

**THE SECURITIES REPRESENTED BY THIS PROMISSORY NOTE HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR WITH ANY STATE SECURITIES COMMISSION OR AGENCY, PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”), OR APPLICABLE STATE SECURITIES LAWS AND REGULATIONS, AND THEREFORE CONSTITUTE RESTRICTED SECURITIES. THESE RESTRICTED SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF REGISTRATION OR A QUALIFICATION UNLESS, IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY, AN EXEMPTION THEREFROM IS AVAILABLE PURSUANT TO THE ACT AND APPLICABLE STATE SECURITIES LAWS AND REGULATIONS.**

### **PROMISSORY NOTE**

Date: December 5, 2013 City of: Irvine  
Principal Amount: \$ \_\_\_\_\_ State of: California  
Interest Rate: 9%, per annum  
Due Date: ~~November 30~~December 1, 2022

FOR VALUE RECEIVED, the undersigned, **PACIFIC CITY INVESTMENTS, LLC**, a Delaware limited liability company (“**Borrower**”) does hereby covenant and promise to pay to \_\_\_\_\_ or Permitted Transferees (“**Sub-Debt Lender**”), in lawful money of the United States of America, and in immediately available funds, the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) (“**Principal Amount**”), or so much thereof as may be advanced and be outstanding, with any accrued interest thereon on or before the Due Date, and which Principal Amount shall be subject to increase as set forth below. Sub-Debt Lender and Borrower are sometimes individually referred to as “Party” and collectively referred to as the “Parties”.

**1.0 DEFINITIONS.** As used herein, the following capitalized terms shall have the following meaning:

1.1 “Advance” shall mean the amount of Sub-Debt Loan proceeds provided by Sub-Debt Lender to Borrower at any time pursuant to the provisions and definitions of Section 3.0 below. “Advances” shall mean more than one Advance made pursuant to the Sub-Debt Loan.

1.2 “Affiliate” shall mean with respect to any Person: (a) any Person directly or indirectly controlling, controlled by, or under common control with such Person; (b) any Person owning or controlling 20% or more of the outstanding voting securities or beneficial interests of such Person; or (c) an officer, director, manager, partner, trustee, employee, or member of the immediate family of an officer, director, manager, partner trustee, or employee of such Person. For purposes of this definition, the terms “controlling,” “controlled by,” or “under common control

with” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

1.3 “Borrower” shall mean **PACIFIC CITY INVESTMENTS, LLC**, a Delaware limited liability company, or its assigns or transferees.

1.4 “Business Day” shall mean a day on which commercial banks in the city of Irvine, California are open for the normal transaction of banking business.

1.5 “Due Date” shall mean ~~November 30~~December 1, 2022, which is the last date on which the entire Indebtedness is due to Sub-Debt Lender, or such earlier date on which the entire Indebtedness becomes payable by acceleration.

1.6 “Event of Default” shall mean those events described in Section- 7.1.

1.7 “Hotel Entity” shall mean Borrower’s wholly-owned subsidiary, Pacific City Hotel, LLC, a Delaware limited liability company.

1.8 “Intercreditor Agreement” shall mean that certain Intercreditor Agreement of even date herewith by and among Borrower and the “Sub-Debt Lenders” (as that term is defined therein) to which Sub-Debt Lender hereunder is a party.

1.9 “Interest Law” shall mean any present or future law of the State of California, the United States of America, or any other jurisdiction which applies to this Note.

1.10 “Interest Rate” shall mean nine percent (9%) per year, compounded annually; provided, however, that from December 5, 2013 until the due date for the third Advance, “Interest Rate” shall mean simple, non-compounding interest at nine percent (9%) per year.

1.11 “Maximum Legal Rate of Interest” shall mean the maximum rate of interest that Sub-Debt Lender may charge Borrower, and under which Borrower would have no claim or defense of usury under the Interest Law.

1.12 “Note” shall mean this Promissory Note.

1.13 “Outstanding Principal Balance” shall mean, as of any date, the total amount of monies loaned to Borrower under this Note less the amount of principal repayments made by or for Borrower.

1.14 “Permitted Transfer” or “Permitted Transferee” shall have the meaning set forth in Section 6.0.

1.15 “Person” shall mean and include an individual, revocable or irrevocable trust, firm, partnership, limited liability company, corporation and/or other legal or business entity howsoever characterized.

1.16 “Principal Amount” shall mean the amount set forth in the opening paragraph of this Note.

1.17 “Sub-Debt Lender” shall mean \_\_\_\_\_, or its Permitted Transferee(s), who also is a party to the Intercreditor Agreement.

1.18 “Sub-Debt Loan” shall mean the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), made by the Sub-Debt Lender to Borrower, the repayment of which is governed by the provisions and terms of this Note and the Intercreditor Agreement.

**2.0 INTERCREDITOR AGREEMENT.** Contemporaneously with execution of this Note, the Borrower and Sub-Debt Lender have entered into the Intercreditor Agreement with other “Sub-Debt Lenders” (as defined therein), all of whom have concurrently made Sub-Debt Loans (as defined therein) to the Borrower on precisely the same terms as Sub-Debt Lender. In the event of a conflict between the terms of this Note and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall govern. Subject to Section 6.0 below, if Sub-Debt Lender makes a Permitted Transfer of this Note to a third party in accordance with the terms of this Note, such Permitted Transferee shall be required to execute and to be bound by the terms of the Intercreditor Agreement.

### **3.0 ADVANCES.**

3.1 Initial Advance. Sub-Debt Lender shall loan to Borrower an amount equal to forty percent (40%) of the stated Principal Amount of this Loan. Notwithstanding the foregoing, at the Borrower’s request, certain Sub-Debt Lenders shall loan the entire Principal Amount on December 5, 2013.

3.2 Additional Advances. Subject to all of the terms of this Note, upon 30 days’ prior written notice from Borrower, Sub-Debt Lender shall make Advances to Borrower in the amounts requested by Borrower in the written notice, up to the Principal Amount.

3.3 Required Additional Advance. Lender acknowledges and agrees that, after making Advances to Borrower up to the Principal Amount, if Borrower, in its sole and absolute discretion, determines that cost overruns related to construction of a hotel on the site owned by Hotel Entity or subsequent operational shortfalls at the hotel are such that additional funds are needed, then, upon 30 days’ prior written notice from Borrower, Sub-Debt Lender shall make required additional Advances to Borrower of not more than ten percent (10%) of the Principal Amount set forth above on the same terms as set forth in this Note. Such additional Advances shall be documented by amendments to this Note to reflect the new, increased Principal Amount.

3.4 Advance Procedures. Advances hereunder shall be made by Sub-Debt Lender upon written request of Borrower, within 30 days of the date of such written request or such later date as the written request shall specify. Each request for an Advance shall specify the proposed date of the borrowing and the aggregate amount of such borrowing.

**4.0 PAYMENTS.** Principal and interest shall be payable to Sub-Debt Lender, or such other assignee or transferee of Sub-Debt Lender, at such address listed below or such other address as Sub-Debt Lender may designate in writing, and shall be paid as follows:

4.1 Immediately Available Funds. Payments under this Note shall be payable in immediately available funds without setoff, counterclaim or deduction or any kind, and shall be made by electronic funds transfer from a bank account established and maintained by Borrower for such purpose.

4.2 Accrual of Interest. Interest at the Interest Rate shall accrue on the Outstanding Principal Balance commencing on December 5, 2013.

4.3 Interest Computations. All interest computations under this Note shall be computed on the basis of a 365-day year, actual days elapsed. Whenever a payment hereunder becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

4.4 Payment of Interest.

4.4.1 General Rule.

(a) On or before ~~November 30~~December 1, 2016, Borrower shall pay to Sub-Debt Lender an interest-only payment equal to one percent (1%), accrued and compounded annually on the Sub-Debt Loan up to and including such payment date. Thereafter, to the extent not otherwise paid hereunder, on each ~~November 30~~December 1 until the Due Date, Borrower shall pay to Sub-Debt Lender an annual interest-only payment equal to one percent (1%) interest on the Sub-Debt Loan.

(b) To the extent not otherwise paid by Borrower, the remaining eight percent (8%) interest shall accrue and compound annually until the Due Date, to the extent such accrued amount does not exceed the Maximum Legal Rate of Interest.

4.4.2 Special Rule for Entire Principal Amount Loaned on December 5, 2013. If Sub-Debt Lender, at Borrower's request, loans the entire Principal Amount on December 5, 2013, on the first day of each month following December 5, 2013 up to the due date for the third Advance, Borrower shall pay to such Sub-Debt Lender the simple interest accruing at the Interest Rate during the preceding month on the portion of the Outstanding Principal Balance that exceeds the total amount already requested pursuant to the Borrower's written notice. After the due date for

the third Advance, no additional simple interest shall accrue or be paid monthly to the Borrower under this Paragraph 4.4.2.

4.5 Balloon Payment. The Outstanding Principal Balance and any accrued and unpaid interest shall be paid as a balloon payment on the Due Date. Borrower acknowledges and agrees that up to the entire portion of the principal balance and the accrued eight percent (8%) interest evidenced by this Note may be outstanding and due and payable on the Due Date.

4.6 Manner of Payment. All payments hereunder shall be made in lawful money of the United States of America without deduction, setoff or counterclaim.

4.7 Default Interest. Upon the occurrence of and for so long as an Event of Default exists, in Sub-Debt Lender's sole discretion, Borrower shall pay interest on the Outstanding Principal Balance and on such other amounts which may be due under this Note at an annual rate equal to the maximum Legal Rate of Interest, and shall be computed from the date performance was due through the date, if any, upon which full performance is rendered.

4.8 Application of Payments. Each payment on this Note shall be applied first to costs and fees owing hereunder, second to the payment of the one percent (1%) interest payable as set forth in Section 4.4.1, third to payment of the eight percent (8%) accrued interest, and fourth to the payment of principal.

4.9 Late Charge. Borrower acknowledges that any late payment to Sub-Debt Lender will cause Sub-Debt Lender to incur costs not contemplated by this Note. Such costs include, without limitation, processing and accounting charges. Borrower and Sub-Debt Lender further agree that proof of actual damages would be costly or inconvenient. Therefore, if any installment is not paid within five (5) Business Days after Sub-Debt Lender has notified Borrower in writing that any payment is past due, Borrower hereby agrees to pay Sub-Debt Lender a late payment fee in the amount of ten percent (10%) of the past due payment. Acceptance of any late charge will not constitute a waiver of default with respect to the overdue amount and will not prevent Sub-Debt Lender from exercising any of the other rights and remedies available to Sub-Debt Lender. Borrower agrees that such sum shall be considered liquidated damages and not interest. Further, Borrower agrees, in light of the circumstances of this transaction, that the late payment in the amount of ten percent (10%) is reasonable, is not a penalty, and reflects the expense and inconvenience suffered by Sub-Debt Lender and the necessity of Borrower's prompt and timely payments hereunder.

4.10 Prepayment. Borrower shall have the right at any time to prepay the entire indebtedness evidenced hereby and shall have the further right to make partial prepayments hereunder at any time, in Borrower's sole discretion. All prepayments of principal and any accrued and unpaid interest shall not, unless agreed to by Sub-Debt Lender in writing, relieve Borrower's obligation to continue to make payments under any payment schedule hereunder. Rather, such prepayments will reduce the amount of any accrued and unpaid interest and/or principal balance due and may result in Borrower making fewer payments.

**5.0 USURY.** It is the intention of Borrower and Sub-Debt Lender to conform strictly to the Interest Law applicable to this Sub-Debt Loan. Accordingly, it is mutually agreed that notwithstanding any provision to the contrary in this Note, or in any other document otherwise relating hereto, any charges or consideration constituting interest under the Interest Law that is taken, reserved, contracted for, charged or received by Sub-Debt Lender shall not exceed the Maximum Legal Rate of Interest. If any excess interest in such respect is provided for in this Note, or in any other document otherwise relating hereto, the provisions of this paragraph shall govern and control.

5.1 Successors. Neither Borrower nor Borrower's heirs, legal representatives, successors or assigns shall be obligated to pay interest in excess of the Maximum Legal Rate of Interest.

5.2 Excess Interest. Any excess interest shall be deemed cancelled automatically and if already paid, shall be credited on this Note by Sub-Debt Lender or, if this Note has been paid in full, refunded to Borrower.

5.3 Maximum Interest. The effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest allowed under the Interest Law, as now or hereafter construed by courts of appropriate jurisdiction. To the extent permitted by the Interest Law, all sums paid or agreed to be paid to Sub-Debt Lender for the use, forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Note.

**6.0 TRANSFERABILITY.** This Note represents a restricted security subject to restrictions and limitations on transferability under applicable federal and state securities laws. Consequently, the Note may not be transferred, assigned, conveyed, sold, or alienated in any way, except that, subject to compliance with applicable federal and state securities laws, Sub-Debt Lender hereunder may, without the prior written consent of the Borrower, assign all of Sub-Debt Lender's rights, title and interest in this Note to the following (each, a "**Permitted Transfer**" and the transferee pursuant to such Permitted Transferee, a "**Permitted Transferee**"): (a) any Sub-Debt Lender(s) or family members of a Sub-Debt Lender, (b) a revocable or irrevocable trust for the benefit of a Sub-Debt Lender or family members of a Sub-Debt Lender, or (c) an Affiliate of a Sub-Debt Lender. For purposes of the preceding sentence, "Sub-Debt Lender" means a "Sub-Debt Lender" as defined in the Intercreditor Agreement. Any Permitted Transfer will not be effective unless and until written notice has been provided to the Borrower and the transferee has executed the Intercreditor Agreement and agreed to be bound by the terms thereof.

## **7.0 DEFAULT AND REMEDIES.**

7.1 Event of Default. The failure to pay any principal, interest, fees or other charges when due under this Note or any contract, instrument, or document executed in connection with this Note following thirty (30) days written notice from Sub-Debt Lender without cure shall constitute an "Event of Default" under this Note.

7.2 Remedies. Upon the occurrence of any Event of Default, Sub-Debt Lender, at Sub-Debt Lender's option, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable. Sub-Debt Lender's remedies upon the occurrence of an Event of Default shall be subject to the terms and provisions of the Intercreditor Agreement.

**8.0 INDEMNIFICATION.** Borrower hereby agrees to protect, defend, indemnify, and hold Sub-Debt Lender and his employees, agents, attorneys and affiliates (each "**Indemnified Party**") harmless from and against any and all harm, loss, liability, damage, suit, claim, demand, expense, fees, costs, judgments and penalties (including reasonable attorneys' fees) suffered or incurred by any Indemnified Party in connection with (a) any claim, demand, suit or proceeding brought or asserted by any person against such Indemnified Party arising out of or relating to the terms of this Note or the Sub-Debt Loan, (b) the Note and any other agreement or document evidencing or relating to the Sub-Debt Loan, whether Borrower has any defense to the enforcement of such Note or other loan document, and (c) any transactions otherwise arising out of or in any way connected with this Note or the Sub-Debt Loan, including any dispute between Borrower and Sub-Debt Lender.

**9.0 NON-REPRESENTATION; WAIVER OF CONFLICT OF INTEREST.**

9.1 The Parties acknowledge that this Note has been prepared by The Busch Firm (the "**Firm**") on behalf of the Borrower, and that the Firm will represent only Borrower in connection with the transaction contemplated herein. Thus, the Firm is not representing Sub-Debt Lender in connection with the Sub-Debt Loan. The Firm may have previously represented Sub-Debt Lender in various transactions and may continue to represent Sub-Debt Lender in the future, which may result in potential or actual conflicts of interest with the Firm due to Sub-Debt Lender's prospective loan to Borrower hereunder.

9.2 Accordingly, the Firm has advised Sub-Debt Lender to seek its own independent counsel in connection with the transactions contemplated herein. Sub-Debt Lender confirms that potential and actual conflicts of interest of the Firm have been adequately disclosed to its understanding and approved and waived by the Sub-Debt Lender, and that the foregoing standards have been satisfied. The Parties acknowledge that the Firm would not undertake preparation of this Note in the absence of the provisions set forth in this Section 9.2. Although each Party has retained independent legal counsel (or has intentionally waived such right), each Party and principal thereof hereby request the Firm to deal directly with them.

**10.0 MISCELLANEOUS.**

10.1 Personal Jurisdiction and Venue. Borrower hereby submits to personal jurisdiction in the State of California for the enforcement of the provisions of this Note and irrevocably waives any and all rights to object to such jurisdiction for the purposes of litigation to enforce any provision of this Note. Borrower hereby consents to the jurisdiction of and agrees that any action, suit or proceeding to enforce this Note may be brought in any state or federal court in the State of California. Borrower hereby irrevocably waives any objection which Borrower may have to the laying of the venue of any such action, suit, or proceeding in any such court and hereby further irrevocably waives any claims that any such action, suit or proceeding brought in such a

court has been brought in an inconvenient forum. Borrower hereby consents that service of process in any action, suit or proceeding may be made by personal service upon Borrower, or by delivery in accordance with the notice requirements of Section 10.9 of this Note or in such other manner permitted by law.

10.2 Professional Fees and Costs. If a lawsuit, arbitration, or other proceedings are instituted by any Party with respect to or arising out of any of the terms or conditions of this Agreement against any other Party hereto, the prevailing Party in such litigation, arbitration, or proceedings shall be entitled, as an additional item of damages, to such reasonable attorneys' and other professional fees (including but not limited to appraisers' accountants' and experts' fees), court costs, arbitrators' fees, arbitration administrative fees, travel expenses, and other out-of-pocket expenses or costs of such other proceedings as may be fixed by any court of competent jurisdiction, arbitrator, or other judicial or quasi-judicial body having jurisdiction thereof, whether or not such litigation or proceedings proceed to a final judgment or award. As used herein, attorneys' fees and court costs include, without limitation, attorneys' fees, costs and expenses incurred in connection with any (i) postjudgment motions; (ii) contempt proceedings; (iii) garnishment, levy and debtor and third party examinations; (iv) discovery; and (v) bankruptcy litigation. For the purposes of this section, any Party receiving an arbitration award or a judgment for damages or other amounts shall be deemed to be the prevailing Party, regardless of amount of the damage awarded or whether the award or judgment was based upon all or some of such party's claims or causes of action.

10.3 No Commitment. Except as otherwise provided herein, the provision to Borrower of the loan evidenced hereby shall not in any manner obligate Sub-Debt Lender or its affiliates to make any additional loans, to extend or modify this Note or to enter into any further transactions with or on behalf of the Borrower. Borrower shall be obligated to repay the obligations due hereunder regardless of whether any such transaction is consummated.

10.4 Waiver. Borrower hereby (a) waives demand, presentment for payment, notice of nonpayment, notice of intent to accelerate, notice of acceleration, protest, notice of protest and all other notices (except notice specifically provided for herein or under any other contract, agreement or document executed in connection with the Sub-Debt Loan), any requirement for filing of suit and diligence in collecting this Note or enforcing any of the security for this Note, (b) agrees to any substitution, exchange or release of any Party primarily or secondarily liable hereon, (c) agrees that Sub-Debt Lender and any other holder hereof shall not be required first to institute suit or exhaust its remedies herein in order to enforce payment of this Note, (d) consents to any extension or postponement of time of payment of this Note and to any other indulgence with respect hereto without notice thereof to Borrower, (e) agrees that the failure to exercise any option or election herein provided upon the occurrence of any default in respect hereto shall not be construed as a waiver of the right to exercise such option or election at any later date or upon the occurrence of a subsequent default in respect hereto, and (f) agrees that any waiver, permit, consent or approval of any kind by Sub-Debt Lender of any breach or default must be in writing and shall be effective only to the extent set forth in such writing.

10.5 Joint Preparation. The Parties have been represented by competent counsel or have waived such right of independent representation. This Note is therefore deemed to have been jointly prepared by the Parties, and any uncertainty or ambiguity existing in it shall not be



interpreted against any party under the presumptions of California Civil Code Section 1654, but rather shall be interpreted according to the rules generally governing the interpretation of contracts.

10.6 No Oral Modifications. This Note may not be modified or amended except in a writing executed by Borrower and Sub-Debt Lender. No waivers shall be effective unless they are set forth in a writing signed by the party which is waiving a right. This Note and any other contracts, agreements or documents executed in connection with this Note are the final expression of the lending relationship between Borrower and Sub-Debt Lender and there is no unwritten oral agreement with respect to the subject matter of the Loan.

10.7 Offsets, Counterclaims and Defenses. Borrower hereby knowingly waives the right to assert a counterclaim, defense or offset, other than a compulsory counterclaim, in any action or proceeding brought against it by Sub-Debt Lender. Any assignee of this Note or any successor of Sub-Debt Lender shall take this Note free and clear of all offsets, counterclaims or defenses which are unrelated to this Note which Borrower may otherwise have against any assignor of this Note. No such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon this Note. Any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

10.8 Time of the Essence. Time shall be of the essence in the performance of all obligations of Borrower.

10.9 Notices. All notices, requests, demands, or other communications required to be given hereunder shall be in writing. Notice shall be sufficiently given for all purposes as follows:

10.9.1 Personal Delivery. When personally delivered to the recipient, notice is effective on delivery.

10.9.2 Certified Mail. When mailed certified mail, postage prepaid, return receipt requested, notice is effective on receipt, if delivery is confirmed by a returned receipt.

10.9.3 Overnight Delivery. When delivered by a reputable overnight delivery service, with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.

10.9.4 Facsimile or Email Transmission. When sent via facsimile, email or other electronic transmission to the facsimile number or email address shown below. Such notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by personal delivery, certified mail, or overnight delivery as provided above, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by facsimile or email shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

10.9.5 Addresses. Any notice shall be addressed to the Parties as follows:

To Borrower: Pacific City Investments, LLC  
2532 Dupont Drive  
Irvine, CA 92612-1524  
Attn: Timothy R. Busch  
Telephone: (949) 474-7368  
Facsimile: (949) 474-7732

With required copy to: Sheila M. Muldoon, Esq.  
The Busch Firm  
2532 Dupont Drive  
Irvine, CA 92612-1524  
Telephone: (949) 474-7368  
Facsimile: (949) 474-7732

To Sub-Debt Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_  
Facsimile: (\_\_\_\_) \_\_\_\_\_

Any Party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with this section.

10.10 Headings. The headings and captions used in this Note are for ease of reference only and shall not define or limit the provisions hereof or be used to construe or interpret this Note.

10.11 Severability. If any part, clause, or condition of this Note is held to be partially or wholly invalid, unenforceable, or inoperative for any reason whatsoever, such shall not affect any other provision or portion hereof, which shall continue to be effective as though such invalid, inoperative, or unenforceable part, clause or condition had not been made.

10.12 Counterparts. This Note may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any Party hereto may execute this Note by signing any such counterpart.

10.13 Governing Law. In all respects, including, without limitation, matters of construction and performance of this Note and the obligations arising hereunder, this Note shall be governed by, and construed in accordance with, the laws of the State of California, without regard to conflict of law principles.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned have duly executed this Promissory Note as a sealed instrument as of the date first set forth above.

**“BORROWER”**

PACIFIC CITY INVESTMENTS, LLC,  
a Delaware limited liability company

By: Pacific Hospitality Group, LLC,  
a California limited liability company

Its: Executive Manager

By: \_\_\_\_\_

Timothy R. Busch

Its: Chief Executive Officer

**“SUB-DEBT LENDER”**

FOR AN INDIVIDUAL:

\_\_\_\_\_  
Name

FOR AN ENTITY:

\_\_\_\_\_  
Name of Entity

By: \_\_\_\_\_

Signature

Its: \_\_\_\_\_

Title

\_\_\_\_\_  
Name Typed or Printed