

LOAN AGREEMENT
(Interest Only Installments)

1. Parties – Preamble

- 1.1 **HL LEASING, INC.**, a California Corporation doing business as **HL LEASING, INC.** (“Borrower”), licensed by the California Department of Corporations, desires to borrow funds and enter into this Loan Agreement.

Trust Company of America Custodian

(“Lender”), desires to lend funds to Borrower and enter into this Loan Agreement.

2. The Loan

- 2.1 For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower promises to pay to Lender, or to Lender’s order, in lawful money of the United States of America, on or before the “Due Date” the “Principal Sum” with interest thereon at the “Interest Rate” from the “Interest Beginning Date”; such interest shall be payable in monthly installments in the “Installment Amount” and shall be payable on the 25th day of each month, commencing on the 25th day of the month next following the date of this Loan Agreement, with all accrued and unpaid interest payable with principal on the “Due Date”.
- 2.2 Loan Number: LN050808
- 2.3 Due Date: 8/08/2008
- 2.4 Principal Sum: Fifty Thousand Dollars and no/100 (\$50,000.00)
- 2.5 Interest Rate: 9.5%
- 2.6 Interest Beginning Date: 8/08/2005
- 2.7 Installment Amount: \$395.83

3. Allocation of Payments

- 3.1 Each installment, when paid, shall be credited first to the interest then due and the remainder shall be credited to the principal. Interest shall thereupon cease to accrue upon the principal so credited.

4. Acceleration

- 4.1 If Borrower fails to make any part or installment of principal or interest when due, the whole sum of the principal then unpaid, together with accrued interest thereon, shall become immediately due and payable at the option of Lender.

5. Prepayment By Borrower

- 5.1 Borrower reserves the right at any time to prepay any or all of the installments remaining due on this Loan with interest to the time of time, and with no penalty.

6. California Law

- 6.1 This Loan Agreement shall be governed by and construed according to the laws of the State of California.

7. Amendments

- 7.1 This Loan Agreement shall not be modified or amended except by written instrument signed by the parties hereto. Any such modification or amendment, which is not in writing and signed by the parties hereto, shall be of no force and effect.

8. Entire Agreement

- 8.1 Except for any additional written agreement between the parties executed contemporaneously herewith and referring hereto, this Loan Agreement constitutes the entire agreement between the parties hereto concerning this Loan and supersedes any prior oral or prior written agreement concerning the same.

Executed this 8th day of August, 2005, at Fresno County, California

HL Leasing, Inc.

By _____



**AGREEMENT ASSIGNING INTEREST IN LEASE AS COLLATERAL FOR
LOAN AGREEMENT**

1. Parties – Preamble

1.1 **HL LEASING, INC.** a California Corporation doing business as **HL LEASING, INC.** (“Borrower”), licensed by the California Department of Corporations, has entered into a Loan Agreement and desires to enter into this Agreement Assigning Interest in Lease As Collateral For Loan Agreement.

1.2 Trust Company of America Custodian

(“Lender”), has entered into a Loan Agreement with Borrower and requests Borrower to execute this Agreement Assigning Interest in Lease As Collateral for Loan Agreement.

2. Acknowledgement of Loan

2.1 Borrower acknowledges receipt from Lender of the proceeds from the “Loan Number” identified below, and agrees to repay the same in accordance with a certain Loan Agreement bearing even date herewith.

3. Grant of Collateral

3.1 As collateral for the repayment of the said loan, Borrower assigns to Lender an interest in the following “Lease Number(s)”, on the terms set forth herein:

3.1.1 Loan Number: LN050808

3.1.2 Lease Number(s): G452053A

3.1.3 Remaining Monthly Payments: 36

3.1.4 Interest Rate: 9.5%

3.1.5 Payment Amounts: \$395.83

3.1.6 Receivable Balance: \$64,249.88

4. Collateral Not Sale

4.1 Said interest in said Leases are assigned to Lender as collateral for a loan and they are not to be deemed sold to Lender. Borrower shall be liable for any deficiency by reason of the failure of any Lessees to remit funds, and Borrower shall be entitled to any surplus, if such be the case.

5. Leases Valid and Free from Defenses

5.1 Borrower represents and warrants:

- (A) Each of said leases is genuine and valid.
- (B) The amounts of the leases stated herein are true amounts due.
- (C) Borrower is the true and sole owner of said leases.

6. Collection of Proceeds by Borrower Prior to Default

6.1 Prior to default, as that term is defined in the said Loan Agreement, Borrower shall have the right to collect all amounts due from the above-described leases.

7. Collection of Proceeds by Lender After Default

7.1 In the event of default of any of the terms of the said Loan Agreement, after 90 day written notice by Lender to Borrower, Lender shall be entitled to demand, collect, receive, sue for, negotiate, and otherwise compromise any and all amounts due under said leases, and may do so either in its own name or the name of Borrower.

8. California Law

8.1 This Agreement shall be governed by and construed according to the laws of the State of California.

9. Amendments

9.1 This agreement shall not be modified or amended except by written instrument signed by the parties hereto. Any such modification or amendment, which is not in writing and signed by the parties hereto, shall be of no force and affect.

10. Entire Agreement

10.1 This Agreement constitutes the entire agreement between the parties hereto concerning the collateral for the Loan Agreement and supersedes any prior oral or prior written agreement concerning the same.

Executed this 8th day of August, 2005, at Fresno County, California.

HL Leasing, Inc.

By _____



LOAN CERTIFICATION

This Loan Certification is executed on this 8th day of August, 2008, by the undersigned lender ("Lender") to HL Leasing, Inc. (the "Company") and is incorporated in its entirety by reference into and made part of that certain Loan Agreement of even date herewith between Lender and the Company. Lender acknowledges that the Company may rely on this Loan Certification in determining that the loan ("Loan") made pursuant to the Loan Agreement is a commercial lending and borrowing transaction and is not an investment in a security requiring registration under applicable state and federal laws.

Lender hereby represents and warrants to the Company as follows:

- (1) The Loan is a private lending transaction between the Company and Lender. Neither Lender nor the Company has engaged any broker or finder, nor made use of any advertisement or general solicitation, in connection with this loan transaction.
- (2) Lender is an "Accredited Investor", as that term is defined by the Securities Act of 1933 and the rules and regulations promulgated thereunder, and a financially sophisticated investor, having such knowledge and experience in financial and business matters to allow it to evaluate the risks involved in making the Loan and with the financial ability to bear the risk of loss involved in lending funds pursuant to the Loan Agreement;
- (3) Lender is willing to make the loan to the Company for the sake of the terms of the Loan Agreement, and has no view towards or expectation of any assignment or other transfer of its rights and obligations under the Loan Agreement. Lender acknowledges that the Loan and Loan Agreement are non-assignable and non-transferable.
- (4) Lender understands that neither the Loan nor the Loan Agreement is, and nor will be, registered as a security under the Securities Act of 1933, the Securities Exchange Act of 1934, or any state securities laws (the "Securities Laws"), that neither the Loan nor the Loan Agreement will have the benefit of any rights to registration under such laws. Lender acknowledges that the Loan is a commercial loan secured by certain collateral, the adequacy of which has been reviewed and accepted by Lender.
- (5) Lender has been furnished with current information concerning, or has access to, the Company and its officers, in order to evaluate the security of its loan and the ability of the Company to pay the required interest in a timely manner. Lender has conducted such diligence as it deems necessary in its own judgment to satisfy itself as to the credit-worthiness of the Company, the sufficiency of the underlying collateral and the ability of the Company to make timely the necessary interest payments and to repay the principal of the loan.

Lender certifies that this Loan Certification is accurate and correct in all respects and understands that the Company's acceptance of the loan from Lender will be made in reliance on the acknowledgments and representations contained herein.