

18 ✓ West Orient Invest Inc
24278 Park Granada
Calabasas, CA 91302

DOC # 0763080
05/04/2010 02:29 PM Deputy: SD
OFFICIAL RECORD
Requested By:
WEST ORIENT INVESTMENTS INC

APNs: 1418-00-002-003
1418-27-210-001
1418-00-002-004

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 5 Fee: 18.00
BK-0510 PG-0597 RPTT: 0.00

WHEN RECORDED MAIL TO:

Cathay Bank
Real Estate Commercial Loan Department
9650 Flair Drive, 7/F
El Monte, California 91731
Attn: Angela Hui, SVP
Loan No. RE-10051678



The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Agreement") is made this 12th day of March, 2010, by ESSAM KHASHOGGI, Trustee of the ELK Trust, (u/d/t 12/23/86), owner of the land hereinafter described and hereinafter referred to as "Owner", and WEST ORIENT INVESTMENTS, INC., a California corporation ("West Orient");

RECITALS:

A. Owner, as the trustor, made, executed and delivered that certain Deed of Trust with Assignment of Rents dated November 15, 2003 ("Original Deed of Trust") where in Stewart Title of Nevada Holdings, Inc., a Nevada corporation, is the successor trustee and Dynamic Finance Corporation, a California corporation ("Dynamic"), is the beneficiary, which Original Deed of Trust was recorded on November 17, 2003, in the office of the County Recorder of Douglas County, Nevada, as Document No. 596974, Official Records, and encumbers the real property described therein (the "Property"). The Original Deed of Trust was assigned to Cathay Bank, a California banking corporation ("Cathay"), pursuant to an Assignment of Deed of Trust dated May 24, 2004, recorded June 22, 2004, as Document

No. 616791, of said Official Records, for the purpose of securing the obligations described in that certain Commercial Pledge Agreement for Loan No. RE-10051678, as amended, between Dynamic, Dynamic Holdings Corporation and Cathay. The Original Deed of Trust was amended by a First Amendment to Deed of Trust with Assignment of Rents dated October 27, 2008, and recorded on November 18, 2008, as Document No. 733236, of said Official Records. The Original Deed of Trust was further amended by a Second Amendment to Deed of Trust with Assignment of Rents dated March 12, 2010, and recorded concurrently herewith pursuant to a Second Amendment to Loan Agreement dated March 12, 2010, which together with the Original Loan Agreement dated November 15, 2003, and the First Amendment to Loan Agreement dated October 27, 2008, is herein referred to as the "Loan Agreement". Capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement. Such deed of trust amendments together with the Original Deed of Trust are referred to herein as the "Existing Deed of Trust". (As used herein, "Lender" shall mean Dynamic and Cathay.)

B. The Existing Deed of Trust secures an obligation in the principal amount of \$12,160,000.00.

C. Owner has executed, or is about to execute, a deed of trust securing a note in the principal amount of \$56,000.00 dated March 12, 2010, in favor of West Orient, payable with interest and upon the terms and conditions described therein and in the Loan Agreement, which deed of trust (the "New Deed of Trust") is to be recorded concurrently herewith.

D. It is a condition precedent to the Second Loan Modification that the New Deed of Trust shall, except as otherwise provided herein, unconditionally be and remain at all times a lien or charge upon the Property junior and subordinate to the lien or charge of the Existing Deed of Trust.

E. Lender is willing to enter into the Second Loan Modification provided the New Deed of Trust is a lien or charge upon the Property junior and subordinate to the lien or charge of the Existing Deed of Trust, except as otherwise provided herein, and provided that West Orient will specifically subordinate the lien or charge of the New Deed of Trust to the lien or charge of the Existing Deed of Trust on the terms set forth herein.

F. It is to the mutual benefit of the parties hereto that Lender enter into the Second Loan Modification. West Orient is in agreement that the Existing Deed of Trust shall remain a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the New Deed of Trust, except as otherwise provided herein.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to enter into the Second Loan Modification, it is hereby declared, understood and agreed as follows:



(1) Except as provided in the Loan Agreement, the New Deed of Trust hereby is unconditionally subordinated to the lien or charge of the Existing Deed of Trust securing the note in favor of Lender, and any renewals or extensions thereof, and shall unconditionally be and remain at all times a lien or charge on the Property, prior and superior to the lien or charge of the New Deed of Trust. The Loan Agreement provides that West Orient Note shall be fully paid from the proceeds of the sale by Owner of one or both of the two properties described in the Loan Agreement in the order of priority described therein prior to the full payment of the loan secured by the Existing Deed of Trust.

(2) Lender would not enter into the Second Loan Modification without this Agreement.

(3) This Subordination Agreement and the Loan Agreement shall be the only agreements with regard to the subordination of the lien or charge of the New Deed of Trust to the lien or charge of the Existing Deed of Trust.

West Orient:

**WEST ORIENT INVESTMENTS, INC., a
California corporation**

By: *Peggy L. Joslyn*
Name: Peggy L. Joslyn
Title: President

Owner:

EW
**ESSAM KHALIFA, Trustee of the ELK
Trust, (u/d/t 12/23/86)**

ACKNOWLEDGMENT

State of California
County of Los Angeles

On April 16, 2010 before me, Lillian Park, Notary Public
(insert name and title of the officer)

personally appeared *** Peggy L. Joslyn ***
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 *Lillian Park* (Seal)

Attachment to: Subordination Agreement, dated March 12, 2010, wherein ELK is the Owner.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Santa Barbara }

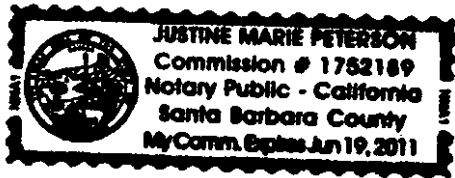
On April 13, 2010 before me, Justine Marie Peterson, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Essam Khashoggi
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.



Place Notary Seal Above

Signature [Handwritten Signature]
Signature of Notary Public

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 Agreement

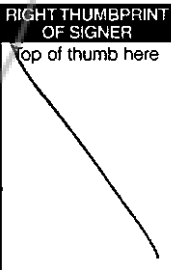
Document Date: March 12, 2010 Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Essam Khashoggi

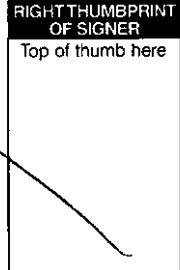
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: ELK TRUST

Signer's Name: _____

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



Signer Is Representing: _____