

When recorded return to:  
Peoples Bank  
418 Grover Street  
PO Box 233  
Lynden, WA 98284



200905150105  
Skagit County Auditor

5/15/2009 Page 1 of 3 3:21PM

GRANTOR: Gordon T Godfrey  
GRANTEE: Peoples Bank  
LEGAL DESCRIPTION (Abbreviated): Lot 897, shelter Bay Div. #5  
ASSESSOR'S TAX PARCEL ID #: 5100-005-897-0000  
REFERENCE NOS OF OTHER DCUMENTS: 200109270127  
LAND TITLE OF SKAGIT COUNTY

## ACCOMMODATION RECORDING

## SUBORDINATION AGREEMENT

NOTICE TO SUBORDINATOR: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD LIFE ESTATE IN THE REAL PROPERTY BECOMING SUBJECT TO, AND OF LOWER PRIORITY THAN, THE LIEN OF A LATER MORTGAGE.

The undersigned hereby agree as follows:

1. Gordon T Godfrey, referred to herein as "Subordinator", is the tenant and holder of a Life Lease Agreement dated August 22, 2001 (the "Life Lease Agreement"), which was recorded against the Real Property (described in Paragraph 3 below) on September 27, 2001 under auditor's file No. 200109270127, records of Skagit County, Washington.
2. Peoples Bank, referred to herein as "Lender", is the owner and holder of a mortgage dated April \_\_, 2009 executed by GORDON T. GODFREY, Individually and as Trustee, and JANE A. GODFREY as Trustee on behalf of THE GODFREY FAMILY TRUST, DATED NOVEMBER 29, 1999 and as security for a loan in the original principal amount of \$55,000.00 ("Lender's Mortgage"), which is to be recorded against the Real Property (defined in Paragraph 3 below) in Skagit County Washington concurrently herewith.
3. GORDON T. GODFREY, Individually and as Trustee, and JANE A. GODFREY as Trustee on behalf of THE GODFREY FAMILY TRUST, DATED NOVEMBER 29, 1999 referred to herein as "Owner," are the landlord under the Life Lease Agreement, are the borrower under the loan to be secured by Lender's Mortgage, and are the owners of fee simple title to the following described real property (the "Real Property"):

A leasehold interest in the following described tract:

LOT 897, "AMENDED SURVEY OF SHELTER BAY Div. 5, Tribal and Allotted Lands of Swinomish Indian Reservation," as recorded on June 2, 1976, as recorded in Volume 1 of Surveys, pages 184 through 186, inclusive, records of Skagit County, Washington, under Auditor's File No. 836134.

Situate in the County of Skagit, State of Washington.

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds to Owner under the loan to be secured by Lender's Mortgage and all agreements in connection therewith, the Subordinator does hereby unconditionally subordinate the Life Lease Agreement identified in Paragraph 1 above to the lien of Lender's Mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
5. Subordinator acknowledges that, prior to the execution hereof, she has had the opportunity to examine the terms of Lender's Mortgage, promissory note and agreements relating thereto, consents to and approves same, and recognizes that Lender has no obligation to Subordinator to advance any funds under Lender's Mortgage or see to the application of any funds advanced under Lender's Mortgage, and any application or use of such funds for

purposes other than those provided for under Lender's Mortgage, promissory note and agreements relating thereto shall not defeat the subordination herein made in whole or in part.

6. It is understood by Subordinator and Owner that Lender would not make the loan to be secured by Lender's Mortgage without this agreement by Subordinator.
7. This agreement shall be the whole and only agreement made by Subordinator and Owner for the benefit of Lender with regard to the subordination of the Life Lease Agreement to the lien or charge of Lender's Mortgage and shall supersede and cancel any prior agreements as to such subordination, if any.
8. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Gender and number of pronouns shall be considered to conform to undersigned.

NOTICE TO SUBORDINATOR: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE LANDLORD UNDER YOUR LIFE LEASE AGREEMENT TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE REAL ESTATE.

NOTICE TO SUBORDINATOR AND OWNER: IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE SUBORDINATOR AND THE OWNER SHOULD EACH CONSULT WITH THEIR RESPECTIVE ATTORNEYS AND TAX ADVISERS WITH RESPECT THERETO. LENDER HAS NOT GIVEN ANY LEGAL OR TAX ADVICE CONCERNING THIS AGREEMENT TO SUBORDINATOR, OWNER OR ANY OTHER PERSON.

May 14  
Dated: April \_\_, 2009

SUBORDINATOR:

Gordon T Godfrey  
Gordon T Godfrey

OWNER:

Gordon T Godfrey  
Gordon T Godfrey, Trustee of The Godfrey Family Trust

Jane A Godfrey  
Jane A Godfrey, Trustee of The Godfrey Family Trust

Gordon T Godfrey  
Gordon T Godfrey, Individually

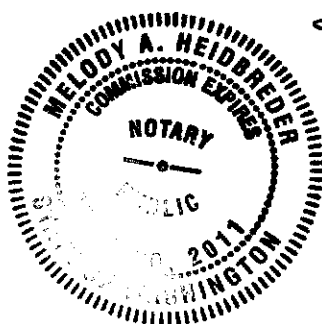
STATE OF WASHINGTON

ss.

COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that Gordon T Godfrey is the person who appeared before me, and said person acknowledged that she signed this instrument as Subordinator and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

May 14  
Dated: April \_\_, 2009



Melody A Heidbreder  
Notary name printed or typed Melody A Heidbreder  
Notary Public in and for the State of: Wash.  
Residing at: Mount Vernon  
My appointment expires: 4-30-11



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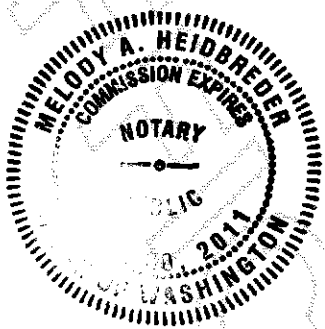
STATE OF WASHINGTON

SS.

COUNTY OF WHATCOM

I certify that I know or have satisfactory evidence that Gordon T Godfrey and Jane A Godfrey, Trustees of the Gordon Family Trust, are the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument as Owner and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: May 14, 2009



Melody Heidbreder  
Notary name printed or typed: Melody A. Heidbreder  
Notary Public in and for the State of: Wash.  
Residing at: Mount Vernon  
My appointment expires: 4-30-11



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