



200410290171
Skagit County Auditor

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AFTER RECORDING RETURN TO:

BEST & FLANAGAN LLP
225 South Sixth Street, Suite 4000
Minneapolis, Minnesota 55402
Attn: John Seiner

LOAN NO. 010-00001158

CHICAGO TITLE IC32611 ✓

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT

STATE OF WASHINGTON COUNTY OF SKAGIT

THIS AGREEMENT, dated October 28, 2004, executed by and among ARTESIA MORTGAGE CAPITAL CORPORATION, a Delaware corporation, and its successors and/or assigns, with its principal office at 1180 NW Maple Street, Suite 202, Issaquah, WA 98027 (hereinafter called "Lender"); PAWN X-CHANGE, LLC, a Washington limited liability company (as successor in interest to Pawn X-Change, Inc., a Washington corporation) (hereinafter called "Tenant"); and MT. VERNON RETAIL, LLC, a(n) Washington limited liability company (as successor in interest to 425 East College Way, L.L.C., a Washington limited liability company) (hereinafter called "Borrower");

WITNESSETH:

WHEREAS, Tenant has entered into a certain Lease dated August 21, 2002, as amended by that certain Addendum to Lease Agreement dated September 1, 2002 ("Lease") with Borrower, covering certain premises more fully described in said Lease ("Premises") located in 425 College Way East, Mt. Vernon, Skagit County, Washington, more fully described on Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, by the Security Instrument (as defined in that certain Fixed Rate Note, dated October 26, 2004, and all modifications, extensions, renewals and replacements thereof or judgments thereon [collectively, the "Note"]) dated Oct. 26, 2004, and recorded on Oct 29, 2004, at Reception/Document No. * of the Skagit County, Washington real estate records (hereinafter called the "Security Instrument"), Borrower granted a first lien interest in the Property and the Premises to Lender; and * 200410290169

WHEREAS, by Assignment of Leases, Rents, Income and Profits dated October 26, 2004, and recorded on Oct 29, 2004, at Reception/Document No. ** of the Skagit County, Washington real estate records (hereinafter called the "Assignment"), Borrower assigned all leases, rents, security deposits or other security affecting the mortgaged premises, as security for the payment of the ** * 200410290170

indebtedness of Borrower to Lender; and

WHEREAS, Tenant desires to be assured of continued occupancy of the Premises under the terms of the Lease and subject to the terms of the Security Instrument.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) by each party in hand paid to the other, the receipt of which is hereby acknowledged, and in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound hereby, promise, covenant and agree as follows:

1. The Lease and all estates, options (including purchase options, if any), liens and charges therein contained or created thereunder is and shall be subject and subordinate to the lien and effect of the Security Instrument insofar as it affects the real and personal property of which the Premises forms a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, to the full extent of the principal sum secured thereby and interest thereon, with the same force and effect as if the Security Instrument had been executed, delivered, and duly recorded among the above-mentioned public records, prior to the execution and delivery of the Lease.

2. In the event Lender takes possession of the Premises as mortgagee-in-possession or through a receiver, or forecloses the Security Instrument or takes a deed in lieu of foreclosure, Lender agrees not to affect or disturb Tenant's right to possession of the Premises in the exercise of Lender's rights so long as Tenant is not in default under any of the terms, covenants or conditions of the Lease.

3. In the event that Lender succeeds to the interest of Borrower under the Lease and/or to title to the Premises, Lender and Tenant hereby agree to be bound to one another under all of the terms, covenants and conditions of the Lease. Accordingly, from and after such event, Lender and Tenant shall have the same remedies against one another for the breach of an agreement contained in the Lease as Tenant and Borrower had before Lender succeeded to the interest of Borrower.

4. In the event that anyone else acquires title to or the right to possession of the Premises upon the foreclosure of the Security Instrument, or upon the sale of the Premises by Lender or its successors or assigns after foreclosure or acquisition of title in lieu thereof or otherwise, Tenant agrees not to seek to terminate the Lease by reason thereof, but shall remain bound unto the new owner so long as the new owner agrees to be bound to Tenant under all terms, covenants and conditions of the Lease.

5. In the event Lender becomes a mortgagee-in-possession of the Premises or exercises its rights under the Assignment or the Security Instrument, Tenant agrees to make all payments payable by Tenant under the Lease directly to Lender upon Lender's written instructions to Tenant.

6. Tenant hereby warrants and represents, covenants and agrees with Lender:

(i) to deliver to Lender a duplicate of each notice of default delivered to Borrower at the same time as such notice is given to Borrower;

(ii) that Tenant is now the sole owner of the leasehold estate created by the Lease and shall not hereafter assign the Lease except as permitted by the terms thereof, and that notwithstanding any such assignment or any sublease, Tenant shall remain primarily liable for the observance and performance of all of its agreements under the Lease;

(iii) not to anticipate the payment of rent or other sums due under the Lease; and

(iv) to promptly certify in writing to Lender, in connection with any proposed assignment of the Security Instrument whether or not any default on the part of Borrower then exists under the Lease.



7. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, executors, successors and assigns.

8. This Agreement may be executed in counterparts, all of which executed counterparts shall together constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

[SIGNATURE PAGE(S) ATTACHED]



IN WITNESS WHEREOF, the undersigned have executed this Agreement under seal as of the day and year first above written.

LENDER:

ARTESIA MORTGAGE CAPITAL CORPORATION, a Delaware corporation

By: Nicole Kerner

Name: Nicole Kerner

Its: Credit Manager

State of Washington

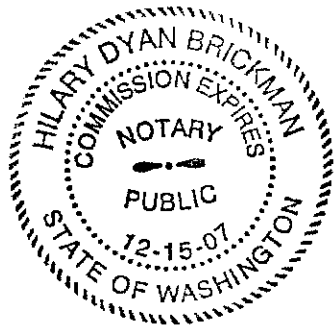
County of King

On this day personally appeared before me Nicole Kerner, to me known to be the Credit Manager of ARTESIA MORTGAGE CAPITAL CORPORATION, a Delaware corporation, the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Hilary Dyan Brickman
Notary Public residing at Maple Valley

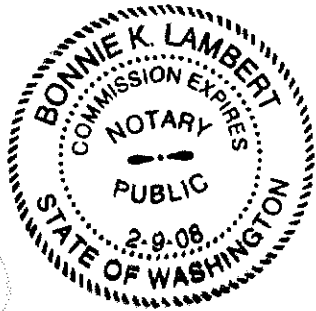
Printed Name: Hilary Dyan Brickman

My Commission Expires: 12-15-07



200410290171

Skagit County Auditor



BORROWER:

MT. VERNON RETAIL, LLC,
a Washington limited liability company

By: 
Donald F. Rapp, Manager

State of Washington

County of King

On this day personally appeared before me Donald F. Rapp, to me known to be the Manger of MT. VERNON RETAIL, LLC, a Washington limited liability company, the limited liability company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.


Notary Public residing at Seattle

Printed Name: BONNIE K LAMBERT

My Commission Expires: 02-09-08



200410290171
Skagit County Auditor

TENANT:

PAWN X-CHANGE, LLC,
a Washington limited liability company

By: [Signature]

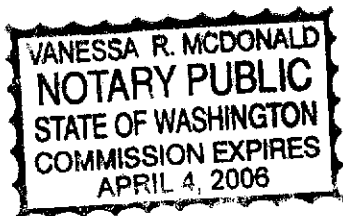
Name: Brad Shain

Its: President

State of Washington

County of King

On this day personally appeared before me Bradley E. Shain, to me known to be the President of PAWN X-CHANGE, LLC, a Washington limited liability company, the limited liability company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.



Vanessa R. McDonald
Notary Public residing at Center

Printed Name: Vanessa R. McDonald

My Commission Expires: 4-4-06



EXHIBIT A

LEGAL DESCRIPTION

The Property is located in Skagit County, Washington, and is legally described as follows:

PARCEL A

Tracts B and C, CITY OF MOUNT VERNON SHORT PLAT NO. MV-26-76, approved September 10, 1976, recorded September 23, 1976 in Volume 1 of Short Plats, page 175, under Auditor's File No. 843161 and being a portion of Tracts 9 and 10, Plat of Mount Vernon Acreage, Skagit County, Washington, according to the plat thereof recorded in Volume 3 of Plats, page 102, records of Skagit County, Washington.

Situated in Skagit County, Washington.

PARCEL B

An easement as set forth in "Reciprocal Use Agreement" for mutual ingress, egress, parking and driveways as recorded November 21, 1976 under Auditor's File Numbers 869014 and 869036, records of Skagit County, Washington, over the following described property:

The East 77 feet of the West 245 feet of the South 100 feet of Tract 9, Plat of Mount Vernon Acreage, as per plat recorded in Volume 3 of Plats, page 102, records of Skagit County Washington.

Situated in Skagit County, Washington.

PARCEL C

An easement as set forth in "Easement and Maintenance Agreement" for vehicular and pedestrian ingress, egress, access, and vehicular parking as recorded September 22, 2004 under Auditor's File Numbers 200409220116, records of Skagit County, Washington, over the following described property:

The West 168 feet of Tract 9, Plat of Mount Vernon Acreage, as per plat recorded in Volume 3 of Plats, page 102, records of Skagit County Washington, and the North 29.5 feet of the East 100 feet of the West 268 feet of Tract 9, Plat of Mount Vernon Acreage, as per plat recorded in Volume 3 of Plats, page 102, records of Skagit County Washington,

Situated in Skagit County, Washington.

