused by an Indemnified Party; or (iii) Hazardous Materials that were not Released on the Property prior to the date that Indemnified Party or its nominee acquired title to the Property. **The foregoing indemnity is expressly intended to include, and does include, any Environmental Costs arising as a result of any strict liability imposed or threatened to be imposed on an Indemnified Party in connection with any of the indemnified matters described in this Section 14 or arising as a result of the negligence of an Indemnified Party in connection with such matters.**

15. Nothing in this Agreement shall be construed to limit any claim or right which any Indemnified Party may otherwise have at any time against Indemnitor or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under federal, state or local environmental law or other applicable law, regulation or ordinance.

16. If any Indemnified Party delays or fails to exercise any right or remedy against Indemnitor, that alone shall not be construed as a waiver of that right or remedy. All remedies of any Indemnified Party against Indemnitor are cumulative.

17. This Agreement shall be binding upon Indemnitor and its successors and assigns and shall inure to the benefit of the Indemnified Parties.

18. The indemnity obligations of Indemnitor pursuant to Section 14 and all other obligations of Indemnitor hereunder shall survive until terminated in accordance with this Section 18, which termination shall occur upon the full satisfaction of either of the following conditions:

(a) The Loan shall have been repaid in full and in accordance with its terms, rather than through the occurrence of one or more of (i) the acceptance by Lender of the surrender of the Note and reconveyance of the Deed of Trust, (ii) the foreclosure of the Deed of Trust, (iii) the extinguishment of the Deed of Trust by any means other than a reconveyance, including deed or assignment in lieu of foreclosure, (iv) the acquisition of the property or any portion of it by any of the Indemnified Parties, and (v) the transfer of all of Lender's and/or Indemnified Party's rights in the Loan Documents, or through the exercise of any other rights and remedies by Lender (including, without limitation, foreclosure, trustee's sale or actions on promissory notes, guaranties or other obligations); or

(b) One or more of the events described in (i) - (v) of Section 18(a) above has occurred and five (5) years have elapsed from the date of the occurrence of one or more of the events described in (i) - (v) of Section 18(a) above. Notwithstanding the foregoing, if termination would otherwise occur and Lender or any Indemnified Party has received notice of any Environmental Claim relating to Hazardous Materials that were Released on the Property prior to the date that Indemnitee or its nominee acquired title to the Property that has not been fully satisfied or settled to such Indemnified Party's reasonable satisfaction, termination shall not be deemed to occur with respect to such Environmental Claim until it has been fully satisfied or settled to such Indemnified Party's reasonable satisfaction. Notwithstanding the foregoing and in addition to its rights under Section 11, Lender, or any Site Reviewer selected by Lender, shall have the right at any time and from time to time to enter upon and visit the Property to conduct a Site Assessment and prepare, at Lender's own expense, an environmental report regarding environmental conditions on the Property prior to the date when said five (5) years have elapsed. Based upon such report, Lender may assert an Environmental Claim.

19. The indemnity contained herein shall not be subject to any nonrecourse or other limitation of liability provisions contained in any document or instrument executed and delivered in connection with the Loan and the liability of Indemnitor hereunder shall not be limited by any such nonrecourse or similar limitation of liability provisions.

20. If any material warranty, representation or statement contained herein shall be or shall prove to have been false when made or if Indemnitor shall fail or neglect to perform or observe any of the terms, provisions or covenants contained herein, subject to the applicable notice and cure rights set forth in the Loan Documents, the same shall constitute a Default (as defined in the Loan Documents) under the Loan Documents.

21. Indemnitor acknowledges that Lender has and will rely upon the representations, warranties and agreements herein set forth in closing and funding (or modifying as the case may be) the Loan and that the execution and delivery of this Agreement is an essential condition but for which Lender would not close or fund (or modify) the Loan.

22. Indemnitor waives any right or claim of right to cause a marshaling of the assets of Indemnitor or to cause Lender or any Indemnified Party to proceed against any of the security for the Loan before proceeding under this Agreement against Indemnitor; Indemnitor agrees that any payments required to be made hereunder shall become due on demand.

23. The obligations of Guarantor hereunder shall remain fully effective without regard to, and shall not be affected or impaired by the following, any of which may be taken, at any time, without the consent of, or notice to, Guarantor, nor shall any of the following give Guarantor any recourse or right of action against any Indemnified Party:

(a) Any express or implied amendment, modification, renewal, addition, supplement, extension (including, without limitation, extensions beyond the original term) or acceleration of or to any provisions of the Loan Documents;

(b) Any exercise or non-exercise by any Indemnified Party of any right or privilege under this Agreement or any of the Loan Documents;

(c) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding (each, an “**Debtor Relief Proceeding**”) relating to Guarantor, Borrower, any affiliate of Borrower or any other indemnitor (which term shall mean any other party at any time directly or contingently liable for any of Guarantor’s obligations under this Agreement or Borrower’s obligations under the Loan Documents);

(d) Any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any Debtor Relief Proceeding, whether or not Guarantor shall have had notice or knowledge of any of the foregoing;

(e) Any release, discharge, modification, impairment or limitation of the liability of Borrower from its liability under any of the Loan Documents or any release or discharge of any endorser or guarantor or of any other party at any time directly or contingently liable for Guarantor’s obligations under this Agreement, whether or not consented to by Guarantor;

(f) Any subordination, compromise, release (by operation of law or otherwise), discharge, compound, collection or liquidation of any or all of the Property or other collateral described in any of the Loan Documents or otherwise in any manner, or any substitute or replacement for such collateral;

(g) Any assignment or other transfer of this Agreement in whole or in part or of any of the Loan Documents;

(h) Any acceptance of partial performance of Guarantor's obligations hereunder or the obligations of Borrower under the Loan Documents;

(i) Any consent to the transfer of the Property or any portion thereof or any other collateral described in the Loan Documents or otherwise; and

(j) Any bid or purchase at any sale of the Property or any other collateral described in the Loan Documents or otherwise.

24. Guarantor unconditionally waives all defenses to the enforcement of this Agreement, including, without limitation:

(a) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement;

(b) Any right to require any Indemnified Party to proceed against Borrower, Guarantor, or any guarantor at any time, or to proceed against or exhaust any security held by Lender at any time, or to pursue any other remedy whatsoever at any time;

(c) The defense of any statute of limitations affecting the liability of Guarantor hereunder, the liability of Borrower, any other indemnitor, or any guarantor under the Loan Documents, or the enforcement hereof, to the extent permitted by law;

(d) Any defense arising by reason of any invalidity or unenforceability of any of the Loan Documents or any provision thereof, or any disability of Borrower, any other indemnitor, or any guarantor or of any manner in which Lender has exercised its rights and remedies under the Loan Documents, or by any cessation from any cause whatsoever of the liability of Borrower, any other indemnitor, or any guarantor;

(e) Any defense based on any action taken or omitted by any Indemnified Party in any Debtor Relief Proceeding involving Borrower, any other indemnitor or any guarantor, including any election to have the claim of Lender or any other Indemnified Party allowed as being secured, partially secured or unsecured, any extension of credit by Lender to Borrower in any Debtor Relief Proceeding and the taking and holding by Lender of any security for any such extension of credit;

(f) Any defense based upon an election of remedies by Lender, including, without limitation, any election to proceed by judicial or nonjudicial foreclosure of any security, whether real property or personal property security, or by deed in lieu thereof, and whether or not every aspect of any foreclosure sale is commercially reasonable, or any election of remedies, including, but not limited to, remedies relating to real property or personal property security, which destroys or otherwise impairs

the subrogation rights of Guarantor or the rights of Guarantor to proceed against Borrower, any other indemnitor or any guarantor for reimbursement, or both (including, without limitation, Code of Civil Procedure Sections 580b, 580d and 726);

(g) Any right Guarantor may have under Code of Civil Procedure Section 580a including, without limitation, a right to a hearing with respect to the fair market value of the Property, either before or after foreclosure, and any right Guarantor may have to require any Indemnatee to proceed against any collateral before seeking to obtain a judgment against Guarantor hereunder;

(h) Any duty of any of the Indemnified Parties to advise Guarantor of any information known to any Indemnified Party regarding the financial condition of Borrower and all other circumstances affecting Borrower's ability to perform its obligations to Indemnified Party; Guarantor assumes the responsibility for being and keeping informed regarding such condition or any such circumstances;

(i) Any rights of subrogation, reimbursement, exoneration, contribution and indemnity, and any rights or claims of any kind or nature against Borrower which arise out of or are caused by this Agreement, and any rights to enforce any remedy which Lender now has or may hereafter have against Borrower, or any other indemnitor and any benefit of, and any right to participate in, any security now or hereafter held by Lender; and

(j) Without limiting the generality of the foregoing or any other provision of this Agreement, any rights, defenses and benefits which might otherwise be available to Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, and any successor sections.

25. Guarantor understands that the exercise by Lender of certain rights and remedies under the Deed of Trust or other Loan Documents may affect or eliminate Guarantor's right of subrogation against Borrower, any other indemnitor or any guarantor and that Guarantor may therefore incur partially or totally non-reimbursable liability hereunder. Nevertheless, Guarantor hereby authorizes and empowers Lender, its successors, endorsees and/or assigns, to exercise in its or their sole discretion, any rights and remedies, or any combination thereof, which may then be available, it being the purpose and intent of Guarantor that the obligations hereunder shall be absolute, continuing, independent and unconditional under any and all circumstances. Notwithstanding any other provision of this Agreement to the contrary, Guarantor hereby waives any claim or other rights which Guarantor may now have or hereafter acquire against Borrower, any other indemnitor or any other guarantor of all or any of the obligations of Borrower under the Loan Documents that arise from the existence or performance of Guarantor's obligations under this Agreement or any of the other Loan Documents, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or

indemnification, any right to participate in any claim or remedy of any Indemnified Party against Borrower or any other indemnitor or any collateral which Lender now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from Borrower, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights.

26. Guarantor acknowledges and agrees that all waivers of defenses arising from any impairment of Guarantor's rights of subrogation, reimbursement, contribution and indemnification and waivers of any other rights, privileges, defenses or protections available to Guarantor by reason of Sections 2787 to 2855, inclusive, of the California Civil Code are intended by Guarantor to be effective to the maximum extent permitted by Section 2856 of the California Civil Code and other applicable law.

27. Notwithstanding any law to the contrary, the parties expressly agree that a separate right of action hereunder shall arise each time Lender or any Indemnified Party acquires knowledge of any matter indemnified by Indemnitor under this Agreement. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and Indemnitor hereby waives and covenants not to assert any defense in the nature of splitting of causes of action or merger of judgments.

28. In this Agreement, the word "person" includes any individual, company, trust or other legal entity of any kind. If this Agreement is executed by more than one person, the words "Indemnitor", "Guarantor" and "Borrower" include all such persons. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." When the context and construction so require, all words used in the singular shall be deemed to have been used in the plural and vice versa. All headings appearing in this Agreement are for convenience only and shall be disregarded in construing this Agreement.

29. All notices, requests and demands to be made hereunder shall be in writing at the address set forth above by any of the following means: (i) hand delivery; (ii) overnight delivery by a nationally recognized carrier (e.g., Federal Express); or (iii) registered or certified, first class mail, return receipt requested. Any notice, request or demand sent pursuant to either subsection (i) or (ii) hereof shall be deemed received upon such personal service, and, if sent pursuant to subsection (iii) shall be deemed received (a) three (3) days following deposit in the mail or (b) upon the day that rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received. Any party may change its address for notices hereunder by giving formal written

notice to the other parties, specifying that the purpose of the notice is to change the party's address. Communication may be made by email but shall be for information purposes only.

30. Every provision of this Agreement is intended to be severable. If any term, provision, paragraph or subparagraph of this Agreement is declared to be illegal or invalid, for any reason whatsoever, by a court of competent jurisdiction, such illegality or invalidity shall not affect the other terms, provisions, paragraphs or subparagraphs of this Agreement, which shall remain binding and enforceable. To the extent there is any conflict between this Agreement and the terms and provisions of any of the other Loan Documents, the terms and provisions of this Agreement shall control.

31. On demand, Indemnitor agrees to pay all of the Indemnified Parties' costs and expenses, including reasonable attorneys' fees, which may be incurred in any effort to enforce any term of this Agreement, including all such costs and expenses which may be incurred by any Indemnified Party in any legal action, reference, mediation or arbitration proceeding. From the time(s) incurred until paid in full to the Indemnified Party, those sums shall bear interest at the Note Rate.

32. Time is of the essence of this Agreement, and of each and every provision hereof. The waiver by Indemnified Party of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches. This Agreement and the transaction contemplated hereunder shall be governed by and construed in accordance with the laws of the State of California. Borrower hereby consents to the jurisdiction of, and any proceedings brought under or arising out of this Agreement shall be brought in, any competent court within Los Angeles County, State of California, and Borrower consents to service of process by any means authorized by California law in any action brought under or arising out of this Agreement.

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33. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all such counterparts together shall constitute but one Agreement. Each party executing this Agreement as an Indemnitor shall be jointly and severally liable for all obligations of Indemnitor hereunder.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Environmental Indemnity Agreement as of the Effective Date.

BORROWER:

9000 ARLINGTON AVE LLC, a California
limited liability company

By _____
Cole Moscatel, Manager

LENDER:

RICHARD IRWIN KANE, TRUSTEE OF THE
RICHARD IRWIN KANE 2006 TRUST

By _____
Richard Irwin Kane, Trustee

BRONZETREE TERRACES, LLC, a Colorado
limited liability company

By _____
Robert Abbasi, Managing Member

Borrower Signature Authorization

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

Part I - General Information

1. Borrower 9000 ARLINGTON AVE, LLC 23901 Calabasas Road, Suite 1068, Calabasas, California 91302		2. Name and address of Lender/Broker RTI Properties, Inc 19300 S Hamilton Avenue, Suite 210 Gardena, CA 90248 TEL: 310-753-4966 FAX: 310-532-9174
3. Date 4/2/2025	4. Loan Number	

Part II - Borrower Authorization

I hereby authorize the Lender/Broker to verify my past and present employment earnings records, bank accounts, stock holdings, and any other asset balances that are needed to process my mortgage loan application. I further authorize the Lender/Broker to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a copy of this form will also serve as authorization.

The information the Lender/Broker obtains is only to be used in the processing of my application for a mortgage loan.

Borrower Cole Moscatel, Manager	Date
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EQUAL CREDIT OPPORTUNITY ACT

APPLICATION NO:

Date: 4/2/2025

PROPERTY ADDRESS: 23476 Palm Drive, Calabasas, California 91302

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this company is the Office of the Comptroller of the Currency, Customer Assistance Group, 1301 McKinney Avenue, Suite 3450, Houston, TX 77010

We are required to disclose to you that you need not disclose income from alimony, child support or separate maintenance payment if you choose not to do so.

Having made this disclosure to you, we are permitted to inquire if any of the income shown on your application is derived from such a source and to consider the likelihood of consistent payment as we do with any income on which you are relying to qualify for the loan for which you are applying.

Cole Moscatel

(Applicant) (Date)

(Applicant) (Date)

PATRIOT ACT INFORMATION DISCLOSURE

Applicant Name	Cole Moscatel
Co-Applicant Name	
Present Address	23901 Calabasas Road, Suite 1068, Calabasas, California 91302
Mailing Address	23901 Calabasas Road, Suite 1068, Calabasas, California 91302

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

I/we acknowledge that I/we received a copy of this disclosure.

Applicant Cole Moscatel

Date

Applicant

Date

SERVICING DISCLOSURE STATEMENT

Originator: RTI Properties, Inc
19300 S Hamilton Avenue, Suite 210
Gardena, CA 90248

Date: 4/2/2025

NOTICE TO SUBORDINATE LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer.

"Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

- ☐ We may assign, sell or transfer the servicing of your loan while the loan is outstanding.
- ☐ We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.
- ☒ The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

Acknowledgment of Mortgage Loan Applicant(s)

I/We have read and understood the disclosure, and understand that the disclosure is a required part of the mortgage application as evidenced by my/our signature(s) below;

Applicant Cole Moscatel

Date

Applicant

Date

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977

FAIR LENDING NOTICE

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

- 1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or**
- 2. Race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.**

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one- to four-unit family residences occupied by the owner and for the purpose of the home improvement of any one- to four-unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the Bureau of Real Estate at one of the following locations:

2550 Mariposa Mall, Suite 3070
Fresno, CA 93721-2273

320 W. 4th Street, Suite 350
Los Angeles, CA 90013-105

1515 Clay Street, Suite 702
Oakland, CA 94612-1462

1651 Exposition Boulevard
Sacramento, CA 95815

P.O. Box 137000 (*mailing address*)
Sacramento, CA 95813-7000

1350 Front Street, Suite 064
San Diego, CA 92101-3687

ACKNOWLEDGEMENT OF RECEIPT

I (we) received a copy of this notice.

Cole Moscatel, Manager

Date

Date

BROKER DISCLOSURE & CERTIFICATION

Borrower: 9000 ARLINGTON AVE, LLC 23901 Calabasas Road, Suite 1068, Calabasas, California 91302	Date: 4/1/2025
Borrower's Broker: RTI Properties, Inc. 19300 S. Hamilton Avenue, Suite 210 Gardena, CA 90248	Property Address: 23476 Palm Drive, Calabasas, California

Borrower is receiving this disclosure because Borrower requested the services of Borrower's Broker to assist Borrower in obtaining a business purpose mortgage loan secured by the Property. This disclosure establishes that Borrower's Broker is Borrower's exclusive agent and fiduciary and that other parties to the transaction are not Borrower's agents and owe no duty to Borrower.

RTI Properties, Inc. (BRE License No. 01125534/00793526) (hereinafter "Investor's Broker" or "Lender's Broker") is also a California licensed broker, and shall receive a broker fee in the loan transaction. However, Investor's Broker shall exclusively represent the interests of its investors (hereinafter "Investors" or "Lenders") who may make the loan to Borrower and shall earn a fee for doing so.

Borrower's Broker owes Borrower each of the duties and obligations as described herein and in accordance with applicable California and federal law and shall accomplish on behalf of the Borrower the following services ("Services"):

1. To disclose all material facts and information concerning the transaction to permit the Borrower to make an informed decision that is in the Borrower's best interest;
2. To make a full and accurate disclosure of the terms of any loan;
3. To disclose the nature and amount of any compensation, commission or profit that the broker received or will receive from the loan transaction;
4. To diligently exercise reasonable care and skill in representation of Borrower and in the performance of Borrower's Broker's responsibilities;
5. To act in the utmost good faith toward the Borrower;
6. To exercise the utmost honesty, absolute candor, integrity and unselfishness toward the Borrower;
7. To obediently, efficiently and promptly follow the lawful instructions of the Borrower;
8. To deliver all required notices of rights and disclosures to the Borrower and to the proposed investor/lender as may be required by State and Federal law.

Borrower certifies to Investor's Broker, and Investors, the following:

1. Investor's Broker is not an agent for Borrower.
2. Investor's Broker solely represents the interests of Investors in the loan transaction.
3. Investor's Broker has not solicited Borrower and has not negotiated loan terms with Borrower other than to provide Borrower or Borrower's Broker with a term sheet with loan terms acceptable to Investors.
4. Borrower exclusively retained Borrower's Broker to perform the Services.
5. Borrower expressly acknowledges and agrees that no agency, brokerage or other fiduciary relationship of any kind has been created among Borrower, Investor's Broker and Investor.

Borrower declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Borrower(s):

BY: _____ Date _____
Cole Moscatel, Manager

BY: _____ Date _____

ARBITRATION AGREEMENT

MUTUAL AGREEMENT TO ARBITRATE DISPUTES: Borrower has or will obtain a mortgage loan (the “Loan”) made or arranged by the undersigned company (the “Company”). Borrower, Company and any lender making the Loan (collectively, the “Lender”) agree that any Dispute involving the Loan, including, but not limited to claims arising from the origination, documentation, disclosure, servicing, collection or any other aspect of the Loan transaction or the coverage or enforceability of this Agreement, shall be resolved exclusively by binding arbitration under the terms of this Agreement. This Agreement shall also be binding on the agents, successors and assigns of the parties and the Loan.

“Dispute” shall include, but not be limited, to:

1. Any claimed wrongdoing, such as misrepresentation, negligence, breach of contract, breach of fiduciary duty, unconscionability, fraud in the inducement, rescission, breach of the covenant of good faith and fair dealing and unfair business practices.
2. Any claimed violation of state or federal laws, including, but not limited to consumer credit, truth-in-lending, civil rights, equal opportunity, real estate settlement, housing discrimination laws, fair lending acts, licensing, loan regulation and unfair business practices acts.

“Dispute” shall not include:

1. Actions by the lender to judicially or non-judicially foreclose on the note and deed of trust (or mortgage) for the Loan, to enjoin waste, to collect rents, interpleader actions or actions for a receiver, to recover possession, ejectment or relief from the automatic stay in bankruptcy, or to obtain relief through governmental agencies.
2. Actions for provisional remedies such as a temporary restraining order or preliminary injunction or for a permanent injunction based upon an arbitration award.

ARBITRATION OF DISPUTES: Arbitration shall be conducted under the rules of the American Arbitration Association (“AAA”). Arbitration shall be filed at the office of the AAA nearest to the real property securing the Loan. Reasonable discovery shall be permitted pursuant to a written discovery plan determined by the arbitrator(s). Company shall pay all arbitrator fees and hearing fees to the extent they exceed what Borrower would have had to pay if the matter were tried in court. Each party shall bear their own attorneys fees, unless a specific claims statute applies. The arbitrator(s) shall render a statement of the reasons for the award. Judgment on the award may be entered in any court of competent jurisdiction.

WAIVERS:

THE PARTIES HEREBY FREELY WAIVE THE RIGHT TO TRIAL BY JUDGE OR JURY, THE RIGHT TO APPEAL, FULL PRETRIAL DISCOVERY AND APPLICATION OF THE RULES OF EVIDENCE.

We have read, fully understand and agree to the above:

BORROWER:

Borrower Cole Moscatel, Manager Date

Co-Borrower Date

COMPANY:

REPRESENTATIVE:

By Date

LENDER(S):

Lender Richard Irwin Kane, Trustee Date

Lender Robert Abbasi, Managing Member Date

MORTGAGE LOAN DISCLOSURE STATEMENT/ GOOD FAITH ESTIMATE
NONTRADITIONAL MORTGAGE PRODUCT (ONE TO FOUR RESIDENTIAL UNITS)

RE 885 (Rev. 8/08)

Borrower's Name(s): 9000 ARLINGTON AVE, LLC

Real Property Collateral: The intended security for this proposed loan will be a Deed of Trust on (street address or legal description) 23476 Palm Drive, Calabasas, California 91302

This joint Mortgage Loan Disclosure Statement/Good Faith Estimate is being provided by RTI Properties, Inc., a real estate broker acting as a mortgage broker, pursuant to the Federal Real Estate Settlement Procedures Act (RESPA) if applicable and similar California law. In a transaction subject to RESPA, a lender will provide you with an additional Good Faith Estimate within three business days of the receipt of your loan application. You will also be informed of material changes before settlement/close of escrow. The name of the intended lender to whom your loan application will be delivered is:

☐ Unknown ☒ RICHARD IRWIN KANE, TRUSTEE OF THE RICHARD IRWIN KANE 2006 TRUST and BRONZETREE TERRACES, LLC (Name of lender, if known)

GOOD FAITH ESTIMATE OF CLOSING COSTS

The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees, commissions, costs and expenses listed are estimates; the actual charges may be more or less. Your transaction may not involve a charge for every item listed and any additional items charged will be listed. The numbers listed beside the estimated items generally correspond to the numbered lines contained in the HUD-1 Settlement Statement which you will receive at settlement if this transaction is subject to RESPA. The HUD-1 Settlement Statement contains the actual costs for the items paid at settlement. When this transaction is subject to RESPA, by signing page four of this form you are also acknowledging receipt of the HUD Guide to Settlement Costs.

HUD-1	Item	Paid to Others	Paid to Broker
800	Items Payable in Connection with Loan		
801	Lender's Loan Origination Fee	\$ _____	\$ <u>17,500.00</u>
802	Lender's Loan Discount Fee	\$ _____	\$ _____
803	Appraisal Fee	\$ _____	\$ _____
804	Credit Report	\$ _____	\$ _____
805	Lender's Inspection Fee	\$ _____	\$ _____
808	Mortgage Broker Commission/Fee	\$ _____	\$ _____
809	Tax Service Fee	\$ _____	\$ _____
810	Processing Fee	\$ _____	\$ <u>1,500.00</u> * Paid outside escrow.
811	Underwriting Fee	\$ _____	\$ _____
812	Wire Transfer Fee	\$ _____	\$ <u>35.00</u>
		\$ _____	\$ _____
900	Items Required by Lender to be Paid in Advance		
901	Interest for <u>TBD</u> days at \$ <u>193.750</u> per day	\$ <u>TBD</u>	\$ _____
902	Mortgage Insurance Premiums	\$ <u>TBD</u>	\$ _____
903	Hazard Insurance Premiums	\$ <u>TBD</u>	\$ _____
904	County Property Taxes	\$ <u>TBD</u>	\$ _____
905	VA Funding Fee	\$ _____	\$ _____
		\$ _____	\$ _____
1000	Reserves Deposited with Lender		
1001	Hazard Insurance: _____ months at \$ _____ /mo.	\$ _____	\$ _____
1002	Mortgage Insurance: _____ months at \$ _____ /mo.	\$ _____	\$ _____
1004	Co. Property Taxes: _____ months at \$ _____ /mo.	\$ _____	\$ _____
		\$ _____	\$ _____
1100	Title Charges		
1101	Settlement or Closing/Escrow Fee	\$ <u>TBD</u>	\$ _____
1105	Document Preparation Fee	\$ <u>TBD</u>	\$ _____
1106	Notary Fee	\$ <u>TBD</u>	\$ _____
1108	Title Insurance	\$ <u>TBD</u>	\$ _____
		\$ _____	\$ _____
1200	Government Recording and Transfer Charges		
1201	Recording Fees	\$ <u>TBD</u>	\$ _____
1202	City/County Tax/Stamps	\$ <u>TBD</u>	\$ _____
		\$ _____	\$ _____
1300	Additional Settlement Charges		
1302	Pest Inspection	\$ _____	\$ _____
		\$ _____	\$ _____
Subtotals of Initial Fees, Commissions, Costs and Expenses		\$ <u>TBD</u>	\$ <u>TBD</u>
Total of Initial Fees, Commissions, Costs and Expenses		\$ <u>TBD</u>	
Compensation to Broker (Not Paid Out of Loan Proceeds):			
Mortgage Broker Commission/Fee		\$ <u>0.00</u>	
Any Additional Compensation from Lender <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		\$ _____	
(Approximate Yield Spread Premium or Other Rebate)			

ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES

I. Proposed Loan Amount: \$ 500,000.00
 Initial Commissions, Fees, Costs and
 Expenses Summarized on Page 1: \$ TBD
 Payment of Other Obligations (List):
 Credit Life and/or Disability Insurance (see XIV below) \$ _____
 _____ \$ _____
 _____ \$ _____

Subtotal of All Deductions: \$ TBD
Estimated Cash at Closing ☐ **To You** ☐ **That you must pay** \$ TBD

II. Proposed Loan Term: 12 ☐ Years ☒ Months
 III. Proposed Interest Rate: 13.95 % ☒ Fixed Rate ☐ Initial Adjustable Rate

If the Fixed Rate Box is checked in Section III immediately above, proceed to section X. Do not complete sections IV through IX.

- IV. Initial Adjustable Rate in effect for _____ Months
 V. Fully Indexed Interest Rate _____ %
 VI. Maximum Interest Rate _____ %
 VII. Proposed Initial (Minimum) Loan Payment \$ _____ Monthly
 VIII. Interest Rate can Increase _____ % each _____ Months
 IX. Payment Options end after _____ Months or _____ % of Original Balance, whichever comes first
 X. After 11 months you will not have the option to make minimum or interest only payments and negative amortization (increases in your principal balance), if any, will no longer be allowed. Assuming you have made minimum payments, you may then have to make principal and interest payments of \$ 505,812.50 at the maximum interest rate in effect for the remaining 1 months of the loan. *These payments will be significantly higher than the minimum or interest only payments.*
 XI. If your loan contains negative amortization, at the time no additional negative amortization will accrue, your loan balance will be \$ _____ assuming minimum payments are made.
 XII. The loan is subject to a balloon payment: ☐ No ☒ Yes. If Yes, the following paragraph applies and a final balloon payment of \$505,812.50 will be due on 3 / 31 / 26 [estimated date (month/day/year)].

NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.

- XIII. Prepayments: The proposed loan has the following prepayment provisions:
☐ No prepayment penalty (you will not be charged a penalty to pay off or refinance the loan before maturity)
☐ You will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years. The prepayment penalty could be as much as \$ _____. Any prepayment of principal in excess of 20% of the
 ☐ original loan balance or
 ☐ unpaid balance
 for the first _____ years will include a penalty not to exceed _____ months interest at the note interest rate but not more than the interest you would be charged if the loan were paid to maturity.
☒ Other – you will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years as follows:
There is a 4 month interest earned on this loan.

- XIV. Taxes and Insurance:
☐ There will be an impound (escrow) account which will collect approximately \$ _____ a month in addition to your principal and interest payments for the payment of ☐ county property taxes* ☐ hazard insurance ☐ mortgage insurance ☐ flood insurance ☐ other.
☒ If there is no impound (escrow) account you will have to plan for the payment of ☐ county property taxes* ☒ hazard insurance ☒ mortgage insurance ☒ flood insurance ☐ other _____
 of approximately \$ _____ per year.

* In a purchase transaction, county property taxes are calculated based on the sales price of the property and may require the payment of an additional (supplemental) tax bill from the county tax authority by your lender (if escrowed) or you if not escrowed.

- XV. Credit Life and/or Disability Insurance: The purchase of credit life and/or disability insurance by a borrower is NOT required as a condition of making this proposed loan.
- XVI. Other Liens: Are there liens currently on this property for which the borrower is obligated? ☐ No ☐ Yes
If Yes, describe below:

<i>Lienholder's Name</i>	<i>Amount Owning</i>	<i>Priority</i>
<u>See Prelim</u>		

Liens that will remain or are anticipated on this property after the proposed loan for which you are applying is made or arrange including the proposed loan for which you are applying):

<i>Lienholder's Name</i>	<i>Amount Owning</i>	<i>Priority</i>
<u>Rediger Investment Mortgage Fund</u>	<u>\$2,750,000.00</u>	<u>First</u>
<u>Richard Irwin Kane, Trustee Of The Richard Irwin Kane 2006 Trust and Bronztree Terraces, LLC</u>	<u>\$500,000.00</u>	<u>Second</u>

NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, costs, fees, and expenses even though you do not obtain the loan.

- XVII. Article 7 Compliance: If this proposed loan is secured by a first deed of trust in a principal amount of less than \$30,000 or secured by a junior lien in a principal amount of less than \$20,000, the undersigned broker certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.
- A. This loan ☐ may ☐ will ☒ will not be made wholly or in part from broker controlled funds as defined in Section 10241(j) of the Business and Professions Code.
- B. If the broker indicates in the above statement that the loan "may" be made out of broker-controlled funds, the broker must inform the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.
- XVIII. This loan is based on limited or no documentation of your income and/or assets and may have a higher interest rate, or more points or fees than other products requiring documentation: ☐ No ☒ Yes

NOTICE TO BROKER

If any of the columns in section XIX, Comparison of Sample Mortgage Features, on page 4 of this RE 885 form, are not completed, you must certify to the following:

CERTIFICATION

I, Robert Abbasi, hereby certify (or declare) that the failure to complete the information in any or all of the columns (with the exception of the last column "Proposed Loan" in the Typical Mortgage Transactions portion of this RE 885) is either because (1) after a diligent search, I have determined that the product specified in that column is not available to consumers from mortgage lenders, or (2) the borrower to whom this form applies does not qualify for that particular product.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Broker

Date

Intentionally Blank

TYPICAL MORTGAGE TRANSACTIONS

PROPOSED LOAN AMOUNT \$ 500,000.00 1 -YEAR TERM	Principal and Interest	Interest Only	5/1 ARM	Interest Only	Option Payment	Proposed Loan Type of Loan: Interest Only
	Fully Amortizing	Fully Amortizing	Fully Amortizing	Fully Amortizing	Fully Amortizing	Type of Amortization: N/A
	<input checked="" type="checkbox"/> Not Offered*	<input checked="" type="checkbox"/> Not Offered*	<input checked="" type="checkbox"/> Not Offered*	<input checked="" type="checkbox"/> Not Offered*	<input checked="" type="checkbox"/> Not Offered*	
	Fixed Rate (____%)	Fixed Rate (____%) Interest Only for First 5 Years	Fixed Rate for First 5 Years; Adjustable Each Year After First 5 Years (Initial rate for 1 to 5 is ____%; Maximum Rate is ____%)	Interest Only and Fixed Rate for First 5 years; Adjustable Rate Each Year After First 5 Years (Initial rate for 1 to 5 is ____%; Maximum Rate is ____%)	Adjustable Rate for Entire Term of the Mortgage (Rate in month 1 is ____%; Rate in month 2 through year 5 is ____%; Maximum Rate is ____%)	Explanation of Type of Proposed Loan Product: Fixed Rate (13.95 %) Balloon Payment

Payment Scenarios

Minimum Monthly Payment Years 1-5 except as noted	\$ ____**	\$ ____	\$ ____	\$ ____	\$ ____**** (1st year only)	\$ 5,812.50
Monthly Payment in Year 6 with no change in rates	\$ ____	\$ ____***	\$ ____	\$ ____	\$ ____	\$ N/A
Monthly Payment in Year 6 with a 2% rise in rates	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A
Minimum Monthly Payment	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ 5,812.50
Your Gross Income	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A
Difference	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A
Maximum Monthly Payment in Year 6 with a 5% rise in rates	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A
Your Gross Income	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A
Difference	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ N/A

Loan Balance Scenarios

How much will be owed after 5 years?	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ 0.00
Has the loan balance been reduced after 5 years of payments?	Yes The loan balance was reduced by \$ ____	No The loan balance was not reduced	Yes The loan balance was reduced by \$ ____	No The loan balance was not reduced	No The loan balance increased by \$ ____	No/Yes The loan balance: did not change/ increased/decreased by \$ ____

* "Not offered" indicates the broker does not offer the comparison loan product.

The information provided for the products not offered was obtained from sources deemed reliable. ☐ Yes ☐ No

** This illustrates an interest rate and payments that are fixed for the life of the loan.

*** This illustrates payments that are fixed after the first five years of the loan at a higher amount because they include both principal and interest.

**** This illustrates minimum monthly payments that are based on an interest rate that is in effect during the first month only. The payments required during the first year will not be sufficient to cover all of the interest that is due when the rate increases in the second month of the loan. Any unpaid interest amount will be added to the loan balance. Minimum payments for years 2-5 are based on the higher interest rate in effect at the time, subject to any contract limits on payment increases. Minimum payments will be recast (recalculated) after 5 years, or when the loan balance reaches a certain limit, to cover both principal and interest at the applicable rate.

IMPORTANT NOTE: Please use this chart to discuss possible loans with your broker or lender

If a mortgage loan broker licensed by the California Department of Real Estate is acting as your agent in connection with your home loan/mortgage, the agent owes you certain fiduciary duties, and California statutory law imposes other duties.

XX. NOTICE TO BORROWER: THIS IS NOT A LOAN COMMITMENT. Do not sign this statement until you have read and understood all of the information in it. All parts of this form must be completed before you sign. Borrower hereby acknowledges the receipt of a copy of this statement.

RTI Properties, Inc. 01125534
 Name of Broker License #
 19300 S. Hamilton Ave., Suite 210, Gardena, CA 90248
 Broker's Address

Robert Abbasi 00793526
 Broker's Representative License #

Signature of Broker

Date

OR

Signature of Representative

Date

Borrower Cole Moscatel, Manager

Date

Borrower

Date

Department of Real Estate license information telephone number: 877-373-4542, or check license status at www.dre.ca.gov

Date: _____

RE: Exit Strategy

To whom it may concern:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

Borrower's Signature: _____

Borrower's Name: _____

Date: _____

RE: Purpose of the loan

To whom it may concern:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

Borrower's Signature: _____

Borrower's Name: _____



DECLARATION OF NON-OWNER OCCUPANCY

Borrower certifies to Richard Irwin Kane, Trustee Of The Richard Irwin Kane 2006 Trust and Bronzетree Terraces, LLC ("Lender") as follows:

1. I, _____, have applied to Lender for a trust deed loan in the amount of \$ _____ (the "Loan") secured by the real property located at _____ (the "Property"). **I further certify that I am completing this form in my own handwriting and understand that it may not be completed by my Broker or any other party.**

Initial

2. Originator has stressed to me the importance of knowing whether I occupy or intend to occupy the Property as my principal residence.

Initial

3. I have represented to Lender and again represent to Lender that:

A. My true and only principal residence is located at:

B. The Property that will secure the Loan is not my principal residence.

Initial

C. I have no intention of ever making the Property my principal residence.

Initial

The lender, broker, assignees and successors of the Lender may rely upon this certificate. I declare under penalty of perjury under the laws of the State of California that the foregoing Certificate is true and correct.

Borrower

Date

(Please note that this form must be completed by the Borrower in their own handwriting.)