

After filing return to:

BANK OF AMERICA, N.A.
Pasadena - Credit Services
Attn: Notice Desk
CA9-702-05-71
101 S. Marengo Avenue, 5th Floor
Pasadena, CA 91101-2428



200806020140

Skagit County Auditor

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SUBORDINATION AGREEMENT - LEASE

Chicago Title IC45507
Escrow BE11903

Grantor #1: Munson Properties, LLC

Grantor #2: William E. Munson Company

Grantee: BANK OF AMERICA, N.A.

Abbreviated Legal Description:

Lots 1B and 1C, BAY RIDGE BUSINESS PARK BINDING SITE PLAN BSP NO. 00-0154.

Additional legal description is on Exhibit A of document.

Assessor's Property Tax Parcel Account Number(s):

P118503 and P118504

Reference Number(s) of Document(s) (if applicable): UNRECORDED LEASES AND
DEEDS OF TRUST RECORDED UNDER AUDITOR'S FILE NOS. 200806020137
AND 200806020138.

SUBORDINATION AGREEMENT - LEASE

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

This Subordination Agreement is made as of May 29, 2008, by and among William E. Munson Company ("Lessee") and Munson Properties, LLC ("Lessor") in favor of Bank of America, N.A. ("Bank").

Factual Background

A. Lessor and Lessee have entered into a lease agreement dated as of December 31, 2004 ("Lease"), covering certain premises located at 15806 Peston Place, Burlington, WA 98233 (Property). The Property is more particularly described in Exhibit A attached hereto and incorporated herein.

B. Bank is the beneficiary of two (2) Deeds of Trust ("Deed of Trust"), dated as of May 29, 2008, which Deed of Trust will be recorded concurrently herewith in the records of Skagit County, Washington, encumbering the Property. The Deed of Trust secures certain obligations to Bank as more particularly described therein (the "Secured Obligations").

C. It is a condition to Bank's extending the Secured Obligations that the lien of the Deed of Trust shall at all times be senior and prior to the interest of Lessee under the Lease.

Agreement

Therefore, in consideration of benefits from Lessor to Lessee, receipt and sufficiency of which is hereby acknowledged, and to induce Bank to advance funds under its Deed of Trust and all agreements in connection therewith, Lessor and Lessee agree for the benefit of Bank as follows:

1. The lien of the Deed of Trust and any renewals, extensions, modifications and supplements thereto, shall unconditionally be and remain at all times a lien or charge on the Property prior and superior to the Lease, to the leasehold estate created thereby, and to all rights and privileges of Lessee thereunder.

2. The Bank would not extend the Secured Obligations without this Subordination Agreement.

3. Lessee consents to and approves of all provisions of the Secured Obligations and the Deed of Trust as the same may be amended from time to time.

4. Lessee intentionally and unconditionally waives, relinquishes and subordinates its interests under the Lease in favor of the lien of the Deed of Trust and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, a specific loan or other credit accommodation will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.



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

PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

LESSEE:

William E. Munson Company

By: [Signature]
William E. Munson, President

By: [Signature]
Janet E. Munson, Secretary

LESSOR:

Munson Properties, LLC

By: [Signature]
William E. Munson, Managing Member

By: [Signature]
Janet M. Munson, Managing Member

[All signatures must be acknowledged]



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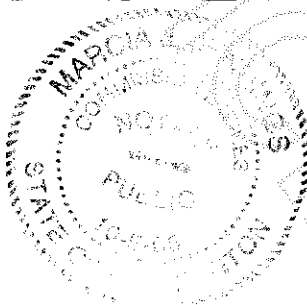
ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that William E. Munson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of William E. Munson Company a Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 5/30/08

Marcia J. Jennings
NOTARY PUBLIC in and for the State of
Washington residing at: Sedro Woolley
My commission expires: 10/15/2008
Print name: Marcia J. Jennings



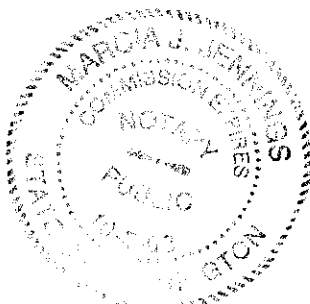
ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that Janet E. Munson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Secretary of William E. Munson Company a Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 5/30/08

Marcia J. Jennings
NOTARY PUBLIC in and for the State of
Washington residing at: Sedro Woolley
My commission expires: 10/15/2008
Print name: Marcia J. Jennings



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ACKNOWLEDGMENT

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that William E. Munson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Managing Member of Munson Properties, LLC, a limited liability Co. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 5/30/08

Marcia J. Jennings
NOTARY PUBLIC in and for the State of
Washington residing at: Sedro Woolley
My commission expires: 10/15/2008
Print name: Marcia J. Jennings

ACKNOWLEDGMENT

STATE OF WASHINGTON)
COUNTY OF Skagit) ss.

I certify that I know or have satisfactory evidence that Tanet M. Munson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Managing Member of Munson Properties, LLC, a limited liability Co. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: 5/30/08

Marcia J. Jennings
NOTARY PUBLIC in and for the State of
Washington residing at: Sedro Woolley
My commission expires: 10/15/2008
Print name: Marcia J. Jennings

EXHIBIT A

Lots 1B and 1C of BAY RIDGE BUSINESS PARK BINDING SITE PLAN, BSP NO. 00-0154, approved October 29, 2001, and recorded October 29, 2001, under Auditor's File No. 20110290120, records of Skagit County, Washington; being a portion of Lot 1, SKAGIT COUNTY SHORT PLAT NO. 96-012 in the East Half of the Northeast Quarter of Section 3, Township 34 North, Range 3 East of the Willamette Meridian.

Situated in Skagit County, Washington.



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