



APN NO. 1420-09-602-018
When recorded, return to:
GE Business Financial Services Inc.
c/o GE Capital Franchise Finance
8105 Irvine Center Drive, Suite 350
Irvine, CA 92618
Attention: Ana Ruiz

09-59074-KLB

SPACE ABOVE LINE FOR RECORDER'S USE

SUBORDINATION AND ATTORNMENMENT AGREEMENT

THIS SUBORDINATION AND ATTORNMENMENT AGREEMENT (this "*Agreement*"), is made as of April 1, 2010, by and among and **ROJO CALIENTE RESTAURANTES, INC.**, a Nevada corporation ("*Tenant*"), **BLADOW PROPERTIES, LLC**, a Nevada limited liability company ("*Landlord*"), and **GE BUSINESS FINANCIAL SERVICES INC.**, a Delaware corporation, in its capacity as Administrative Agent for the Secured Parties (as defined in the Credit Agreement, as defined below), including any successor agent under the Credit Agreement ("*Agent*").

PRELIMINARY STATEMENT

Landlord and Tenant are parties to the Restaurant Lease, dated as of November 20, 2007 (the "*Lease*"), pursuant to which Tenant leases from Landlord certain real property legally described on the attached Exhibit A and certain improvements located thereon (the "*Premises*"). The Premises is encumbered by that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement and Fixture Filing from Landlord in favor of Agent (as it may be amended from time to time, the "*Mortgage*") securing one or more Promissory Notes made by Landlord from time to time pursuant to the terms of the Credit Agreement (collectively, all such Promissory Notes are the "*Note*") and all other obligations (collectively, the "*Obligations*") of Landlord, Tenant, and other borrowers pursuant to the Credit Agreement dated June 20, 2007 among Landlord, Tenant, Bladow California, LLC, and Emerald Cascade Restaurant Systems, Inc., collectively as Borrower, Agent, and others (as it may be amended, amended, restated, supplemented, extended or renewed from time to time, the "*Credit Agreement*"). Capitalized terms used in this Agreement and not otherwise defined in this Agreement have the meanings given to those terms in the Credit Agreement. Tenant has agreed to recognize the rights of Agent in accordance with the terms and provisions of this Agreement.

AGREEMENT

In consideration of the mutual covenants and provisions of this Agreement, the parties agree as follows:



1. **Subordination.** Notwithstanding anything to the contrary contained in the Lease, the Lease and the leasehold estate created thereby are hereby declared to be, and hereafter shall continue at all times to be, junior, subject and subordinate, in each and every respect, to the Mortgage, including, without limitation, (i) any and all increases, renewals, modifications, extensions, substitutions, replacements and or consolidations of the Note or the Mortgage and (ii) any future mortgage or encumbrance affecting the Premises held by or made for the benefit of the Secured Parties and/or their successors and assigns. The foregoing subordination is effective and self-operative without the necessity for execution of any further instruments. Tenant hereby covenants with Agent that Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of the Secured Parties and/or their successors and assigns without prior written notice to and prior written consent of Agent. At any time at the election of Agent, Agent shall have the right to declare the Lease superior to the lien, provisions, operation and effect of the Mortgage.

2. **Attornment.** Notwithstanding the foregoing subordination, if the interest of Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings (judicial or non-judicial) for enforcement of the Mortgage or by reason of a deed in lieu of foreclosure, Tenant, at the election of the transferee and its successors and assigns (the "**Purchaser**") acquiring said interests, shall be bound to the Purchaser pursuant to all of the terms, covenants and conditions of the Lease for the balance of the term of the Lease then remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Purchaser were the original landlord under the Lease, and Tenant does hereby attorn to and agree to attorn to the Purchaser, as its landlord, said attornment to be effective and self-operative without the necessity for execution of any further instruments, upon Purchaser's election after succeeding to the interest of the Landlord under the Lease.

3. **Further Acts.** Notwithstanding any provisions contained in **Sections 1** and **2** above which state that the attornment and subordination by Tenant to Purchaser are effective and self-operative without the execution of any further instrument, Tenant agrees that, upon request of Agent and/or Purchaser, it will execute such reasonable written agreement to evidence and affirm any and all of Tenant's obligations under this Agreement, and further, Tenant agrees that it will execute from time to time such reasonable further assurances and estoppel certificates as may reasonably be requested by Agent and Purchaser. Without limiting the generality of the foregoing, if and to the extent that Landlord rejects the Lease in any federal or state proceeding, Tenant will, upon the request of Agent or Purchaser, immediately enter into a new lease directly with the Purchaser on the same terms as the Lease, provided execution of such new lease does not violate any bankruptcy law or related court order.

4. **Limitation.** Neither Agent nor any Purchaser shall be (a) liable for any act or omission of Landlord or any prior landlord (including the loss or misappropriation of any rental payments or security deposits); (b) subject to any credits, claims, setoffs, offsets or defenses which Tenant may have against Landlord or any prior landlord; (c) bound by (or responsible for) any advance payment of rent or any other monetary obligations under the Lease to Landlord in excess of one month's prepayment thereof in the case of rent, or in excess of one periodic payment in advance in the case of any other monetary obligations under the Lease; (d) responsible for any security deposit not actually received by Agent or any Purchaser; (e) bound by any amendment, assignment (in whole or in part), subletting, extension, renewal or modification of the Lease to which Agent has not consented in writing, and any attempted amendment, assignment (in whole or in part), subletting, extension, renewal or modification of the Lease without said consent shall be null and void and of no force and effect; (f) liable for latent and/or patent defects in the construction of the Premises; (g) liable for any breach of any warranty in the Lease by Landlord or a prior landlord; (h) bound by any obligation to repair, replace, rebuild or restore the Premises, or any part thereof, in the event of damage by fire or other casualty, or in the event of partial condemnation, beyond such repair, replacement, rebuilding or restoration as may be required of the landlord under the Lease and as can reasonably be accomplished with the use of the net insurance proceeds or the net condemnation award actually received by or made available to Agent or one or more of the Secured Parties (as successor in interest to Landlord) or Purchaser; (i) required to remove any person occupying the Premises or any part thereof; or (j) bound by any right of first refusal or right of first offer set forth in the Lease. Neither any Secured Party nor any Purchaser shall be liable for any reason for amounts in excess of the value of its interest in the Premises, or for consequential or punitive damages of any kind.

5. **Notice; Cure; Waivers.** Tenant agrees to give prompt written notice to Agent of (a) any default of the Landlord under the Lease if such default is of such a nature as to give Tenant a right to terminate the Lease, reduce rent or to credit or offset any amounts against future rents; and (b) any attempt by the Landlord (including



any successor or assignee of the Landlord) to amend, modify, terminate, or render void the Lease. If, within thirty (30) days after receipt of written notice from Tenant, any of the Secured Parties, at their sole option, commences to cure a default of Landlord under the Lease that is capable of being cured, or commences to pursue any other remedies under the Mortgage and thereafter diligently pursues such cure to completion, Tenant agrees not to terminate the Lease, reduce rent, credit or offset against future rents, consent or acquiesce in the termination of the Lease or surrender the Premises and agrees to continue to be bound by the terms of the Lease and this Agreement. As against the Secured Parties, Tenant hereby waives any default by Landlord which is not capable of being cured by the Secured Parties in the exercise of reasonable diligence.

6. **Payments of Rent to Agent.** Landlord absolutely assigns to Agent all payments of rent as the same are due under the Lease (the "*Rent*") and Tenant agrees that following written notice from Agent stating that an Event of Default (as defined in the Mortgage) has occurred and until such time as all of Landlord's Obligations have been fully paid, Tenant will pay the Rent directly to Agent and Landlord hereby consents to the same. All such rental payments received by Agent shall be credited against Landlord's obligations to Agent. Agent agrees to notify Landlord, in writing, of any failure of Tenant to pay Rent to Agent and Landlord immediately shall cure Tenant's failure to pay by paying such Rent to Agent. Landlord, by its execution hereof, agrees that this Agreement does not constitute a waiver by any of the Secured Parties of any rights under the Mortgage and any assignment of leases or rents contained therein, or in a separate instrument or in any way release the Landlord from any of the terms, conditions, obligations, covenants and agreements of the Mortgage.

7. **Certification.** Tenant hereby certifies to and agrees with Agent as follows, with the understanding that the Secured Parties are relying on such certifications and agreements in the entering into the Credit Agreement: (a) the Lease is in full force and effect; (b) all requirements for the commencement and validity of the Lease have been satisfied; (c) Tenant is not in default under the Lease; to the best of Tenant's knowledge, information and belief, the Landlord is not in default under the Lease; no act, event or condition has occurred, which with notice or the lapse of time, or both, would constitute a default by Tenant or Landlord under the Lease; no claim by Tenant of any nature exists against Landlord under the Lease; and all obligations of Landlord have been fully performed; (d) there are no defenses, counterclaims or setoffs against rents or charges due or which may become due under the Lease; (e) none of the rent which Tenant is required to pay under the Lease has been prepaid, or will in the future be prepaid, more than one month in advance; (f) Tenant has no right or option contained in the Lease or in any other document to purchase all or any portion of the Premises; (g) the Lease has not been terminated, modified or amended. The Lease shall not hereafter be terminated, modified or amended without the prior written consent of Agent in each instance; and (h) Tenant has not assigned, mortgaged, sublet, encumbered or otherwise transferred any or all of its interest under the Lease to any party and no other consents to the execution of this agreement by the Tenant are required from any other party.

8. **Choice of Law.** For purposes of any action or proceeding arising out of this Agreement, the parties hereto expressly submit to the jurisdiction of all federal and state courts located in the State of Illinois and Landlord, Tenant and Agent consent that they may be served in accordance with applicable law. Furthermore, Landlord and Tenant waive and agree not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. It is the intent of the parties hereto that the subordination of the Lease and the rights and remedies set forth in this Agreement shall be governed by the laws of the State in which the Premises is located. All other provisions of this Agreement shall be governed by and construed under the laws of the State of Illinois without giving effect to its conflicts of laws principles. Nothing contained in this paragraph shall limit or restrict the right of Agent to commence any proceeding in the federal or state courts located in the State in which the Premises are located to the extent Agent deems such proceeding necessary or advisable to exercise remedies available under this Agreement.

9. **Notices.** All notices, consents, approvals or other instruments required or permitted to be given by either party pursuant to this Agreement shall be in writing and given by (i) hand delivery, (ii) express overnight delivery service or (iii) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (a) receipt, if hand delivered, (b) the next business day, if delivered by express overnight delivery service, or (c) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the parties and addresses (or facsimile numbers, as applicable) specified below:



If to Landlord: Bladow Properties, LLC
5055 Avenida Encinas, Suite 200
Carlsbad, California 92008

If to Tenant: Rojo Caliente Restaurantes, Inc.
5055 Avenida Encinas, Suite 200
Carlsbad, California 92008

If to Agent: GE Business Financial Services Inc.
c/o GE Capital Franchise Finance
8377 East Hartford Drive, Suite 200
Scottsdale, Arizona 85255
Attention: Collateral Management

or to such other address or such other person as any party may from time to time hereafter specify to the other parties hereto in a notice delivered in the manner provided above.

10. **Waiver and Amendment; Captions; Severability.** No provisions of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. Captions are used throughout this Agreement for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof. The provisions of this Agreement shall be deemed severable. If any part of this Agreement shall be held unenforceable, the remainder shall remain in full force and effect, and such unenforceable provision shall be reformed by such court so as to give maximum legal effect to the intention of the parties as expressed therein.

11. **Waiver of Jury Trial and Punitive, Consequential, Special and Indirect Damages.** LANDLORD, TENANT AND EACH SECURED PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY HERETO OR ITS RESPECTIVE SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN. FURTHERMORE, LANDLORD, TENANT AND EACH SECURED PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT THEY MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES FROM THE OTHERS OR ANY OF THE OTHER'S AFFILIATES, OFFICERS, DIRECTORS OR EMPLOYEES OR ANY OF THEIR SUCCESSORS WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES AGAINST ANY OF THE OTHERS OR ANY OF THEIR AFFILIATES, OFFICERS, DIRECTORS OR EMPLOYEES OR ANY OF THEIR SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO. THE WAIVER BY LANDLORD, TENANT AND EACH SECURED PARTY OF ANY RIGHT THEY MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES HAS BEEN NEGOTIATED BY THE PARTIES HERETO AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

12. **Authority; Successors.** Tenant, Landlord and Agent covenant and agree that the persons signing on their behalf have full power, authority and authorization to execute this Agreement, without the necessity of any consents, authorizations or approvals, or if such consents, authorizations or approvals are required they have been obtained prior to the execution hereof. All provisions, covenants and agreements contained in this Agreement shall bind, inure to the benefit of, and equally relate to, Tenant, and its successors and assigns, jointly and severally, Landlord, and its successors and assigns, jointly and severally, and the Secured Parties, and their respective heirs,

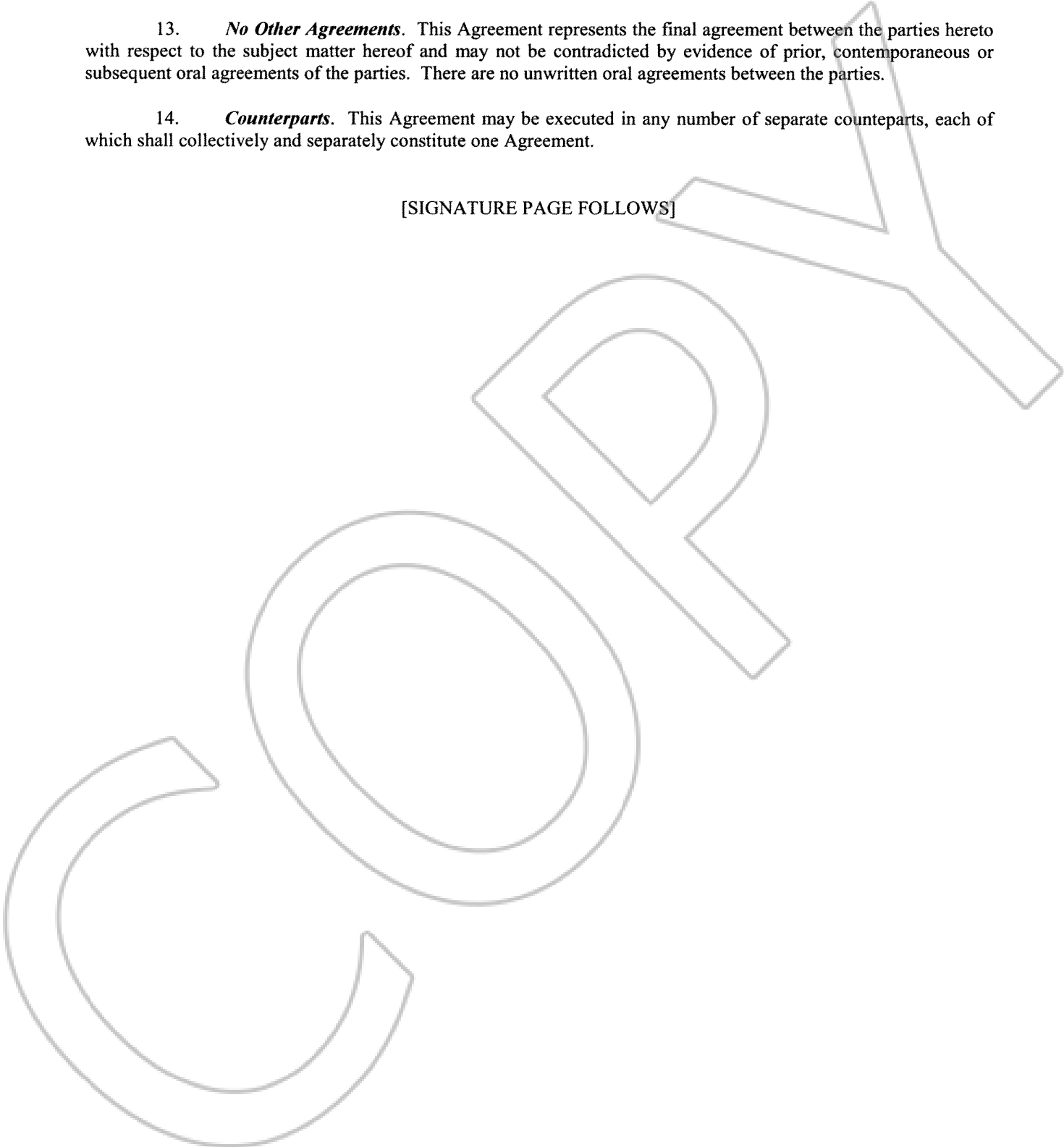


representatives, successors, and assigns, or other holder or holders of the Note, including an endorsee, assignee or pledgee of the Note receiving title thereto by or through Agent, or its successors or assigns.

13. **No Other Agreements.** This Agreement represents the final agreement between the parties hereto with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

14. **Counterparts.** This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one Agreement.

[SIGNATURE PAGE FOLLOWS]

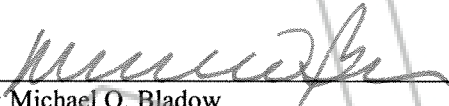




IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date set forth above.

TENANT:

ROJO CALIENTE RESTAURANTES, INC., a Nevada corporation

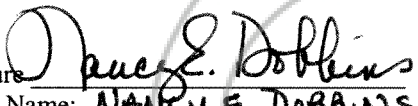
By: 
Name: Michael O. Bladow
Title: President

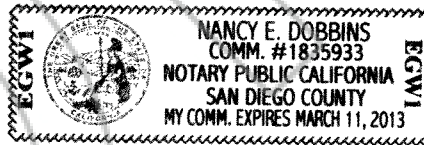
State of CALIFORNIA)
County of SAN Diego)

On 11-12-09, 2009, before me, NANCY E. DOBBINS, NOTARY PUBLIC, personally appeared Michael O. Bladow who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)
Printed Name: NANCY E. DOBBINS





LANDLORD:

BLADOW PROPERTIES, LLC, a Nevada limited liability company

By: Michael O. Bladow
Name: Michael O. Bladow
Title: Member-Manager

State of California)
County of San Diego)

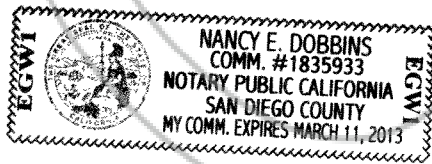
On 11-12-09, 2009, before me, NANCY E. DOBBINS NOTARY PUBLIC personally appeared Michael O. Bladow who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Nancy E. Dobbins (Seal)

Printed Name: NANCY E. DOBBINS





AGENT:

GE BUSINESS FINANCIAL SERVICES INC., a
Delaware corporation, as Administrative Agent, as
Lender, as Sole Bookrunner and as Lead Arranger

By: Margaret Wilcome
Name: Margaret Wilcome
Its: Authorized Signatory

State of _____
County of _____

On _____ before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature _____ (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

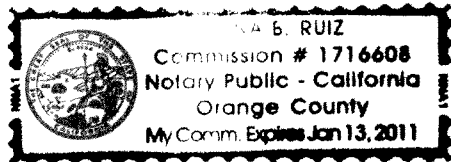
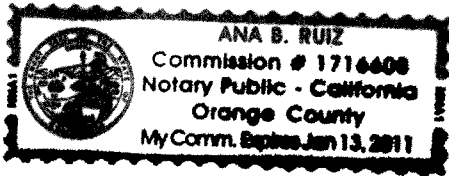
State of California

County of ORANGE

On 12-2-09
Date

before me, ANA B. RUIZ, NOTARY PUBLIC
Here Insert Name and Title of the Officer

personally appeared MARQUETTE WELCOME
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: SUBORDINATION AND ATTORNEY AGREEMENT

Document Date: _____ Number of Pages: _____

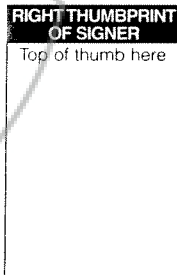
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

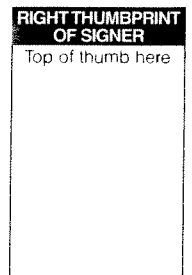




EXHIBIT A

LEGAL DESCRIPTION

Parcel 2 as shown on that certain Record of Survey in support of a Boundary Line Adjustment, Book 403, Page 1471 Dpci,emt Mp/ 572306, Official Records of Douglas County, Nevada.

A parcel of land situate within the South Half of the Northeast Quarter of Section 6, Township 14 North, Range 20 East, Douglas County, Nevada, more particularly described as follows: Beginning at a point from which the Center Section of said Section 6 bears South 43° 52' 48" West a distance of 1152.95 feet; thence North 89°16' 16" East a distance of 119.61 feet; thence South 00° 43' 44" East a distance of 127.50 feet; thence South 89° 16'16" West a distance of 119.61 feet; thence North 00°43'44" West a distance of 127.50 feet to the Point of Beginning.

