

Petters Company, Inc.
4400 Baker Road
Minnetonka, MN 55343

July 27, 2004

2J Group, Inc.
1235 Activity Drive, Suite A
Vista, CA 92081

RE: Letter Loan Agreement

Gentlemen/Ladies:

This letter memorializes the agreement between Petters Company, Inc., a Minnesota corporation (the "Lender"), and 2J Group, Inc., a California corporation (the "Borrower"), regarding loans that the Lender may make from time to time to the Borrower:

1. Note. The obligation of the Borrower to repay all advances made by or on behalf of the Lender to or for the benefit of the Borrower on or after the date of this letter agreement shall be evidenced by that certain Revolving Demand Promissory Note dated as of the same date hereof, in the original principal amount of \$1,000,000.00 (together with any extensions, renewals, modifications or replacements thereof or thereto, the "Note"). The Lender shall enter in its records the amount of each advance and the payments made on or with respect to the Note, and such records shall be deemed conclusive evidence of the subject matter thereof, absent manifest error.

2. Advances. The Lender will not be obligated to make any loan or advance to the Borrower, such advances shall be made in the sole and absolute discretion of the Lender. The Borrower may repay the Note from time to time in its discretion, and shall pay the Note in full in accordance with the terms of the Note. Further, with the written consent of the Lender, the Borrower may borrow and re-borrow amounts from the Lender pursuant to the terms of this letter agreement and the Note.

3. Security. All advances made by or on behalf of the Lender, and all amounts owed by the Borrower to the Lender, shall be secured by a security interest in all of the assets of the Borrower pursuant to the terms of that certain Security Agreement of even date herewith.

4. Expenses and Indemnities. The Borrower agrees to reimburse the Lender upon demand for all reasonable expenses (including attorneys' fees) paid or incurred by the Lender in connection with the collection and enforcement of the Note, the Security Agreement, and this letter agreement. The Borrower agrees to indemnify and hold the Lender harmless from any loss or expense which may arise or be created by or in connection with advances made by the Lender to the Borrower.

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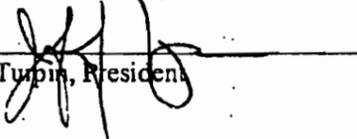
Please indicate your agreement with the foregoing by signing and returning a copy of this letter agreement. Thank you.

PETERS COMPANY, INC.

By: 
~~Richard M. Mason, VP Operations~~
Thomas J. Petters, CEO

AGREED:

2J GROUP, INC.

By: 
Jeff Turpin, President

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