

PROMISSORY NOTE

\$200,000.00

October 15, 2013

FOR VALUE RECEIVED, BARRY JOSEPHSON, having an address at [REDACTED] [REDACTED] (the "Borrower"), hereby promises to pay to the order of JEFFREY E. EPSTEIN, whose address is 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802 (the "Lender"), the principal sum of Two Hundred Thousand and 00/100ths Dollars (\$200,000.00), plus interest on the unpaid principal balance at the rate of twelve percent (12%) per annum (the "Interest Rate"), on December 31, 2013 (the "Maturity Date"). On the Maturity Date, or upon earlier acceleration, all outstanding principal, accrued interest and charges hereunder shall be due and payable in full.

APPLICATION OF PAYMENTS.

All payments made by the Borrower hereunder, shall be applied first to late charges, fees, costs, expenses and all other amounts due the Lender, if any, under this Note or otherwise (including legal fees and expenses incurred in enforcing Lender's rights), other than principal and interest, then to interest at the rate of interest then in effect, and the balance to the principal balance due under this Note.

PAYMENT CURRENCY; PLACE OF PAYMENT.

All payments on this Note are to be made in lawful money of the United States of America in immediately available funds, at the office of the Lender at 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802, or such other place as the Lender shall designate to the Borrower in writing.

POST-MATURITY INTEREST.

All indebtedness outstanding under this Note shall bear interest after maturity, whether at its maturity date, by acceleration or otherwise, at the rate of twenty-five percent (25%) per annum.

NON-BUSINESS DAYS.

If any payment of principal or interest becomes due on a Saturday, Sunday or any other day which is not a business day, such payment shall be deferred to, and shall be payable on, the next business day.

MAXIMUM INTEREST.

The Lender and the Borrower intend this Note to comply in all respects with all provisions of law and not to violate, in any way, any legal limitations on interest charges. Accordingly, if, for any reason, the Borrower is required to pay, or has paid, interest at a rate in

excess of the highest rate of interest which may be charged by the Lender or which the Borrower may legally contract to pay under applicable law (the "Maximum Rate"), then the interest rate shall be deemed to be reduced, automatically and immediately, to the Maximum Rate, and interest payable hereunder shall be computed and paid at the Maximum Rate and the portion of all prior payments of interest in excess of the Maximum Rate shall be deemed to have been payments in reduction of the outstanding principal of this Note and applied as partial prepayments.

PREPAYMENT.

This Note may be prepaid in whole or in part, without premium or penalty, and each such prepayment shall be made together with interest accrued on the amount prepaid.

DEFAULT.

If any of the following events shall occur during the term hereof, such events shall be deemed a default by the Borrower hereunder (each an "Event of Default"):

(i) The Borrower shall have defaulted in the payment of principal or interest under this Note as and when the same shall have become due and payable in accordance with the terms hereof; or

(ii) There shall have been entered any order, judgment or decree by a court of competent jurisdiction for relief in respect of the Borrower under any applicable Federal or state bankruptcy law or similar law, or appointing a receiver, assignee or trustee of all or a substantial part of the Borrower's property, assets or revenues; or

(iii) The filing by the Borrower of a petition or consent to a petition seeking relief under Title 11 of the United States Code, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Borrower to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking of possession by a receiver, liquidator, assignee, trustee or custodian, of any substantial part of the property, assets or revenues of the Borrower, or the making by the Borrower of an assignment for the benefit of creditors, or the inability of the Borrower to pay his debts as they become due and payable; or

(iv) The death of the Borrower; or

(v) The Borrower's failure by October __, 2013 to deliver to the lender a true and correct copy of a binding written contract, dated on or prior to such October __, 2013 date, with an independent third party for the purchase and sale of the Borrower's property known as and located at 16490 El Hito Place, Pacific Palisades, California 90272 (the "Property") that (a) provides that the Closing of the purchase and sale of the Property thereunder shall occur by no later than December __, 2013, and (c) provides that on the date of such Closing, as part of the payment of the purchase price thereunder, the Purchaser shall pay _____
[Rich insert an amount equal to \$200,000, plus accrued interest through the date of the closing

deadline provided in clause (v)(b) above] (which shall be in repayment of this note) by wire transfer to the attorney trust account of Darren K. Indyke, PLLC in accordance with the following wire transfer instructions:

[Rich please insert wire transfer instructions]

; or

(vi) The Closing of the purchase and Sale of the Property while any amount of principal and/or interest under this Note remains outstanding.

In the case of an Event of Default, without any demand, presentment, protest or other notice whatsoever to the Borrower, or other statutory or other rights of redemption, or any other action by the Lender, all of which are hereby expressly waived by the Borrower, the unpaid principal amount hereof and all accrued interest shall become due and payable in full upon the occurrence of any such event and the Lender may exercise simultaneously or seriatim any or all of such other rights and remedies as may be lawfully permitted under Federal law or Virgin Islands law and any and all of the remedies of the Lender set forth herein. In the case of an Event of Default, the interest rate that shall thereafter accrue hereunder on the unpaid balance of this Note shall be twenty-five percent (25%) per annum, or if such interest rate is in excess of the maximum interest rate then permitted by law, the interest rate shall be the maximum interest rate permitted by law.

LOSS, ETC. OF NOTE.

Upon receipt of evidence reasonably satisfactory to the Borrower of the loss, theft, destruction or mutilation of this Note, and of indemnity reasonably satisfactory to the Borrower, if lost, stolen, destroyed or mutilated, the Borrower shall execute and deliver to Lender a new note identical in all respects to this Note.

COLLECTION COSTS.

In the event that it becomes necessary to enforce the provisions of this Note against the Borrower in order to collect any amounts due hereunder, the Borrower shall be liable to the Lender for all costs of such enforcement, including, without limitation, attorneys fees and disbursements, which costs, when incurred shall be deemed to be additions to principal and shall accrue interest at the rate provided herein for unpaid balances outstanding after an Event of Default.

NON-WAIVER.

The Borrower hereby expressly waives presentment for payment, demand for payment, notice of dishonor, protest, notice of protest, notice of non-payment, and all lack of diligence or delays in collection or enforcement of this Note. The Lender may extend the time of payment of this Note, postpone the enforcement hereof, release any collateral securing this Note, or grant any other indulgences whatsoever without affecting or diminishing the Lender's right of recourse against the Borrower, as provided herein, which right is hereby expressly reserved. Any waiver

of any provision hereof must be in writing. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or privilege under this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Note preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any and all other remedies provided by law.

SUCCESSORS AND ASSIGNS.

This Note is binding upon the Borrower and his heirs, beneficiaries, successors and assigns; provided, however, that the Borrower shall not be entitled to assign or delegate any rights or obligations under this Note without the prior written consent of the Lender. The Borrower hereby consents to the Lender's sale, assignment, transfer or other disposition at any time or times hereafter, of this Note, of any right or interest herein contained. Upon such assignment, the assignee shall have all of the rights of the Lender to enforce any term of this Note. The Borrower agrees not to assert as against any such assignee any claims, offsets, deductions or defenses it may have against the Lender for breach of this Note or otherwise.

AMENDMENT AND MODIFICATION.

This Note may be amended, modified or supplemented only by written agreement signed by the Lender and the Borrower.

GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES VIRGIN ISLANDS APPLICABLE TO CONTRACTS TO BE PERFORMED ENTIRELY THEREIN, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICT OF LAWS APPLICABLE THEREIN.

WAIVER OF JURY TRIAL.

TO THE EXTENT PERMITTED BY LAW, THE BORROWER AND THE LENDER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY.

FAXED AND SCANNED SIGNATURES.

Signatures of this Agreement transmitted by fax, or scanned and then transmitted by email transmission shall have the same effect as original signatures.

IN WITNESS WHEREOF, the Borrower has duly executed this Note on the date first above written.

BARRY JOSEPHSON

STATE OF _____)
) ss.:
COUNTY OF _____)

On October __, 2013, before me, the undersigned, personally appeared Barry Josephson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his individual capacity and that by his signature on the instrument, he executed the instrument.

Notary Public