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DOUG CROFTS, WEBER COUNTY RECORDER
11-OCT-05 205 PM FEE \$24.00 DEP JPN
REC FOR: FIRST AMERICAN TITLE

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SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

013-4540975
11-300-0002

Hastings Entertainment, Inc., a Texas corporation,

Tenant

AND

CIBC INC.,

Lender

Section:

Block:

Lot:

County:

State:

Premises: NWC Washington Blvd. 300 North

Harrisville, UT

Dated: as of August 16, 2005

Record and return by mail to:

WINSTON & STRAWN
200 Park Avenue
New York, New York 10166
Attention: William C. Seligman, Esq.

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of this 16th day of August, 2005, by and among Harrisville-Rogers II, L.C., a Utah limited liability company ("**Landlord**"), CIBC INC., a Delaware corporation ("**Lender**"), and Hastings Entertainment, Inc., a Texas corporation ("**Tenant**").

RECITALS:

A. Tenant has executed that certain lease dated December 6, 2004 (the foregoing, the "**Lease**"), with Landlord, as lessor, covering the premises described in the Lease consisting of approximately a 20,400 square foot space (the "**Premises**") in that certain building located at NWC Washington Blvd. 300 North, Harrisville, Utah (the "**Property**") and more particularly described in Exhibit A attached hereto and made a part hereof by this reference; and

B. Lender has made (or agreed to make) a loan to Landlord secured by a mortgage or deed of trust encumbering the Property and an assignment of Landlord's interest in the Lease (said mortgage or deed of trust and assignment of leases, together with any amendments, renewals, increases, modifications, substitutions or consolidations of either of them, collectively, the "**Security Instrument**"); and

C. Tenant and Lender desire to confirm their understanding with respect to the Lease and the Security Instrument, and to have Landlord confirm its agreement therewith.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications or renewals thereof, including but not limited to any option to purchase or right of first refusal to purchase the Property or any portion thereof, if any, is and shall continue to be subject and subordinate in all respects to the lien of the Security Instrument.

2. Tenant agrees to deliver to Lender, in the manner set forth in Paragraph 13 of this Agreement, a copy of any notice of default sent to Landlord by Tenant. If Landlord fails to cure such default within the time provided in the lease, Lender shall have the right, but not the obligation, to cure such default on behalf of Landlord within thirty (30) calendar days after the time provided for Landlord to cure such default in the Lease has expired or, if such default cannot be cured within that time, within a reasonable period provided Lender is proceeding with due diligence to cure such default. In such event, Tenant shall not terminate the Lease while such remedies are being diligently pursued by Lender. Tenant hereby agrees that no action taken by Lender to enforce any rights under the Security Instrument or related security documents, by reason of any default thereunder shall, except as expressly provided in the Lease, give rise to any right of Tenant to terminate the Lease nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. So long as Tenant is not in default under the Lease, Lender shall not disturb Tenant's possession and occupancy of the Premises or diminish or disturb Tenant's rights under the Lease during the term of the Lease, and shall not name Tenant as a party to any action to enforce the Security Agreement, including, without limitation, an action to obtain the right to possession of the Property by foreclosure, deed in lieu of foreclosure, or otherwise ("**Foreclosure**").

4. If Lender or its nominee or designee, or another purchaser of the Property upon a Foreclosure (any such person or entity, a "**Successor Owner**") succeeds to the interest of Landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect. Thereupon, Successor Owner shall recognize the Lease and Tenant's rights

thereunder and Tenant shall make full and complete attornment to Successor Owner as substitute landlord upon the same terms, covenants and conditions as provided in the Lease, including, but not limited to, any option to purchase or right of first refusal to purchase the Property as may be provided in the Lease. Tenant agrees that any such option or right of first refusal to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to and shall not in any way impair or delay any Foreclosure, as defined herein.

5. Tenant agrees that, if Successor Owner shall succeed to the interest of Landlord under the Lease, Successor Owner shall not be:

- (a) liable for any prior act or omission of Landlord or any prior landlord or consequential damages arising therefrom, except for non-monetary defaults of a continuing nature with respect to the Premises; or
- (b) subject to any offsets or defenses which Tenant might have as to Landlord or any prior landlord unless Lender has received notice of such offsets or defenses pursuant to this Agreement; or
- (c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which tenant might have paid Landlord; or
- (d) bound by any amendments or modifications of the Lease that reduce the amount of rent payable thereunder or shorten the term thereof or materially increase Landlord's obligations under the Lease made without Lender's or Successor Owner's prior written consent; or
- (e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Lender.

6. To the extent that the Lease shall entitle Tenant to notice of the existence of any Security Instrument and the identity of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Lender.

7. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Lender shall be entitled, but not obligated, to require that Tenant pay all rent under the Lease as directed by Lender, which payment shall, to the extent made, satisfy the obligations of Tenant under the Lease. Landlord agrees to hold Tenant harmless with respect to any such payments made by Tenant to Lender.

8. Nothing in this Agreement shall impose upon Lender any liability for the obligations of Landlord under the Lease unless and until Lender takes title to the Property.

9. Except as specifically provided in this Agreement, Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise.

10. The provisions of the Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns. The words, "Lender", "Landlord" and "Tenant" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns.

11. All notices and all other communication with respect to this Agreement shall be directed as follows: if to Lender, 622 Third Avenue, 10th Floor, Attn: Real Estate Finance, New York,

New York 10017, or such other address as Lender may designate in writing to Tenant; and, if to Tenant, at the address set forth in the Lease or at such other address as tenant may designate in writing to Lender. All notices shall be in writing and shall be (a) hand-delivered, (b) sent by United States express mail or by private overnight courier, or (c) served by certified mail postage prepaid, return receipt requested, to the appropriate address set forth above. Notices served as provided in (a) and (b) shall be deemed to be effective upon delivery or upon refusal thereof. Any notice served by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three business days after the date of mailing, whichever is earlier in time.

12. This Agreement contains the entire agreement between the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

13. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

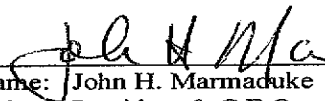
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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CIBC INC., a Delaware corporation


By: 
Name: Tadey Roth
Title: Authorized Signatory

Hastings Entertainment, Inc., a Texas corporation

By: 
Name: John H. Marmaduke
Title: President & C.E.O.

AGREED AND CONSENTED TO:

Harrisville-Rogers II, L.C., a Utah limited liability company

By: 
Name: Steven B. Ostler
Title: Manager

STATE OF [Utah])
) ss.
COUNTY OF [Salt Lake])

On September 12, 2005 before me, Rachael N. Niusulu, appeared, Steven B. Oster, personally known to me to be the person whose name is subscribed to the within instrument and who did acknowledge that he/she executed the same in his/her capacity and that by his/her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Given under my hand and official seal this [12th] day of [September], [2005],
A.D.

Rachael N. Niusulu

My commission expires: 8.20.07

(SEAL) Notary Public



EXHIBIT "A "

Escrow No. **013-4540975 (jow)**
A.P.N.: **11-300-0002**

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PARCEL 1:

LOT 2, HARRISVILLE RETAIL SUBDIVISION, IN THE CITY OF HARRISVILLE, COUNTY OF WEBER, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE WEBER COUNTY RECORDER'S OFFICE.

PARCEL 2:

THOSE RIGHTS APPURTENANT TO PARCEL 1 AS CREATED AND CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED EASEMENTS WITH COVENANTS AND RESTRICTIONS AFFECTING LAND ("ECR") RECORDED SEPTEMBER 22, 1999 AS ENTRY NO. 1663781 IN BOOK 2035 AT PAGE 280 OF OFFICIAL RECORDS IN THE WEBER COUNTY RECORDER'S OFFICE.