

**RETURN ADDRESS:**

Banner Bank  
PO Box 907  
Walla Walla, WA 98011  
ATTN: Stacey Morris



200410140094  
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

112545-S

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

**SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT LEASE**

Reference # (if applicable):

Grantor(s):

1. Automatic Laundry Company, LTD
- 2.

Grantee(s)/Assignee/Beneficiary

Banner Bank, Beneficiary

Auditors # 200410130109

Legal Description: Lot 1, Block 9, "RIVERSIDE ADDITION TO THE TOWN OF MOUNT VERNON," as per plat recorded in Volume 3 of Plats, page 24, records of Skagit County, Washington.

Assessor's Tax Parcel ID#: 3755-009-001-0001

**THIS SUBORDINATION NONDISTURBANCE AND ATTORNMENT AGREEMENT LEASE ("Subordination") dated October 11, 2004 is made and executed among ("Lessee"); ("Borrower"); and ("Lender").**

**LEASE.** Lessee has executed one or more leases, including amendments, if any, of the following described property (being referred to as the "Subordinated Lease" or "Lease").

**REAL PROPERTY DESCRIPTION.** The Lease covers a portion of the following described real property located in Skagit County, State of Washington ("Real Property").

(insert legal description)

The Real Property or its address is commonly known as 1008 South 2<sup>nd</sup> Street, Mount Vernon WA 98273.  
The Real Property tax identification number is 3755-009-001-0001.

**REQUESTED FINANCIAL ACCOMMODATIONS.** Borrower wants Lender to provide financial accommodations to Borrower in the form of (A) new credit or loan advances, (B) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (C)

other benefits to Borrower. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower. Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

**LENDER'S LIEN.** As a condition to the granting of the requested financial accommodations, Lender has required that Lender's Lien and Superior Indebtedness (hereinafter referred to as "Lender's Lien" Superior Indebtedness" and or "Deed of Trust") be and remain superior to the Subordinated Lease.

Deed of Trust recorded 10/13/04 Auditors # 200410130109

**NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:**

**SUBORDINATION.** So long as the Lessee's occupancy is not disturbed as provided below, all of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be Subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. So long as Lessee is not in default (beyond any period given Lessee by the terms of the Lease to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants, or conditions of the Lease on Lessee's part to be performed, (a) Lessee's possession of the Real Property, or any extension or renewal rights therefore in the Lease, shall not be diminished or interfered with by Lender, and Lessee's occupancy of the Real Property shall not be disturbed by Lender during the term of the Lease or any such extensions or renewals thereof, and (b) Lender will not join Lessee as a party defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then for such purpose and not for the purpose of terminating the Lease.

**LENDERS RIGHTS.** Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credit, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

**DEFAULT BY BORROWER.** If borrower becomes insolvent or bankrupt, this Subordination shall remain in force and effect. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

**ASSIGNMENT OF LEASE.** Lessee acknowledges that the interest of landlord in the Lease is held by Borrower and that Borrower's interest has been assigned to Lender as security under the Deed of Trust and that Lender assumes no duty, liability or obligation under the Lease or any extension or renewal of the Lease, either by virtue of said assignment or by any subsequent receipt or collection of rents under the assignment, provided however, nothing herein waives Lessee's rights to any offsets or defenses under the Lease and, except as expressly provided for in the Lease, unless the written consent of Lender is first obtained, which consent shall not be unreasonably withheld or denied. no cancellation, surrender or



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modification may be made of the Lease, and except as otherwise expressly required by the terms of the Lease no rental shall be paid other than as now provided in the Lease or in such modification of the Lease as may receive written approval of the Lender. In the event Lender fails to respond within thirty (30) days after receipt of a request for consent, Lender will be deemed to have consented to the requested modification or amendment.

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

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

**Attorneys' Fees: Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Subordination, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, the prevailing party's attorneys' fees and legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. The prevailing party shall also be entitled to any court costs, in addition to all other sums provided by law.

**Authority.** The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Borrower's property, if any.

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

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

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Subordination 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 Subordination 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 Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, 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 the Lender.

**Successors.** This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee and Borrower herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.



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**Waive Jury.** All parties to this Subordination hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Effectiveness of Agreement.** This agreement shall become effective upon the execution and delivery by and to each party hereto.

**EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED Oct. 11, 2004.**


**BORROWER:**

**SOLO Properties, LLC**

  
Litsa Georgiadis Olsson, Manager

**LESSEE:**

**Automatic Laundry Company, Ltd.**

**LENDER:**  


Banner Bank  
By Todd Hull (AVP)  
Authorized Officer



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Litsa Georgiadis Olsson, Manager

**LESSEE:**  
**Automatic Laundry Company, Ltd.**



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Banner Bank  
By Todd Hull (AVP)  
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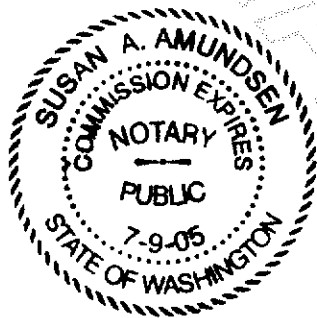


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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SNOHOMISH )

I certify that I know or have satisfactory evidence that **Richard R. Smith** is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as an **Authorized Representative** of AUTOMATIC LAUNDRY COMPANY, Ltd. By: JCP Holding, L.P., its general partner By: JCP Holding Genpar, LLC, a Texas limited liability company, its general partner, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED 10-12-2004



Susan A. Amundsen  
Print Name Susan A. Amundsen  
NOTARY PUBLIC in and for the State of  
Washington, residing at Shoreline  
My appointment expires 7-9-05



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