

1 COMPLAINT FOR BREACH OF GUARANTIES

2 Plaintiff California Bank & Trust as Assignee of the FDIC as Receiver for Vineyard Bank,  
3 N.A. ("Plaintiff" or the "Bank") alleges as follows:

4 1. Plaintiff is the assignee of the Federal Deposit Insurance Corporation as receiver  
5 for Vineyard Bank, N.A. (where necessary or convenient, Vineyard Bank, N.A. is separately  
6 referred to as "Vineyard"). Vineyard was the original lender on the loan referenced hereinbelow.  
7 Vineyard was authorized to do, and was doing, business in the County of Riverside, State of  
8 California. As assignee of Vineyard, Plaintiff is the successor in interest to, and the current holder  
9 of, the claims, rights and benefits of Vineyard with regard to the matters and documents described  
10 below, and the obligations of defendants that were originally owed to Vineyard are now owed to  
11 Plaintiff. Plaintiff is authorized to do business in the State of California. Accordingly, unless the  
12 context otherwise logically indicates or requires, the term "Plaintiff" as used hereinbelow shall be  
13 deemed to refer to the Bank and Vineyard, together.

14 2. Plaintiff is informed and believes, and based thereon alleges, that defendant Barry  
15 J. Hammond ("Barry Hammond") is, and at all times relevant to this Complaint has been, a  
16 resident of Irvine, California. Plaintiff is further informed and believes, and based thereon alleges,  
17 that Barry Hammond is the sole trustee of The Barry J. and Susan J. Hammond Family Trust (the  
18 "Trust").

19 3. Plaintiff is informed and believes, and based thereon alleges, that defendant Scott  
20 E. Peotter ("Scott Peotter") is, and at all times relevant to this Complaint has been, a resident of  
21 Newport Beach, California.

22 4. Plaintiff is ignorant of the true names and capacities of defendants sued herein as  
23 Does 1 through 10, inclusive, and therefore sues these defendants by such fictitious names.  
24 Plaintiff is informed and believes, and based thereon alleges, that each fictitiously named  
25 defendant is in some manner legally responsible for the events, occurrences, and damages caused  
26 to Plaintiff as alleged in this Complaint. Plaintiff will seek leave of the Court to amend this  
27 Complaint to allege the true names and capacities of the fictitiously named defendants when  
28 ascertained.

1           5.     Plaintiff is informed and believes, and based thereon alleges, that at all relevant  
2 times defendants were acting as the partners, agents, servants, employees, alter egos, successors or  
3 predecessors in interest, or contractors of others of the defendants and, unless alleged otherwise,  
4 were acting within the course and scope of such relationship, with the knowledge, express or  
5 implied, of each such other named defendants, and that each defendant has approved and ratified  
6 the acts of each of the other defendants.

7           6.     As set forth below, defendant Barry Hammond executed two separate Commercial  
8 Guaranties, one in his capacity as an individual and one in his capacity as trustee of the Trust.  
9 Accordingly, defendant Barry Hammond shall at times be referred to herein for convenience as  
10 "Barry Hammond," and such reference shall be intended to refer to him both in his capacity as an  
11 individual and as the trustee of the Trust unless the context logically would otherwise indicate.

12           7.     Venue of this action is proper because the guaranties creating the obligations on  
13 which Plaintiff brings this action were entered into in the County of Orange, State of California,  
14 and required performance in Orange County.

15           8.     On or about July 20, 2006, Aslan Medical Center I, LLC ("Borrower") executed  
16 that certain Construction Loan Agreement (the "Loan Agreement") providing for a loan from  
17 Plaintiff to Borrower in the principal amount of \$13,712,000 (the "Loan"). A true and correct  
18 copy of the Loan Agreement is attached hereto as **Exhibit 1** and is incorporated herein by this  
19 reference as though set forth in full. The Borrower sought the Loan for the purpose of  
20 constructing certain improvements on the real property described below. The Loan Agreement  
21 was modified by the terms and conditions of that certain First Amendment to Construction Loan  
22 Agreement, dated December 31, 2007 (the "Loan Amendment"). A true and correct copy of the  
23 Loan Amendment is attached hereto as part of Exhibit 1 and incorporated herein by reference.

24           9.     On or about July 20, 2006, Borrower executed a Promissory Note in the principal  
25 amount of \$13,712,000 (the "Note"). A true and correct copy of the Note is attached hereto as  
26 **Exhibit 2** and is incorporated herein by this reference as though set forth in full. Obligations  
27 under the Note were secured pursuant to that certain Deed of Trust, dated July 20, 2006 and  
28 recorded on July 25, 2006 as Instrument No. 2006000492248 in the official records of the County

1 of Orange, California (the "Deed of Trust"), by Borrower in favor of Plaintiff, with regard to  
2 certain real property described therein, said property being commonly known as 17305 Von  
3 Karman Avenue, Irvine, California 92614 (the "Property"). A true and correct copy of the Deed  
4 of Trust is attached hereto as **Exhibit 3** and incorporated herein by this reference as though set  
5 forth in full. The Deed of Trust was modified by the terms and conditions of that certain First  
6 Amendment to Deed of Trust, dated December 31, 2007 and recorded as Instrument No.  
7 2008000001522 in the Official Records of the County of Orange, California (the "Amendment").  
8 A true and correct copy of the Amendment is attached hereto as part of Exhibit 3 and incorporated  
9 herein by this reference as though set forth in full. Obligations under the Note were also secured  
10 pursuant to that certain Commercial Security Agreement dated July 20, 2006 (the "Security  
11 Agreement"), which created an encumbrance upon certain personal property of the Borrower as  
12 more particularly described therein. A true and correct copy of the Security Agreement is attached  
13 hereto as **Exhibit 4** and incorporated herein by this reference as though set forth in full. The  
14 Loan Agreement, Loan Amendment, Note, Deed of Trust, Amendment and certain other  
15 documents pertaining to the Loan, including without limitation the documents described below,  
16 are sometimes collectively referred to in such documents and hereinbelow as the "Loan  
17 Documents."

18       10. On or about July 20, 2006, Barry Hammond, in his individual capacity, executed a  
19 Commercial Guaranty (the "Individual Guaranty") in favor of Lender. A true and correct copy of  
20 the Individual Guaranty is attached hereto as **Exhibit 5** and incorporated herein by this reference  
21 as though set forth in full. Under the terms of the Individual Guaranty, Barry Hammond:

22           a. Absolutely and unconditionally guaranteed full and punctual payment and  
23 satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge  
24 of all Borrower's obligations under the Note and any Loan Documents; and

25           b. Waived all available guarantor and suretyship defenses to enforcement of  
26 the obligations to repay Borrower's indebtedness owed to Plaintiff and/or perform the  
27 obligations under the Loan Agreement, the Note and any Loan Documents, all as set forth  
28 in the Individual Guaranty.

1 The Individual Guaranty sets forth a guaranty of payment and performance as opposed to  
2 collection, and pursuant to its terms permits Plaintiff to seek from Barry Hammond payment and  
3 performance in full of any of Borrower's unsatisfied indebtedness or obligations at any time,  
4 regardless whether Plaintiff has exhausted any remedies against any other person or entity who  
5 might be obligated to pay all or part of the indebtedness or obligations of Borrower, or whether  
6 Plaintiff has proceeded against any collateral that might secure the obligations of Borrower under  
7 the Note and/or the Loan Documents, and further permits Plaintiff to seek from Barry Hammond  
8 the repayment of any deficiency or amount remaining unpaid after pursuit of some or all of the  
9 potential sources of repayment of the indebtedness and obligations owed by Borrower.

10 11. On or about July 20, 2006, Barry Hammond, in his capacity as Trustee of the Trust,  
11 executed a Commercial Guaranty (the "Trust Guaranty") in favor of Lender. A true and correct  
12 copy of the Trust Guaranty is attached hereto as Exhibit 6 and incorporated herein by this  
13 reference as though set forth in full. Under the terms of the Trust Guaranty, the Trust as  
14 guarantor:

15 a. Absolutely and unconditionally guaranteed full and punctual payment and  
16 satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge  
17 of all Borrower's obligations under the Note and any Loan Documents; and

18 b. Waived all available guarantor and suretyship defenses to enforcement of  
19 the obligations to repay Borrower's indebtedness owed to Plaintiff and/or perform the  
20 obligations under the Loan Agreement, the Note and any Loan Documents, all as set forth  
21 in the Trust Guaranty.

22 The Trust Guaranty sets forth a guaranty of payment and performance as opposed to collection,  
23 and pursuant to its terms permits Plaintiff to seek from the Trust and/or Barry Hammond in his  
24 capacity as trustee of the Trust payment and performance in full of any of Borrower's unsatisfied  
25 indebtedness or obligations at any time, regardless whether Plaintiff has exhausted any remedies  
26 against any other person or entity who might be obligated to pay all or part of the indebtedness or  
27 obligations of Borrower, or whether Plaintiff has proceeded against any collateral that might  
28 secure the obligations of Borrower under the Note and/or the Loan Documents, and further

1 permits Plaintiff to seek from the Trust and/or Barry Hammond the repayment of any deficiency  
2 or amount remaining unpaid after pursuit of some or all of the potential sources of repayment of  
3 the indebtedness and obligations owed by Borrower.

4 12. On or about July 20, 2006, Scott Peotter executed a Commercial Guaranty (the  
5 "Peotter Guaranty") in favor of Lender. A true and correct copy of the Peotter Guaranty is  
6 attached hereto as **Exhibit 7** and incorporated herein by this reference as though set forth in full.

7 Under the terms of the Peotter Guaranty, Scott Peotter:

8 a. Absolutely and unconditionally guaranteed full and punctual payment and  
9 satisfaction of the indebtedness of Borrower to Lender, and the performance and discharge  
10 of all Borrower's obligations under the Note and any Loan Documents; and

11 b. Waived all available guarantor and suretyship defenses to enforcement of  
12 the obligations to repay Borrower's indebtedness owed to Plaintiff and/or perform the  
13 obligations under the Loan Agreement, the Note and any Loan Documents, all as set forth  
14 in the Peotter Guaranty.

15 The Peotter Guaranty sets forth a guaranty of payment and performance as opposed to collection,  
16 and pursuant to its terms permits Plaintiff to seek from Scott Peotter payment and performance in  
17 full of any of Borrower's unsatisfied indebtedness or obligations at any time, regardless whether  
18 Plaintiff has exhausted any remedies against any other person or entity who might be obligated to  
19 pay all or part of the indebtedness or obligations of Borrower, or whether Plaintiff has proceeded  
20 against any collateral that might secure the obligations of Borrower under the Note and/or the  
21 Loan Documents, and further permits Plaintiff to seek from Scott Peotter the repayment of any  
22 deficiency or amount remaining unpaid after pursuit of some or all of the potential sources of  
23 repayment of the indebtedness and obligations owed by Borrower.

24 13. Barry Hammond, in his capacity as an individual and as trustee, and Scott Peotter  
25 are sometimes hereafter referred to collectively as "Guarantors," and the Commercial Guaranties  
26 executed by each are sometimes referred to hereinafter collectively as the "Guaranties."

27 14. In or around February 2008, the Bank extended the maturity date of the Loan to  
28 approximately April 19, 2008 pursuant to the Change in Terms Agreement, a true and correct copy

1 of which is attached hereto as Exhibit 8. As of the date the Change in terms agreement, the  
2 outstanding principle balance was \$13,053,106.72. Thereafter, the Borrower defaulted on the  
3 payment of the principal and interest due and owing under the Note. Borrower has failed to repay  
4 the Loan by failing to make the principal and interest payments required under the Note. On or  
5 about April 19, 2008, there was as a result due, owing and unpaid the principal sum of  
6 \$13,711,636.86 and unpaid interest, together with certain late charges and other obligations owing  
7 under the Note, in the amount of at least \$138,010.34, with interest accruing on the unpaid balance  
8 thereafter at the approximate rate of \$1,032.56 per day. Thereafter, the Borrower made a few  
9 sporadic payments towards principal and interest, but failed to bring the payments current.

10 15. Based on the foregoing event of default, the Bank provided written notice to  
11 Borrower and the Guarantors of the default on the Loan and made demand for payment of the  
12 Loan in full.

13 16. Borrower thereafter failed and refused to repay the Loan and has not satisfied or  
14 cured the event of default that currently exists under the Loan Documents.

15 17. On or about January 8, 2009, the Bank conducted a foreclosure sale with regard to  
16 certain real property that served as collateral to secure all of the obligations due under the Loan  
17 Agreement; the amount paid by the Bank at such sale was \$9,036,000, such amount constitutes a  
18 credit towards the amounts due, outstanding and unpaid under the Note. The trustee's deed upon  
19 sale with regard thereto was recorded on January 22, 2009 as Document No. 2009-00026686.

20 18. The total amount of indebtedness remaining due and owing on the Loan after the  
21 foreclosure sale is at least \$5,105,128.73, together with any additional interest owed at the default  
22 rate specified in the Loan Documents, attorneys' fees and other costs of collection, all of which  
23 continue to accrue, and Guarantors each separately and individually owe these amounts to Plaintiff  
24 pursuant to the Guaranties.

25 19. Guarantors have each failed and refused to repay the amount remaining due and  
26 owing on the Loan on behalf of Borrower, as required in the Guaranties.

27

28



**COMMERCIAL GUARANTY**

Principals	Loan Date	Maturity	Loan No.	Cal. Co.	Account	Officer	Initials

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:** Aslan Medical Center I, LLC  
41 Corporate Park, Suite 210  
Irvine, CA 92614

**Lender:** Vineyard Bank, N.A.  
Realty Group  
8105 Irvine Center Drive, Suite 600  
Irvine, CA 92618-3073

**Guarantor:** Scott E. Peotter  
1901 Port Weybridge  
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 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, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, 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 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 advances or 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. This Guaranty will continue to bind Guarantor for all the indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the indebtedness. All renewals, extensions, substitutions, and modifications of the indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new 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 Guaranty 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), prior to Guarantor's written revocation of this Guaranty 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).

**OBLIGATIONS OF MARRIED PERSONS.** Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against both his or her separate property and community property.

**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



**COMMERCIAL GUARANTY  
(Continued)**

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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.

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 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. 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 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.

**COMMERCIAL GUARANTY  
(Continued)**

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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 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.

**Arbitration.** Lender and Borrower and Guarantor agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Guaranty or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the financial services rules of Endispute, Inc., d/b/a J.A.M.S./ENDISPUTE or its successor in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Guarantor and Lender agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Guaranty shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**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 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. This Guaranty has been accepted by Lender in the 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 parol 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 Asian Medical Center I, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Guarantor.** The word "Guarantor" means everyone signing this Guaranty, including without limitation Scott E. Peotter, 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 Vineyard Bank, N.A., its successors and assigns.

**Note.** The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

**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 JULY 20, 2006.**

GUARANTOR:

X   
\_\_\_\_\_  
Scott E. Peotter

**CHANGE IN TERMS AGREEMENT**

Principal	Loan Date	Maturity	Loan No.	City	Account	Office	Initials
\$13,712,000.00	02/20/2006	04/19/2008	1816035477	7		98	

References in the boxes above 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:** Aslan Medical Center I, LLC  
41 Corporate Park, Suite 210  
Irvine, CA 92614

**Lender:** Vineyard Bank, N.A.  
Realty Group  
8105 Irvine Center Drive, Suite 600  
Irvine, CA 92618-3073

**Principal Amount: \$13,712,000.00 Initial Rate: 9.250% Date of Agreement: February 20, 2008**

**DESCRIPTION OF EXISTING INDEBTEDNESS.** Promissory Note in the original amount of \$13,712,000.00 dated July 20, 2006 and all subsequent modifications and renewals thereof. The outstanding principal balance due under the Note, as of the date of this Agreement, is \$13,053,106.72.

**DESCRIPTION OF CHANGE IN TERMS.** The maturity date has been extended from February 20, 2008 to April 19, 2008. Monthly payments of interest only will commence on March 10, 2008 with all subsequent payments due on the same day of each month thereafter. All other terms and conditions remain the same, as detailed in the paragraph below titled "CONTINUING VALIDITY".

**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 endorsee of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorsee, 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.

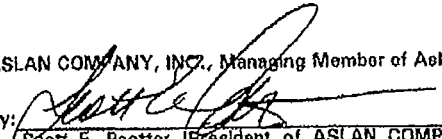
**PARTIAL RELEASE CLAUSE.** Vineyard Bank, N.A., will release individual condo units upon receipt of 100% of net proceeds from each condo sale as verified via an escrow closing statement. In no event shall the net proceeds fall below Par Value (\$407.10/SF) based on the condo's Modified Building Gross square footage. See "Schedule of Release Prices" attached hereto and made a part hereof.

**PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER:**

**ASLAN MEDICAL CENTER I, LLC**

**ASLAN COMPANY, INC., Managing Member of Aslan Medical Center I, LLC**

By:   
Scott E. Peotter, President of ASLAN COMPANY, INC.

**THE BARRY J. AND SUSAN J. HAMMOND FAMILY TRUST, Managing Member of Aslan Medical Center I, LLC**

By:   
Barry J. Hammond, Trustee of The Barry J. and Susan J. Hammond Family Trust