

**SECURED PROMISSORY NOTE  
(LINE-OF-CREDIT)**

\$5,000,000

Orange County, California  
February 4, 2008  
Effective: October 29, 2007

FOR VALUE RECEIVED, effective as of October 29, 2007, JONATHAN M. JAFFE and KAREN ANN JAFFE, TRUSTEES OF THE JAFFE TRUST DATED AUGUST 1, 1997 (herein, together with their successors and assigns, collectively called "Maker"), promise to pay to the order of GULFSTREAM FINANCE, INC., a California corporation (herein, together with its successors and assigns who become holders of this Note, called "Holder"), at its address set forth in the Notice provision hereof, or such other place as Holder may designate in writing, the principal sum of FIVE MILLION DOLLARS (\$5,000,000) (the "Maximum Principal"), or so much thereof as may be outstanding at any time, together with interest on the unpaid principal balance from time to time outstanding, at the rate of eight percent (8.0%) per annum, simple interest, such interest payable quarterly on March 31, June 30, September 30 and December 31 of each year (with the initial payment thereof made September 30, 2007). Interest is to be charged on a daily basis on the principal amount disbursed and unpaid for the actual number of days that principal is outstanding from the date of disbursement until paid. On September 27, 2012 (the "Maturity Date"), Maker shall pay to Holder the entire remaining balance of principal and accrued but unpaid interest thereon.

The parties intend that this Note replace that certain Secured Promissory Note made by Maker in favor of Canyon Finance, Inc., as the former "Holder" thereunder, dated September 27, 2007 in the maximum principal amount of \$5,000,000 (the "September Note").

The parties agree that the current outstanding principal balance due under this Note at any time shall be as set forth (and updated from time to time) on the books and records of Holder and shall include any principal balance currently outstanding under the September Note, which outstanding principal balance shall be transferred and be considered part of the outstanding principal balance of this Note and the September Note shall be considered paid in full and of no further force or effect. In Holder's sole, absolute and unfettered discretion and upon the written request of Maker, Holder may advance any amount of the Maximum Principal not already advanced to Maker hereunder, subject to the terms and conditions hereof. Upon such advance, the books and records of Holder shall be adjusted to reflect the increased principal balance. Similarly, if Maker pre-pays any or all of the outstanding principal balance, the principal balance as set forth on the books and records of Holder shall be adjusted to reflect such payment.

Both principal and interest shall be paid by Maker in lawful money of the United States of America in cash or in the form of a cashier's or certified check.

Payments shall be applied first against accrued interest and then against outstanding principal.

Maker shall have the right to prepay this Note in whole or in part, without penalty, at any time and from time to time, prior to the Maturity Date.

This Note and all of Maker's obligations hereunder are secured by a Deed of Trust (the "Deed of Trust"), as amended or assigned from time to time, dated as of September 27, 2007 made by Maker in favor of the former "Holder" thereunder, Canyon Finance, Inc., whereby Maker has pledged its right, title and interest in and to the real property located at 1103 Emerald Bay, Laguna Beach, California 92651, as described in more detail therein. Holder agrees that Holder's recovery against Maker in the Event of Default (defined below) under this Note, the Deed of Trust or under any other document executed in connection with this Note (this Note, the Deed of Trust, and such other documents shall collectively be referred to as the "Loan Documents") shall be limited solely to, and Holder shall only proceed against, the Property (as defined in the Deed of Trust), together with the rents, issues, profits and income therefrom and proceeds and products thereof, and any other collateral given as security for Maker's performance under the Loan Documents ("Trust Estate") and in no event shall Maker be personally liable for the payment of this Note or for the payment of any deficiency established upon foreclosure and sale of the Trust Estate.

The indebtedness evidenced by this Note shall be subordinated in right of payment to the prior payment in full of Maker's first and second mortgages.

The rights and remedies of Holder, as provided in this Note shall be cumulative and concurrent, and may be pursued singularly, successively or together.

This Note has been executed under and shall be construed and enforced in accordance with the laws of the State of California from time to time in effect, except to the extent that the United States federal laws preempt or otherwise control the laws of the State of California, including without limitation the extent to which the United States federal law permits Holder to contract for, charge or receive a greater amount of interest than do the laws of the State of California.

In the event that this Note shall require the payment of interest in excess of the maximum amount permissible under applicable law, then the Maker's obligations hereunder shall, automatically and retroactively, be deemed reduced to the highest maximum amount permissible under applicable law. In the event Holder receives as interest an amount which would exceed such maximum applicable rate, the amount of any excess interest shall not be applied to the payment of interest hereunder, but shall, automatically and retroactively, be applied to the reduction of the unpaid principal balance due hereunder. In the event and to the extent such excess amount of interest exceeds the outstanding unpaid principal balance hereunder, any such excess amount shall be immediately returned to Maker by Holder.

Time is of the essence of this Note.

If any of the following events (hereinafter referred to as "Events of Default") shall occur, then, in each such event and during the continuance thereof, the Holder may declare the entire remaining indebtedness owing hereunder, including any accrued interest, to become immediately due and payable:

(a) If the Maker shall default in the timely making of any payment of principal and/or interest due hereunder and if the same remains unpaid for five (5) days following receipt by Maker of written notice of such default; or

(b) If Maker shall have made a voluntary assignment for the benefit of creditors, or if proceedings shall have been commenced under the bankruptcy laws by or against Maker, or if a receiver or trustee shall have been appointed for the benefit of creditors against Maker; provided, however, that Maker shall not be deemed to be in default due to any involuntary proceedings brought against it if such proceedings are dismissed or resolved in favor of Maker within ninety (90) days from the commencement of such proceedings.

Upon the occurrence and during the continuance of an Event of Default hereunder, the outstanding principal amount hereunder, shall bear interest at a per annum rate equal to the rate of five percent (5%) per annum.

Maker expressly waives presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note and all other notices of any kind, and expressly agrees that this Note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of Maker and endorsers hereof. To the fullest extent permitted by law, the defense of the statute of limitations in any action on this Note is waived by Maker.

No delay or omission by the Holder in exercising any right hereunder shall operate as a waiver of such right or any other right of the Holder. A waiver of any right by Holder on one occasion shall not be construed as a bar to or as a waiver of any right in the future. None of the provisions hereof and none of the rights of the Holder shall be deemed to have been waived by acceptance of any past due amount or by any other indulgence granted to the Maker.

Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed, or terminated orally, nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by Maker and the Holder thereof.

Whenever used herein, the words "Maker" and "Holder" shall be deemed to include their respective heirs, personal representatives, successors and assigns.

This Note shall be assignable by Holder (as security or otherwise), provided that Holder shall provide Maker with ten (10) days' advance written notice of its intention so to assign this Note, which notice shall identify the proposed assignee.

All notices to be given under this Note shall be deemed served upon receipt by the addressee or, if mailed, upon the expiration of seventy-two (72) hours after deposit in the United States Postal Service, certified mail, postage prepaid, addressed to the address of Maker or Holder as hereinafter set forth:

|                  |                                |
|------------------|--------------------------------|
| Maker's Address: | The Jaffe Trust                |
|                  | Jonathan Jaffe, Trustee        |
|                  | 1103 Emerald Bay,              |
|                  | Laguna Beach, California 92651 |

Holder's Address:

Gulfstream Finance, Inc.  
21163 Newport Coast Drive, Suite 800  
Newport Coast, CA 92657  
Attention: Robert Venneri, President

If this Note is not paid when due, whether at maturity or by acceleration, the undersigned promises to pay all costs of collection, including, but not limited to, reasonable attorneys' fees, and all costs and expenses incurred in connection with the protection or realization of any collateral or enforcement of any guaranty, incurred by the holder hereof, on account of any such collection, whether or not suit is filed hereon or on any instrument granting a security interest or on any guaranty.

This Note may from time to time be extended or renewed, with or without notice to Maker or any guarantor hereon and any related right may be waived, exchanged, surrendered or otherwise dealt with, all without affecting the liability of Maker or any guarantor hereon.

IN WITNESS WHEREOF, Maker has caused this Note to be executed in Orange County, California, on the date first above written.

MAKER:

THE JAFFE TRUST DATED AUGUST 1, 1997

By: 

JONATHAN JAFFE, Trustee

By: 

KAREN JAFFE, Trustee