

## UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

## PROOF OF CLAIM

Name of Debtor  
CAMEO HOMESCase Number  
8 08-bk-13151-RK (Jointly  
Adm with #08-13150-RK)

NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property)

PACIFIC WESTERN BANK

Name and address where notices should be sent  
David K Eldan, SBN 163592  
Parker, Milliken, Clark, O'Hara & Samuelian  
555 S Flower St., 30th Fl  
Los Angeles, CA 90071-2440  
Telephone number (213) 683-6500☒ Check this box to indicate that this claim amends a previously filed claimCourt Claim  
Number 13

(If known)

Filed on 11/04/08Name and address where payment should be sent (if different from above)  
Mr Rene Garcia  
Pacific Western Bank, Special Assets Department  
10450 Pioneer Blvd., Suite #6  
Santa Fe Springs, CA 90670  
Telephone number (562) 777-3807☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars☐ Check this box if you are the debtor or trustee in this case1 Amount of Claim as of Date Case Filed \$ 2,105,626.37

If all or part of your claim is secured complete item 4 below however if all of your claim is unsecured do not complete item 4

If all or part of your claim is entitled to priority, complete item 5

☒ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges [See Exhibit "A"]2 Basis for Claim Commercial Guaranties  
(See instruction #2 on reverse side)

3 Last four digits of any number by which creditor identifies debtor

3a Debtor may have scheduled account as  
(See instruction #3a on reverse side)4 Secured Claim (See instruction #4 on reverse side)  
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested informationNature of property or right of setoff ☐ Real Estate ☐ Motor Vehicle ☐ Other  
Describe

Value of Property \$ \_\_\_\_\_ Annual Interest Rate \_\_\_\_\_ %

Amount of arrearage and other charges as of time case filed included in secured claim,  
if any \$ \_\_\_\_\_ Basis for perfection \_\_\_\_\_

Amount of Secured Claim \$ \_\_\_\_\_ Amount Unsecured \$ \_\_\_\_\_

6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim

7 Documents Attach redacted copies of any documents that support the claim such as promissory notes purchase orders invoices itemized statements or running accounts contracts judgments mortgages and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary (See definition of redacted on reverse side) [See Exhibits 1-9 attached]

DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING

If the documents are not available please explain

5 Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount

Specify the priority of the claim

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B)☐ Wages salaries or commissions (up to \$10,950\*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier - 11 U.S.C. § 507(a)(4)☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5)☐ Up to \$2,425 of deposits toward purchase lease or rental of property or services for personal family or household use - 11 U.S.C. § 507(a)(7)☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( )

Amount entitled to priority

\$ \_\_\_\_\_

Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment

Date  
12/30/08

Signature The person filing this claim must sign it. Sign and print name and title if any of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney if any

FOR COURT USE ONLY

/s/ David K Eldan

DAVID K ELDAN, Attorney for Creditor Pacific Western Bank

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 and 3571

# INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

## ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM

### Court, Name of Debtor, and Case Number

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

### Creditor's Name and Address

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

### 1 Amount of Claim as of Date Case Filed

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

### 2 Basis for Claim

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

### 3 Last Four Digits of Any Number by Which Creditor Identifies Debtor

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

### 3a Debtor May Have Scheduled Account As

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

### 4 Secured Claim

Check the appropriate box and provide the requested information if the

Check the appropriate place if the claim is a secured claim. You must state the type of value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was filed. A claim may be partly secured and partly unsecured. (See DEFINITIONS above).

**5 Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a)** If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

### 6 Credits

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

### 7 Documents

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

### Date and Signature

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

## DEFINITIONS

### Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

### Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

### Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101(5). A claim may be secured or unsecured.

### Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

### Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

### Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

### Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

### Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted certain information. A creditor should redact and use only the last four digits of any social security, individual's tax identification, or financial account number, all but the initials of a minor's name, and only the year of any person's date of birth.

### Evidence of Perfection

Evidence of perfection may include a mortgage lien certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

## INFORMATION

### Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

### Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. §101 et seq.) and any applicable orders of the bankruptcy court.

## **EXHIBIT “A”**

PACIFIC WESTERN BANK  
120 Wilshire Blvd  
Santa Monica, CA 90401

CREDIT ADMINISTRATION

JAMES C GIANULIAS  
MESA MANAGEMENT INC  
1105 QUAIL STREET  
NEWPORT BEACH CA 92660

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**Loan Payoff Statement**

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Loan Payoff for	Loan Number	22357801
JAMES C GIANULIAS	Date Quoted	Oct 21, 2008
MESA MANAGEMENT INC	Payoff Good To	Jun 06, 2008
1105 QUAIL STREET	Method	7/0
NEWPORT BEACH CA 92660		

Collateral Multiple

Principal	\$2,000,000 00
Interest To Jun 06, 2008	\$101,375 01
Late Charges	\$4,251 36
<b>Net Amount Due</b>	<b>\$2,105,626 37</b>

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**Additional Information**

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One Day's Interest	\$583 33
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## **EXHIBIT “1”**

# PROMISSORY NOTE

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing " \*\*\* " has been omitted due to text length limitations

**Borrower** JAMES C GIANULIAS  
MESA MANAGEMENT, INC  
1105 QUAIL STREET  
NEWPORT BEACH, CA 92660

**Lender** Harbor National Bank  
Newport Beach Office  
895 Dove Street, Suite 100  
Newport Beach, CA 92660

**Principal Amount** \$1,400,000 00

**Initial Rate** 5 250%

**Date of Note** October 10, 2003

**PROMISE TO PAY** JAMES C GIANULIAS, and MESA MANAGEMENT, INC. ("Borrower") jointly and severally promise to pay to Harbor National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Four Hundred Thousand & 00/100 Dollars (\$1,400,000 00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT** Borrower will pay this loan on demand. Payment in full is due immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on September 2, 2004. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning November 2, 2003, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs, then to any late charges, then to any accrued unpaid interest, and then to principal. The annual interest rate for this Note is computed on a 365/360 basis, that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Wall Street Journal Prime (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000%. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 1 000 percentage point over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 5 250%. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Note will be subject to the following minimum and maximum rates. **NOTICE** Under no circumstances will the interest rate on this Note be less than 5 250% or more than the maximum rate allowed by applicable law.

**PREPAYMENT, MINIMUM INTEREST CHARGE.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$100 00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full" without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts including any check or other payment instrument that indicates that the payment constitutes payment in full of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to Harbor National Bank, Newport Beach Office, 895 Dove Street, Suite 100, Newport Beach, CA 92660.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5 000% of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, the variable interest rate on this Note shall immediately increase to 6 000 percentage points over the Index, if permitted under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent or revokes or disputes the validity of or liability under any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may but shall not be required to permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender and in doing so, cure any Event of Default.

**Change in Ownership.** Any change in ownership of twenty five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

EXHIBIT

1

**PROMISSORY NOTE  
(Continued)**

Loan No 22357801

Page 2

**Cure Provisions** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical

**LENDER'S RIGHTS** Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount

**ATTORNEYS' FEES, EXPENSES** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) and appeals. Borrower also will pay any court costs in addition to all other sums provided by law

**GOVERNING LAW** This Note will be governed by, construed and enforced in accordance with federal law and the laws of the State of California. This Note has been accepted by Lender in the State of California

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$10.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored

**COLLATERAL.** This loan is unsecured

**LINE OF CREDIT** This Note evidences a revolving line of credit. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. The following person currently is authorized except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of his or her authority: **JAMES C GIANULIAS**. **LINE ADVANCE REQUESTS MUST BE ACCOMPANIED BY WRITTEN STATEMENT AS TO SPECIFIC USE AND INTENDED REPAYMENT SOURCE.** Borrower agrees to be liable for all sums either (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender including any agreement made in connection with the signing of this Note, (B) Borrower or any guarantor ceases doing business or is insolvent, (C) any guarantor seeks claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender or (D) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender

**SUCCESSOR INTERESTS** The terms of this Note shall be binding upon Borrower and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Harbor National Bank, Newport Beach Office, 895 Dove Street, Suite 100, Newport Beach, CA 92660

**GENERAL PROVISIONS** This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that with or without notice to Borrower, Lender may with respect to any other Borrower: (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (b) alter, compromise, renew, extend, accelerate or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof including without limitation any non judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral or impair, fail to realize upon or perfect Lender's security interest in the collateral, and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

EXHIBIT


1

**PROMISSORY NOTE  
(Continued)**

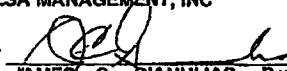
PRIOR TO SIGNING THIS NOTE, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. EACH BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE

BORROWER

x   
JAMES C GIANULIAS, Individually

MESA MANAGEMENT, INC

By   
JAMES C GIANULIAS, President/Secretary of  
MESA MANAGEMENT, INC



## **EXHIBIT “2”**

## /

**Latent**

**Lender** Harbor National Bank  
Newport Beach Office  
895 Dove Street, Suite 100  
Newport Beach, CA 92660

СҮМ Н.Г. ?

**BUSINESS LOAN AGREEMENT  
(Continued)**

**Financial Information** Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

**Legal Effect.** This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

**Properties** Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

**Hazardous Substances** Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that (1) During the period of Borrower's ownership of Borrower's Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of or reason to believe that there has been (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral and any such activity shall be conducted in compliance with all applicable federal, state and local laws, regulations, and ordinances including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement including the obligation to indemnify, shall survive the payment of the indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral whether by foreclosure or otherwise.

**Litigation and Claims** No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties other than litigation, claims or other events if any that have been disclosed to and acknowledged by Lender in writing.

**Taxes** To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed have been filed and all taxes, assessments and other governmental charges have been paid in full except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

**Lien Priority** Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

**Binding Effect.** This Agreement, the Note, all Security Agreements (if any) and all Related Documents are binding upon the signers thereof as well as upon their successors, representatives and assigns and are legally enforceable in accordance with their respective terms.

**AFFIRMATIVE COVENANTS** Borrower covenants and agrees with Lender that so long as this Agreement remains in effect, Borrower will

**Notices of Claims and Litigation** Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

**Financial Records** Maintain its books and records in accordance with GAAP, applied on a consistent basis and permit Lender to examine and audit Borrower's books and records at all reasonable times.

**Financial Statements** Furnish Lender with the following:

**Additional Requirements** BORROWERS AND GUARANTORS TO PROVIDE THE FOLLOWING ON AN ONGOING ANNUAL BASIS:

- 1) FISCAL YEAR END FINANCIAL STATEMENTS ON CAMEO HOMES AND MESA MANagements INC. WITHIN 60 DAYS OF THEIR RESPECTIVE MAY 31 AND DECEMBER 31 PERIODS ENDING, PREPARED CONSISTENTLY WITH STATEMENTS PREVIOUSLY SUBMITTED
- 2) PERSONAL FINANCIAL STATEMENTS FOR JAMES GIANULIAS WITHIN 30 DAYS ANNUAL REQUEST
- 3) FEDERAL INCOME TAX RETURNS TO INCLUDE ASSOCIATED K-1 EXHIBITS ON CAMEO HOMES, MESA MANAGEMENT AND JAMES GIANULIAS WITHIN 30 DAYS OF THEIR RESPECTIVE FILING

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP applied on a consistent basis and certified by Borrower as being true and correct.

**Additional Information** Furnish such additional information and statements as Lender may request from time to time.

**Insurance** Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower upon request of Lender will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

**Insurance Reports** Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request including without limitation the following: (1) the name of the insurer, (2) the risks insured, (3) the amount of the policy, (4) the policy number, (5) the policy expiration date, (6) the policy conditions, (7) the policy exclusions, (8) the policy coverages, (9) the policy endorsements, (10) the policy schedule, (11) the policy declarations, (12) the policy schedule, (13) the policy declarations, (14) the policy schedule, (15) the policy declarations, (16) the policy schedule, (17) the policy declarations, (18) the policy schedule, (19) the policy declarations, (20) the policy schedule, (21) the policy declarations, (22) the policy schedule, (23) the policy declarations, (24) the policy schedule, (25) the policy declarations, (26) the policy schedule, (27) the policy declarations, (28) the policy schedule, (29) the policy 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**BUSINESS LOAN AGREEMENT  
(Continued)**

determining those values, and (6) the expiration date of the policy. In addition upon request of Lender (however not more often than annually) Borrower will have an independent appraiser satisfactory to Lender determine as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

**Guaranties** Prior to disbursement of any Loan proceeds furnish executed guaranties of the Loans in favor of Lender executed by the guarantors named below, on Lender's forms, and in the amounts and under the conditions set forth in those guaranties:

<u>Names of Guarantors</u>	<u>Amounts</u>
<b>JAMES CHRIS GIANULIAS 1998</b>	<b>\$1,400,000.00</b>
<b>TRUST</b>	
<b>CAMEO HOMES</b>	<b>\$1,400,000.00</b>

**Other Agreements** Comply with all terms and conditions of all other agreements, whether now or hereafter existing between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

**Loan Proceeds** Use all Loan proceeds solely for Borrower's business operations unless specifically consented to the contrary by Lender in writing.

**Taxes, Charges and Liens** Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments taxes governmental charges, levies and liens of every kind and nature, imposed upon Borrower or its properties, income or profits, prior to the date on which penalties would attach and all lawful claims that, if unpaid might become a lien or charge upon any of Borrower's properties, income or profits.

**Performance** Perform and comply, in a timely manner with all terms, conditions, and provisions set forth in this Agreement in the Related Documents and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**Operations** Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel provide written notice to Lender of any change in executive and management personnel conduct its business affairs in a reasonable and prudent manner.

**Environmental Studies** Promptly conduct and complete at Borrower's expense all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal state or local law, rule regulation order or directive, at or affecting any property or any facility owned leased or used by Borrower.

**Compliance with Governmental Requirements** Comply with all laws, ordinances, and regulations now or hereafter in effect of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations and to the use or occupancy of the Collateral including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law ordinance, or regulation and withhold compliance during any proceeding including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond reasonably satisfactory to Lender to protect Lender's interest.

**Inspection** Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books accounts and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower upon request of Lender shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request all at Borrower's expense.

**Compliance Certificates** Unless waived in writing by Lender provide Lender at least annually with a certificate executed by Borrower's chief financial officer or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that as of the date of the certificate no Event of Default exists under this Agreement.

**Environmental Compliance and Reports** Borrower shall comply in all respects with any and all Environmental Laws not cause or permit to exist as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal state or local governmental authorities shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice summons lien, citation directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

**Additional Assurances** Make, execute and deliver to Lender such promissory notes, mortgages deeds of trust security agreements assignments financing statements instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

**LENDER'S EXPENDITURES** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate including but not limited to discharging or paying all taxes liens, security interests encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option will (A) be payable on demand (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy or (2) the remaining term of the Note, or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

**NEGATIVE COVENANTS** Borrower covenants and agrees with Lender that while this Agreement is in effect Borrower shall not without the prior written consent of Lender:

**Indebtedness and Liens** (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement create, incur or assume indebtedness for borrowed money including capital leases (2) sell transfer mortgage assign pledge lease grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens) or (3) sell with recourse any of Borrower's accounts except to Lender.

**BUSINESS LOAN AGREEMENT  
(Continued)**

**Continuity of Operations** (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations liquidate, merge transfer acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) pay any dividends on Borrower's stock (other than dividends payable in its stock), provided, however that notwithstanding the foregoing, but only so long as no Event of Default has occurred and is continuing or would result from the payment of dividends if Borrower is a "Subchapter S Corporation" (as defined in the Internal Revenue Code of 1986, as amended), Borrower may pay cash dividends on its stock to its shareholders from time to time in amounts necessary to enable the shareholders to pay income taxes and make estimated income tax payments to satisfy their liabilities under federal and state law which arise solely from their status as Shareholders of a Subchapter S Corporation because of their ownership of shares of Borrower's stock or purchase or retire any of Borrower's outstanding shares or alter or amend Borrower's capital structure

**Loans, Acquisitions and Guaranties** (1) Loan invest in or advance money or assets to any other person, enterprise or entity (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business

**Agreements** Borrower will not enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith

**CESSATION OF ADVANCES** If Lender has made any commitment to make any Loan to Borrower whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender, (B) Borrower or any Guarantor dies becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan or (D) any Guarantor seeks claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender

**DEFAULT** Each of the following shall constitute an Event of Default under this Agreement

**Payment Default** Borrower fails to make any payment when due under the Loan

**Other Defaults** Borrower fails to comply with or to perform any other term obligation covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation covenant or condition contained in any other agreement between Lender and Borrower

**False Statements** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect either now or at the time made or furnished or becomes false or misleading at any time thereafter

**Insolvency** The dissolution or termination of Borrower's existence as a going business the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower

**Defective Collateralization** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason

**Creditor or Forfeiture Proceedings** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding self help repossession or any other method by any creditor of Borrower or by any governmental agency against any collateral securing the Loan This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender However this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding in an amount determined by Lender in its sole discretion, as being an adequate reserve or bond for the dispute

**Events Affecting Guarantor** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under any Guaranty of the Indebtedness In the event of a death Lender at its option may but shall not be required to permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender and, in doing so cure any Event of Default

**Change in Ownership** Any change in ownership of twenty five percent (25%) or more of the common stock of Borrower

**Adverse Change** A material adverse change occurs in Borrower's financial condition or Lender believes the prospect of payment or performance of the Loan is impaired

**Right to Cure** If any default other than a default on indebtedness, is curable and if Borrower or Grantor as the case may be has not been given a notice of a similar default within the preceding twelve (12) months it may be cured (and no Event of Default will have occurred) if Borrower or Grantor as the case may be after receiving written notice from Lender demanding cure of such default (1) cure the default within fifteen (15) days or (2) if the cure requires more than fifteen (15) days immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical

**EFFECT OF AN EVENT OF DEFAULT** If any Event of Default shall occur except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements) and at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower except that in the case of an Event of Default of the type described in the "Insolvency" subsection above such acceleration shall be automatic and not optional In addition Lender shall have all the rights and remedies provided in the Related Documents or available at law in equity, or otherwise Except as may be prohibited by applicable law all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies

**ADDITIONAL PROVISION PRIOR TO MATURITY OF NOTE** BORROWER AGREES TO BE OUT OF DEBT THIRTY (30) CONSECUTIVE DAYS

**MISCELLANEOUS PROVISIONS** The following miscellaneous provisions are a part of this Agreement

**Amendments** This Agreement together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment

**Attorneys Fees Expenses** Borrower agrees to pay upon demand all of Lender's costs and expenses including Lender's attorneys' fees and expenses of the Agreement Lender may hire or pay someone else to help enforce

EXHIBIT

# BUSINESS LOAN AGREEMENT (Continued)

Loan No 22357801

Page 5

this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Consent to Loan Participation** Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy. Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

**Governing Law** This Agreement will be governed by, construed and enforced in accordance with federal law and the laws of the State of California. This Agreement has been accepted by Lender in the State of California.

**Choice of Venue** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

**Joint and Several Liability** All obligations of Borrower under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each Borrower signing below is responsible for all obligations in this Agreement. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Agreement.

**No Waiver by Lender** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices** Any notice required to be given under this Agreement shall be given in writing and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

**Severability** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity, or enforceability of any other provision of this Agreement.

**Successors and Assigns** All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

**Survival of Representations and Warranties** Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties, and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

**Time is of the Essence** Time is of the essence in the performance of this Agreement.

**DEFINITIONS** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement.

**Advance** The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**Agreement** The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

**Borrower** The word "Borrower" means JAMES C. GIANULIAS, and MESA MANAGEMENT, INC. and includes all co-signers and co-makers signing the Note.

**Collateral** The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property.

EXHIBIT

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whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage deed of trust assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

**Environmental Laws** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**GAAP** The word "GAAP" means generally accepted accounting principles.

**Grantor** The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

**Guarantor** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

**Guaranty** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances** The words "Hazardous Substances" mean materials that, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported, or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials, or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

**Lender** The word "Lender" means Harbor National Bank, its successors and assigns.

**Loan** The word "Loan" means any and all loans and financial accommodations from Lender to Borrower, whether now or hereafter existing and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

**Note** The word "Note" means the Note executed by JAMES C. GIANULIAS and MESA MANAGEMENT INC. in the principal amount of \$1,400,000.00 dated October 10, 2003, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Permitted Liens** The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender, (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith, (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent, (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens," (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing, and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

**Related Documents** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements, and documents, whether now or hereafter existing, executed in connection with the Loan.


**Security Agreement** The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings, or other agreements, whether created by law, contract, or otherwise, evidencing governing, representing, or creating a Security Interest.

**Security Interest** The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

**BUSINESS LOAN AGREEMENT**  
(Continued)

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS THIS BUSINESS LOAN AGREEMENT IS DATED OCTOBER 10, 2003

BORROWER

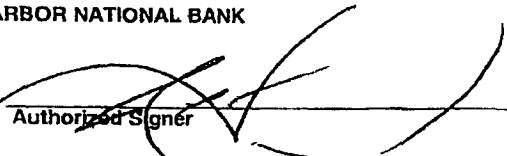
x   
JAMES C GIANULIAS, individually

MESA MANAGEMENT, INC

By   
JAMES C GIANULIAS, President/Secretary of  
MESA MANAGEMENT, INC

LENDER

HARBOR NATIONAL BANK

By   
Authorized Signer

LASER PRO Lending, Ver 6.22.20.000 Copy Harbor Financial Solutions Inc. 1007 2003 All Rights Reserved CA C:\CFI\WING\FL\PLC40 FC TR-868 PR-20



## **EXHIBIT “3”**

# CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	CA / CO	Account	Officer
\$1,400,000.00	10-10-2003	12-15-2004	22315501			212
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.						

**Borrower** James C. Gianullas  
Mesa Management Inc., a California corporation  
1105 Quail Street  
Newport Beach, CA 92660

**Lender** Pacific Western National Bank  
Newport Beach  
895 Dove St Suite 100  
Newport Beach, CA 92660

**Principal Amount** \$1,400,000.00 **Initial Rate** 5.750% **Date of Agreement** October 26, 2004

**DESCRIPTION OF EXISTING INDEBTEDNESS** Promissory Note dated October 10, 2003 in the original Principal Amount of \$1,400,000.00 together with all renewals, extensions and modifications related thereto (the "Note")

**DESCRIPTION OF COLLATERAL** This loan is unsecured.

**DESCRIPTION OF CHANGE IN TERMS** The Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest thereon (the "Maturity Date") is hereby extended from September 2, 2004 to December 15, 2004. Notwithstanding the Maturity Date, Borrower shall make regular payments as further outlined in this Agreement.

The Variable Interest Rate is modified as further outlined in this Agreement.

Lender is hereby changed to Pacific Western National Bank, successor in interest to Harbor National Bank.

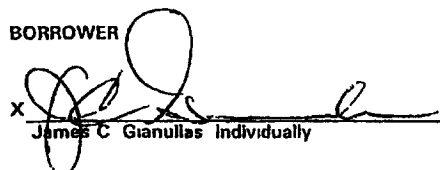
**PAYMENT** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 15, 2004. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date beginning November 15, 2004, with all subsequent interest payments to be due on the same day of each month after that.

**VARIABLE INTEREST RATE** The interest rate on this Agreement is subject to change from time to time based on changes in an index which is the Lender's Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.750% per annum. The interest rate to be applied to the unpaid principal balance of the Note will be at a rate of 1.000 percentage point over the Index, resulting in an initial rate of 5.750% per annum. **NOTICE** Under no circumstances will the interest rate on the Note be more than the maximum rate allowed by applicable law.


**CONTINUING VALIDITY** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

**PRIOR TO SIGNING THIS AGREEMENT, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. EACH BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER**

X   
James C. Gianullas Individually

**MESA MANAGEMENT INC. A CALIFORNIA CORPORATION**

By   
James C. Gianullas, President / Secretary of Mesa Management Inc., a California corporation

## **EXHIBIT “4”**

## CHANGE IN TERMS AGREEMENT

Principal Amount	\$2,000,000.00	Date of Agreement	November 23, 2004	Office	412
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or term. Any item above containing "****" has been omitted due to text length limitations.					

**Borrower** James C. Gianullas  
Mesa Management, Inc. a California corporation  
1106 Quail Street  
Newport Beach CA 92660

**Lender** Pacific Western National Bank  
Newport Beach  
895 Dove St Suite 100  
Newport Beach CA 92660

**Principal Amount** \$2,000,000.00      **Initial Rate** 6.000%      **Date of Agreement** November 23, 2004

### DESCRIPTION OF EXISTING INDEBTEDNESS

Promissory Note dated October 10, 2003, in the original Principal Amount of \$1,400,000.00 as modified by Change in Terms Agreement dated October 26, 2004, together with all renewals, extensions and modifications related thereto (the "Note").

### DESCRIPTION OF COLLATERAL

This loan is unsecured.

### DESCRIPTION OF CHANGE IN TERMS

A Business Loan Agreement of even date is executed concurrently with this Agreement.

Borrower shall cause the James Chris Gianullas 1998 Trust dated December 22, 1998, and Cameo Homes, a California corporation, to execute Commercial Guaranties of the loans in favor of Lender on Lender's forms and in the amounts and under the conditions set forth in such guaranty.

The Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest thereon (the "Maturity Date") is hereby extended from December 15, 2004, to December 15, 2005. Notwithstanding the Maturity Date, Borrower shall make regular payments as further outlined in this Agreement.

The Principal Amount of the Note is hereby increased from \$1,400,000.00 to \$2,000,000.00. Borrower promises to pay to Lender the principal amount of \$2,000,000.00 or so much as may be outstanding together with interest on the unpaid outstanding principal balance of each advance made under the Note.

**PAYMENT** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 15, 2005. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date beginning December 15, 2004, with all subsequent interest payments to be due on the same day of each month after that.

**VARIABLE INTEREST RATE** The interest rate on this Agreement is subject to change from time to time based on changes in an index which is the Lender's Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. The interest rate to be applied to the unpaid principal balance of the Note will be at a rate of 1.000 percentage point over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 6.000% per annum. Notwithstanding the foregoing, the variable interest rate or rates provided for in the Note will be subject to the following minimum and maximum rates: **NOTICE** Under no circumstances will the interest rate on the Note be less than 5.250% per annum or more than the maximum rate allowed by applicable law.

**CONTINUING VALIDITY** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

CONTINUED ON NEXT PAGE

EXHIBIT

4

**BORROWER**

x

**James C. Gianulis Individually**

**MESA MANAGEMENT INC A CALIFORNIA CORPORATION**

By

James C. Gianulis President/Secretary of Mesa  
Management Inc a California corporation

## **EXHIBIT “5”**

## CHANGE IN TERMS AGREEMENT

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower** James C Gianullas  
Mesa Management Inc a California corporation  
1105 Quail Street  
Newport Beach CA 92660

**Lender** Pacific Western National Bank  
Newport Beach  
885 Dove St Suite 100  
Newport Beach, CA 92660

**Principal Amount** \$2,000,000 00

**Initial Rate** 7 750%

**Date of Agreement** January 13, 2006

### DESCRIPTION OF EXISTING INDEBTEDNESS.

Promissory Note dated October 10 2003, in the original Principal Amount of \$1 400,000 00 as modified by Change in Terms Agreements dated October 26 2004 and November 23, 2004, together with all renewals extensions and modifications related thereto (the "Note")

### DESCRIPTION OF COLLATERAL

This loan is unsecured

### DESCRIPTION OF CHANGE IN TERMS

1 The Note is hereby modified as follows

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest thereon (the "Maturity Date") is hereby extended from December 15, 2005 to April 15, 2008. Notwithstanding the Maturity Date, Borrower shall make regular payments as further outlined in this Agreement.

Effective as of the date of this Agreement, the interest rate used to calculate interest payable on the unpaid principal balance of the Note is modified as further outlined in this Agreement.

2 The Business Loan Agreement is hereby modified as follows

The Section entitled Financial Statements under "AFFIRMATIVE COVENANTS" is hereby amended to modify/include the following

**ANNUAL STATEMENTS** Borrower shall cause Guarantor, Cameo Homes a California corporation, to provide Lender with, as soon as available, but in no event later than ninety (90) days after the end of each fiscal year end, a self-prepared consolidated balance sheet and income statement for the period ended in form satisfactory to Lender. Statements may be due more often if requested by Lender.

3 Borrower shall cause the James Chris Gianullas 1998 Trust dated December 22, 1998, and Cameo Homes, a California corporation, to execute Commercial Guaranties of the loans in favor of Lender on Lender's forms and in the amounts and under the conditions set forth in such guaranty.

**PAYMENT** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on April 15 2006. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date beginning February 15 2006, with all subsequent interest payments to be due on the same day of each month after that.

**VARIABLE INTEREST RATE** The interest rate on this Agreement is subject to change from time to time based on changes in an index which is the Lender's Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 7.250% per annum. The interest rate to be applied to the unpaid principal balance of the Note will be at a rate of 0.500 percentage points over the Index, resulting in an initial rate of 7.750% per annum. Notwithstanding the foregoing, the variable interest rate or rates provided for in the Note will be subject to the following minimum and maximum rates. **NOTICE** Under no circumstances will the interest rate on the Note be less than 5.250% per annum or more than the maximum rate allowed by applicable law.

**CONTINUING VALIDITY** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

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**CHANGE IN TERMS AGREEMENT**  
**(Continued)**

PRIOR TO SIGNING THIS AGREEMENT, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. EACH BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER

X   
James C. Glanville, Individually

MESA MANAGEMENT INC. A CALIFORNIA CORPORATION

By   
James C. Glanville, President/Secretary of Mesa  
Management Inc., a California corporation



## **EXHIBIT “6”**

# CHANGE IN TERMS AGREEMENT

*of [unclear]*

Principal	Amount	Interest	Rate	Term	Account	Page
\$2,000,000.00	10/10/2003	12/15/2007	7.750%	20257891	Port #1 89806	2/2

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower** James C. Gianullas  
Mesa Management, Inc., a California corporation  
1105 Quail Street  
Newport Beach, CA 92660

**Lender** Pacific Western National Bank  
Newport Beach  
895 Dove St Suite 100  
Newport Beach CA 92660

**Principal Amount** \$2,000,000.00      **Initial Rate** 7.750%      **Date of Agreement** May 10, 2006

## DESCRIPTION OF EXISTING INDEBTEDNESS

Promissory Note dated October 10, 2003 in the original Principal Amount of \$1,400,000.00 as modified by Change in Terms Agreements dated October 26, 2004, November 23, 2004 and January 13, 2006 together with all renewals, extensions and modifications related thereto (the "Note").

## DESCRIPTION OF COLLATERAL

This loan is unsecured.

## DESCRIPTION OF CHANGE IN TERMS

1. The Note is hereby modified as follows:

The date on which all outstanding principal is due and payable together with any accrued but unpaid interest thereon (the "Maturity Date") is hereby extended from April 15, 2006 to May 15, 2007. Notwithstanding the Maturity Date, Borrower shall make regular payments as further outlined in this Agreement.

2. The Business Loan Agreement is hereby modified as follows:

The Section entitled "Financial Statements" under "AFFIRMATIVE COVENANTS" is hereby amended to modify/include the following:

**TAX RETURNS** Borrower shall cause Guarantor, Cameo Homes, a California corporation, to provide to Lender as soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns. If extensions are filed, copies of such extensions are to be provided immediately upon filing.

3. Borrower shall cause the James Chris Gianullas 1998 Trust dated December 22, 1998, and Cameo Homes, a California corporation, to execute Commercial Guaranties of the loans in favor of Lender, on Lender's forms and in the amounts and under the conditions set forth in such guaranties.

**PAYMENT** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on May 15, 2007. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date beginning June 15, 2006, with all subsequent interest payments to be due on the same day of each month after that.

**VARIABLE INTEREST RATE** The interest rate on this Agreement is subject to change from time to time based on changes in an index which is the Lender's Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 7.250% per annum. The interest rate to be applied to the unpaid principal balance of the Note will be at a rate of 0.500 percentage points over the Index, resulting in an initial rate of 7.750% per annum. Notwithstanding the foregoing, the variable interest rate or rates provided for in the Note will be subject to the following minimum and maximum rates: **NOTICE.** Under no circumstances will the interest rate on the Note be less than 5.250% per annum or more than the maximum rate allowed by applicable law.

**CONTINUING VALIDITY** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

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EXHIBIT

6

**BORROWER**

**X**

James C. Garza individually

**By**

James C. Gianulis President/Secretary of Mesa  
Management Inc a California corporation

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**EXHIBIT**

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## **EXHIBIT “7”**

11-11-11

<b>Borrower</b>	<b>James C Gianulias</b>	<b>Lender</b>	<b>Pacific Western Bank</b>
	<b>Mesa Management Inc a California corporation</b>		<b>Newport Beach</b>
	<b>1105 Quail Street</b>		<b>895 Dove Street</b>
	<b>Newport Beach CA 92660</b>		<b>Suite 100</b>
			<b>Newport Beach CA 92660</b>

## DESCRIPTION OF EXISTING INDEBTEDNESS

**DESCRIPTION OF COLLATERAL**

**This loan is unsecured**

### DESCRIPTION OF CHANGE IN TERMS

**1 The Note is hereby modified as follows**

The Maturity Date is hereby extended from May 15, 2007 to May 15, 2008. Notwithstanding the Maturity Date, Borrower shall make regular payments as further outlined in this Agreement.

2 Borrower shall cause James Chris Gianulias, Trustee of the James Chris Gianulias 1998 Trust dated December 22, 1998, and Cameo Homes a California corporation to execute Commercial Guaranties of the loans in favor of Lender on Lender's forms and in the amounts and under the conditions set forth in such guaranties.

3 Lender is hereby changed from Pacific Western National Bank to Pacific Western Bank a California state chartered bank

**PAYMENT** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on May 15 2008. In addition Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date beginning June 15 2007 with all subsequent interest payments to be due on the same day of each month after that.

**VARIABLE INTEREST RATE.** The interest rate on this loan is subject to change from time to time based on changes in an index which is the Lender's Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The index currently is 8.250% per annum. The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of 0.500 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 8.750% per annum. NOTICE. Under no circumstances will the interest rate on this loan be less than 5.250% per annum or more than the maximum rate allowed by applicable law.

**CONTINUING VALIDITY** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorser of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

**PRIOR TO SIGNING THIS AGREEMENT EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. EACH BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER**

James O. Gianullas Individually

**MESA MANAGEMENT INC A CALIFORNIA CORPORATION**

By James C. Gianulias, President/Secretary of Mesa Management Inc a California corporation

EXHIBIT

7

## **EXHIBIT “8”**

# ( COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No.	Secured	Advised	Comments
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing " " has been omitted due to text length limitations						

**Borrower** JAMES C GIANULIAS  
MESA MANAGEMENT, INC  
1105 QUAIL STREET  
NEWPORT BEACH, CA 92660

**Lender** Harbor National Bank  
Newport Beach Office  
895 Dove Street, Suite 100  
Newport Beach, CA 92660

**Guarantor** CAMEO HOMES  
1105 Quail Street  
Newport Beach, CA 92660

**AMOUNT OF GUARANTY** This is a guaranty of payment of the Note, including without limitation the principal Note amount of One Million Four Hundred Thousand & 00/100 Dollars (\$1,400,000 00)

**GUARANTY** For good and valuable consideration, CAMEO HOMES ("Guarantor") absolutely and unconditionally guarantees and promises to pay to Harbor National Bank ("Lender") or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of JAMES C GIANULIAS, and MESA MANAGEMENT, INC ( "Borrower"), or either or any of them, to Lender on the terms and conditions set forth in this Guaranty

**MAXIMUM LIABILITY** The maximum liability of Guarantor under this Guaranty shall not exceed at any one time the amount of the Indebtedness described herein plus all costs and expenses of (A) enforcement of this Guaranty and (B) collection and sale of any collateral securing this Guaranty

The above limitation on liability is not a restriction on the amount of the Indebtedness of Borrower to Lender either in the aggregate or at any one time. If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

**INDEBTEDNESS GUARANTEED** The Indebtedness guaranteed by this Guaranty includes the Note, including (a) all principal, (b) all interest, (c) all late charges, (d) all loan fees and loan charges, and (e) all collection costs and expenses relating to the Note or to any collateral for the Note. Collection costs and expenses include without limitation all of Lender's attorneys' fees.

**DURATION OF GUARANTY** This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guaranty or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of Indebtedness owing from Borrower to Lender. Guarantor specifically acknowledges and agrees that fluctuations in the amount of Indebtedness, even to zero dollars (\$ 0 00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

**GUARANTOR'S AUTHORIZATION TO LENDER** Guarantor authorizes Lender without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower or otherwise to extend additional credit to Borrower, (B) to alter, compromise, renew, extend, accelerate or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness, extensions may be repeated and may be for longer than the original loan term, (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect and release any such security with or without the substitution of new collateral, (D) to release, substitute, agree not to sue or deal with any one or more of Borrower's sureties, endorsers or other guarantors on any terms or in any manner Lender may choose, (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness, (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust as Lender in its discretion may determine, (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness, and (H) to assign or transfer this Guaranty in whole or in part.

**GUARANTOR'S REPRESENTATIONS AND WARRANTIES** Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty, (B) this Guaranty is executed at Borrower's request and not at the request of Lender, (C) Guarantor has full power, right and authority to enter into this Guaranty, (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor, (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets or any interest therein, (F) upon Lender's request Guarantor will provide to Lender financial and credit information in form acceptable to Lender and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided, (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition, (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened, (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower, and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

**GUARANTOR'S WAIVERS** Except as prohibited by applicable law, Guarantor waives any right to require Lender to (A) make any presentment, protest, demand or notice of any kind, including notice of change of any terms of repayment of the Indebtedness, default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender or any other guarantor or surety of Borrower or the creation of new or additional Indebtedness, (B) proceed against any person, including Borrower, before proceeding against Guarantor, (C) proceed against any collateral for the Indebtedness, including Borrower's collateral, before proceeding against Guarantor, (D) apply any payments or proceeds received against the Indebtedness in any order, (E) give notice of the terms, time and place of any sale of the collateral pursuant to the Uniform Commercial Code or any other law governing such sale, (F) disclose any information about the Indebtedness, the Borrower, the collateral, or any other guarantor or surety, or about any action or nonaction of Lender or (G) pursue any remedy or course of action in Lender's power whatsoever.

**COMMERCIAL GUARANTY (Continued)**

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Guarantor also waives any and all rights or defenses arising by reason of (H) any disability or other defense of Borrower any other guarantor or surety or any other person, (I) the cessation from any cause whatsoever, other than payment in full, of the indebtedness, (J) the application of proceeds of the indebtedness by Borrower for purposes other than the purposes understood and intended by Guarantor and Lender (K) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the indebtedness, or the loss or release of any collateral by operation of law or otherwise, (L) any statute of limitations in any action under this Guaranty or on the indebtedness, or (M) any modification or change in terms of the indebtedness, whatsoever, including without limitation the renewal, extension, acceleration or other change in the time payment of the indebtedness is due and any change in the interest rate

Guarantor waives all rights and any defenses arising out of an election of remedies by Lender even though that the election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise

Guarantor waives all rights and defenses that Guarantor may have because Borrower's obligation is secured by real property This means among other things (1) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower (2) If Lender forecloses on any real property collateral pledged by Borrower (a) the amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price (b) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's obligation is secured by real property These rights and defenses include but are not limited to, any rights and defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure

Guarantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Guarantor might otherwise be entitled under state and federal law Guarantor acknowledges that Guarantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender Guarantor further understands and agrees that this Guaranty is a separate and independent contract between Guarantor and Lender, given for full and ample consideration, and is enforceable on its own terms Until all indebtedness is paid in full, Guarantor waives any right to enforce any remedy Guarantor may have against the Borrower or any other guarantor surety, or other person and further, Guarantor waives any right to participate in any collateral for the indebtedness now or hereafter held by Lender

In addition to the waivers set forth herein if now or hereafter Borrower is or shall become insolvent and the indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower Guarantor hereby forever waives and gives up in favor of Lender and Borrower and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower by subrogation or otherwise, so that at no time shall Guarantor be or become a creditor of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws

**GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS** Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that under the circumstances the waivers are reasonable and not contrary to public policy or law If any such waiver is determined to be contrary to any applicable law or public policy such waiver shall be effective only to the extent permitted by law or public policy

**SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR** Guarantor agrees that the indebtedness of Borrower to Lender whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower whether or not Borrower becomes insolvent Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower upon any account whatsoever to any claim that Lender may now or hereafter have against Borrower In the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy by an assignment for the benefit of creditors by voluntary liquidation, or otherwise the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness If Lender so requests any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender Guarantor agrees and Lender is hereby authorized in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect preserve and enforce its rights under this Guaranty

**MISCELLANEOUS PROVISIONS** The following miscellaneous provisions are a part of this Guaranty

**Amendments** This Guaranty together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment

**Attorneys' Fees, Expenses** Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's attorneys fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty Lender may hire or pay someone else to help enforce this Guaranty and Guarantor shall pay the costs and expenses of such enforcement Costs and expenses include Lender's attorneys fees and legal expenses whether or not there is a lawsuit, including attorneys fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) appeals and any anticipated post judgment collection services Guarantor also shall pay all court costs and such additional fees as may be directed by the court

**Caption Headings** Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty

**Governing Law** This Guaranty will be governed by, construed and enforced in accordance with federal law and the laws of the State of California This Guaranty has been accepted by Lender in the State of California

**Choice of Venue.** If there is a lawsuit Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County State of California

**Integration** Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty, the Guaranty fully reflects Guarantor's intentions and parole evidence is not required to interpret the terms of this Guaranty Guarantor hereby indemnifies and holds Lender harmless from all losses claims damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph

**Interpretation** In all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them The words "Guarantor," "Borrower" and "Lender" include the heirs successors, assigns and transferees of each of them If a court finds that any provision of this Guaranty is not valid or should not be enforced that fact by itself will not mean that the rest of this

EXHIBIT

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Guaranty will not be valid or enforced. Therefore a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Loan indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

**Notices.** Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed when deposited in the United States mail as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Successors and Assigns.** Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

**Borrower.** The word "Borrower" means JAMES C GIANULIAS, and MESA MANAGEMENT INC and includes all co signers and co-makers signing the Note.

**Guarantor.** The word "Guarantor" means each and every person or entity signing this Guaranty, including without limitation CAMEO HOMES.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Indebtedness.** The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

**Lender.** The word "Lender" means Harbor National Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated October 10, 2003, in the original principal amount of \$1,400,000.00 from Borrower to Lender together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the promissory note or agreement.


**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 10, 2003.**

GUARANTOR

CAMEO HOMES

By

  
JAMES C GIANULIAS, President/Secretary of  
CAMEO HOMES

## **EXHIBIT “9”**

# COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No.	City / State	Account	Officer	Initials
						731	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or loan  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations

**Borrower** James C Gianulias  
Mesa Management Inc a California corporation  
1105 Quail Street  
Newport Beach CA 92660

**Lender** Pacific Western Bank  
Newport Beach  
895 Dove Street  
Suite 100  
Newport Beach CA 92660

**Guarantor** Cameo Homes a California corporation  
1105 Quail Street  
Newport Beach CA 92660

**CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE** For good and valuable consideration Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower or any one or more of them to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness. This Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America in same day funds without set off or deduction or counterclaim and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

**INDEBTEDNESS** The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law attorneys' fees arising from any and all debts liabilities and obligations of every nature or form now existing or hereafter arising or acquired that Borrower individually or collectively or interchangeably with others owes or will owe Lender. "Indebtedness" includes without limitation loans, advances, debts, overdraft, indebtedness, credit card indebtedness, obligations, liabilities and obligations under any interest rate reduction agreements or foreign currency exchange agreements or commodity price protection agreements other obligations and liabilities of Borrower or any one or more of them and any present or future judgments against Borrower or any one or more of them future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether voluntarily or involuntarily incurred, due or to become due by their terms or acceleration absolute or contingent, liquidated or unliquidated determined or undetermined direct or indirect primary or secondary in nature or arising from a guaranty or surety secured or unsecured, joint or several or joint and several evidenced by a negotiable or non negotiable instrument or writing originated by Lender or another or others barred or unenforceable against Borrower for any reason whatsoever for any transactions that may be voidable for any reason (such as infancy insanity ultra vires or otherwise) and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties or hereafter receives additional guaranties from Guarantor Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

**CONTINUING GUARANTY** THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER OR ANY ONE OR MORE OF THEM TO LENDER NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

**DURATION OF GUARANTY** This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender or any notice to Guarantor or to Borrower and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender by certified mail at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent unliquidated undetermined or not due and which later becomes absolute liquidated, determined or due. For this purpose and without limitation "new Indebtedness" does not include all or part of the Indebtedness that is incurred by Borrower prior to revocation, incurred under a commitment that became binding before revocation any renewals, extensions substitutions and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. Guarantor's obligations under this Guaranty shall be in addition to any of Guarantor's obligations or any of them, under any other guaranties of the Indebtedness or any other person heretofore or hereafter given to Lender unless such other guaranties are modified or revoked in writing, and this Guarantor shall not unless provided in this Guaranty, affect invalidate, or supersede any such other guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the Indebtedness covered by this Guaranty and Guarantor specifically acknowledges and agrees that reductions in the amount of the Indebtedness even to zero dollars (\$0.00) shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs successors and assigns so long as any of the Indebtedness remains unpaid and even though the Indebtedness may from time to time be zero dollars (\$0.00).

**GUARANTOR'S AUTHORIZATION TO LENDER** Guarantor authorizes Lender, either before or after any revocation hereof without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time (A) prior to revocation as set forth above to make one or more additional secured or unsecured loans to Borrower to lease equipment or other goods to Borrower or otherwise to extend additional credit to Borrower, (B) to alter, compromise renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness including increases and decreases of the rate of interest on the Indebtedness, extensions may be repeated and may be for longer than the original loan term, (C) to take and hold security for the payment of this Guaranty or the Indebtedness and exchange waive, subordinate fail or decide not to perfect and release any such security, with or without the substitution of new collateral (D) to release substitute agree not to sue, or deal with any one or more of Borrower's sureties, endorsers or other guarantors on any terms or in any manner Lender may choose (E) to determine how when and what application of

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**COMMERCIAL GUARANTY**  
**(Continued)**

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payments and credits shall be made on the Indebtedness, (F) to apply such security and direct the order or manner of sale thereof including without limitation any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust as Lender in its discretion may determine (G) to sell transfer assign or grant participations in all or any part of the Indebtedness and (H) to assign or transfer this Guaranty in whole or in part

**GUARANTOR'S REPRESENTATIONS AND WARRANTIES** Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty (B) this Guaranty is executed at Borrower's request and not at the request of Lender (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law regulation, court decree or order applicable to Guarantor (E) Guarantor has not and will not, without the prior written consent of Lender sell, lease assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender and all such financial information which currently has been and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition (H) no litigation claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty and Guarantor further agrees that absent a request for information Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower

**GUARANTOR'S FINANCIAL STATEMENTS** Guarantor agrees to furnish Lender with the following

**Additional Requirements**

**ANNUAL STATEMENTS** Guarantor to provide Lender with as soon as available but in no event later than ninety (90) days after the end of each fiscal year end a self prepared consolidated balance sheet and income statement for the period ended in form satisfactory to Lender. Statements may be due more often if requested by Lender

**TAX RETURNS** Guarantor to provide Lender with as soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns. If extensions are filed copies of such extensions are to be provided immediately upon filing

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP applied on a consistent basis and certified by Guarantor as being true and correct

**GUARANTOR'S WAIVERS** Except as prohibited by applicable law Guarantor waives any right to require Lender to (A) make any presentment protest demand or notice of any kind including notice of change of any terms of repayment of the Indebtedness default by Borrower or any other guarantor or surety any action or nonaction taken by Borrower Lender or any other guarantor or surety of Borrower, or the creation of new or additional Indebtedness (B) proceed against any person including Borrower before proceeding against Guarantor (C) proceed against any collateral for the Indebtedness including Borrower's collateral before proceeding against Guarantor (D) apply any payments or proceeds received against the Indebtedness in any order (E) give notice of the terms time, and place of any sale of the collateral pursuant to the Uniform Commercial Code or any other law governing such sale (F) disclose any information about the Indebtedness the Borrower the collateral or any other guarantor or surety or about any action or nonaction of Lender or (G) pursue any remedy or course of action in Lender's power whatsoever

Guarantor also waives any and all rights or defenses arising by reason of (H) any disability or other defense of Borrower any other guarantor or surety or any other person (I) the cessation from any cause whatsoever other than payment in full of the Indebtedness (J) the application of proceeds of the Indebtedness by Borrower for purposes other than the purposes understood and intended by Guarantor and Lender, (K) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety or the Indebtedness or the loss or release of any collateral by operation of law or otherwise (L) any statute of limitations in any action under this Guaranty or on the Indebtedness or (M) any modification or change in terms of the Indebtedness whatsoever, including without limitation the renewal extension, acceleration or other change in the time payment of the Indebtedness is due and any change in the interest rate and including any such modification or change in terms after revocation of this Guaranty on the Indebtedness incurred prior to such revocation

Guarantor waives all rights of subrogation reimbursement indemnification and contribution and any other rights and defenses that are or may become available to Guarantor by reason of California Civil Code Sections 2787 to 2855 inclusive

Guarantor waives all rights and any defenses arising out of an election of remedies by Lender even though that the election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation has destroyed Guarantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise

Guarantor waives all rights and defenses that Guarantor may have because Borrower's obligation is secured by real property. This means among other things (N) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower (O) if Lender forecloses on any real property collateral pledged by Borrower (1) the amount of Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale even if the collateral is worth more than the sale price (2) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral has destroyed any right Guarantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to any rights and defenses based upon Section 580a, 580b 580d, or 726 of the Code of Civil Procedure

Guarantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Guarantor might otherwise be entitled under state and federal law. The rights and defenses waived include without limitation, those provided by California laws of suretyship and guaranty anti-deficiency laws and the Uniform Commercial Code. Guarantor acknowledges that Guarantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Guarantor further understands and agrees that this Guaranty is a separate and independent contract between Guarantor and Lender given for full and ample consideration, and is enforceable on its own terms. Until all of the Indebtedness is paid in full Guarantor waives any right to enforce any remedy Guarantor may have against the Borrower or any other guarantor, surety, or other person and further Guarantor waives any right to participate in any collateral for the Indebtedness now or hereafter held by Lender

**Guarantor's Understanding With Respect To Waivers** Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that under the circumstances, the waivers are reasonable and not contrary

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**COMMERCIAL GUARANTY**  
**(Continued)**

Loan No 22357801

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to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

**Subordination of Borrower's Debts to Guarantor.** Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower upon any account whatsoever to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower, provided however that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

**Miscellaneous Provisions.** The following miscellaneous provisions are a part of this Guaranty:

**AMENDMENTS.** This Guaranty together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**ATTORNEYS' FEES AND EXPENSES.** Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

**CAPTION HEADINGS.** Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

**GOVERNING LAW.** This Guaranty will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions.

**CHOICE OF VENUE.** If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

**INTEGRATION.** Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty. Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty. The Guaranty fully reflects Guarantor's intentions and parole evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

**INTERPRETATION.** In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require, and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower" and "Lender" include the heirs, successors, assigns and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

**NOTICES.** Any notice required to be given under this Guaranty shall be given in writing and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

**NO WAIVER BY LENDER.** Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**SUCCESSORS AND ASSIGNS.** Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

**Definitions.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

**BORROWER.** The word "Borrower" means James C. Gianulias, and Mesa Management, Inc., a California corporation and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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**COMMERCIAL GUARANTY**  
(Continued)

**GAAP** The word "GAAP" means generally accepted accounting principles

**GUARANTOR** The word "Guarantor" means everyone signing this Guaranty including without limitation Cameo Homes a California corporation and in each case any signer's successors and assigns

**GUARANTY** The word "Guaranty" means this guaranty from Guarantor to Lender

**INDEBTEDNESS** The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty

**LENDER** The word "Lender" means Pacific Western Bank, its successors and assigns

**NOTE** The word "Note" means and includes without limitation Borrower's promissory notes or notes if any evidencing Borrower's Loan obligations in favor of Lender as well as any substitute replacement or refinancing of the note or notes therefor

**RELATED DOCUMENTS** The words "Related Documents" mean all promissory notes, credit agreements loan agreements environmental agreements guarantees, security agreements mortgages deeds of trust security deeds collateral mortgages and all other instruments agreements and documents, whether now or hereafter existing executed in connection with the Indebtedness

**EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS IN ADDITION EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY" NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE THIS GUARANTY IS DATED MAY 31 2007**

**GUARANTOR**

**CAMEO HOMES A CALIFORNIA CORPORATION**

By

James S. Gianoulas President/Secretary of Cameo  
Homes, a California corporation

EXhibit

7

1 **PROOF OF SERVICE**

2  
3 I am employed in the County of Los Angeles, State of California I am over the age of 18  
4 and not a party to the within bankruptcy case or adversary proceeding My business address is  
5 555 South Flower Street, 30<sup>th</sup> Floor, Los Angeles, California 90071

6 On December 30, 2008, I served the foregoing document described as **AMENDED PROOF  
OF CLAIM BY CREDITOR PACIFIC WESTERN BANK** on all interested parties

7 **SEE ATTACHED SERVICE LIST**

8 ☒ (TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")  
9 RE CM/ECF SYSTEM) Pursuant to controlling General Order(s) and Local Bankruptcy  
10 Rule(s) ("LBR") the foregoing document will be served by the Court via NEF and  
11 hyperlink to the document On 12/30/08, I checked the CM/ECF docket for this bankruptcy  
12 case or adversary proceeding and determined that the following persons on the  
13 ATTACHED SERVICE LIST are on the Electronic Mail Notice to receive NEF  
14 transmission at the email address(es) indicated on the ATTACHED SERVICE LIST

15 ☒ (BY MAIL) By placing a true copy in envelope(s) addressed as referenced on the  
16 ATTACHED SERVICE LIST The envelope(s) were then sealed and deposited for  
17 collection and mailing in accordance with my employer's normal procedures I am readily  
18 familiar with the firm's practice for collection and processing correspondence for mailing  
19 Under that practice it would be deposited with the U S Postal Service, with all postage  
20 prepaid, at Los Angeles, California, on the same day in the ordinary course of business

21 ☐ (BY OVERNIGHT DELIVERY) By placing a true copy in envelope(s) addressed as listed  
22 on ATTACHED SERVICE LIST The envelopes were then sealed and deposited for  
23 collection and delivery in accordance with my employer's normal procedures I am readily  
24 familiar with the firm's practice for collection and processing correspondence for overnight  
25 delivery Under that practice it would be placed in a box or other facility regularly  
26 maintained by the express service carrier, or delivered to an authorized courier or driver  
27 authorized by the express service carrier to receive documents

28 ☐ (BY FACSIMILE OR EMAIL) Pursuant to Fed R Civ Proc 5 and/or controlling LBR,  
on \_\_\_\_\_, 2008, I served the following person(s) and/or entity(ies) on the  
ATTACHED SERVICE LIST, who consented in writing to such service method, by  
facsimile transmission by use of facsimile machine telephone number (213) 683-6669 prior  
to 5 00 p m and/or by email as indicated on the ATTACHED SERVICE LIST The  
transmission was reported as complete and without error on a printed report issued by said  
facsimile machine upon completion of the transmission

☒ (FEDERAL) I declare that I am employed in the office of a member of the bar of this court  
at whose direction the service was made I further declare under penalty of perjury under  
the laws of the United States of America that the foregoing is true and correct

Executed on December 30, 2008, at Los Angeles, California

\_\_\_\_\_  
/s/ Marilyn D Alvarado  
Marilyn D Alvarado

SERVICE LIST

NOTICE OF ELECTRONIC FILING ("NEF")  
RE CM/ECF SYSTEM)

- Jess R Bressi jbressi@coxcastle.com
- Frank Cadigan frank.cadigan@usdoj.gov
- Sean T Cork scork@ssd.com
- Paul J Couchot pcouchot@winthropcouchot.com,  
pj@winthropcouchot.com
- Susan S Davis sdavis@coxcastle.com
- Peter L Duncan peterd@psdslaw.com
- Lei Lei Wang Ekvall lekvall@wglp.com
- Alan J Friedman afriedman@irell.com
- Robert P Goe kmurphy@goeforlaw.com
- Michael J Hauser michael.hauser@usdoj.gov
- Whitman L Holt wholt@stutman.com
- Marsha A Houston mhouston@reedsmith.com
- Daniel A Lev dlev@sulmeyerlaw.com
- Kerri A Lyman klyman@irell.com
- Andrew K Mauthe mauthelaw@attglobal.net
- Elissa Miller emiller@sulmeyerlaw.com
- Randall P Mroczynski randym@cookseylaw.com
- Penelope Parmes pparmes@rutan.com
- Steven G Polard spolard@perkinscoie.com
- Martha E Romero Romero@mromerolawfirm.com
- Victor A Sahn vsahn@sulmeyerlaw.com
- John D Schlotter bkmail@mrdefault.com
- Mark C Schnitzer mschnitzer@rhlaw.com
- Leonard M Shulman lshulman@shbllp.com



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- Derrick Talerico dtalerico@loeb com,  
kpresson@loeb com,  
ljurich@loeb com
- United States Trustee (SA) ustpreion16 sa ecf@usdoj gov
- Matthew S Walker matthew walker@pillsburylaw com,  
sue hodes@pillsburylaw com,pamela breedon@pillsburylaw com
- Joshua D Wayser joshua wayser@kattenlaw com
- John H Wunsch sandra g mcmasters@wellsfargo com

**BY U S MAIL**

**William N Lobel  
Irell & Manella LLP  
840 Newport Center Dr, Ste 400  
Newport Beach, CA 92660-6324**

**Cameo Homes, A California Corporation**  
**Attn: James C. Gianulias**  
**1105 Quail St**  
**Newport Beach, CA 92660**

# Central District Of California Claims Register

**8 08-bk-13151-RK Cameo Homes CASE CONVERTED on 07/02/2008**

**Judge** Robert N Kwan      **Chapter** 11

**Office** Santa Ana

**Last Date to file claims**

**Trustee**

**Last Date to file (Govt)**

<i>Creditor</i> (22397311) Pacific Western Bank c/o David K. Eldan, Esq Parker, Milliken, etc 555 S Flower St , 30th Fl Los Angeles, CA 90071-2440	<b>Claim No 13</b> <i>Filed</i> 12/30/2008 <i>Entered</i> 12/30/2008	<i>Status</i> <i>Filed by</i> CR <i>Entered by</i> Eldan, David <i>Modified</i>
Unsecured claimed    \$2105626 37 <b>Total            claimed    \$2105626 37</b>		
<i>History</i> <div style="margin-left: 20px;"> 11/04/2008 Claim #13 filed by Pacific Western Bank , total amount claimed    \$2105626 37  (Eldan, David)  12/30/2008 Amended Claim #13 filed by Pacific Western Bank , total amount claimed  \$2105626 37 (Eldan, David) </div>		
<i>Description</i> (13-1) Proof of Claim with Exhibits and Proof of Service (13-2) Amended Proof of Claim, with Exhibits 1-9, and proof of service		
<i>Remarks</i>		

## Claims Register Summary