

EXHIBIT C



200201030058
Skagit County Auditor
1/3/2002 Page 1 of 4 11:54AM

When recorded return to:

Skagit Country Farmland Legacy Program
County Administration Building
700 South Second Street, Rm. 202
Mount Vernon, WA 98273

Grantor: DARALENE YOUNGQUIST, as her separate property
Grantee: SKAGIT COUNTY

P-98277-E

LAND TITLE COMPANY OF SKAGIT COUNTY

Legal Description

Abbreviated form: Portion of the E1/2 of the SW1/4, Sec. 35, Twp. 34N, R. 3E, aka Tract 2, SP 16-81
Additional legal at Exhibit A.

Assessor's Tax Parcel Number: P23197

Reference number(s) of related/assigned/released documents: _____
Reference(s) to document(s) appears on page(s) _____

SUBORDINATION AGREEMENT

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

The undersigned subordinator agrees as follows:

1. Skagit State Bank ("Subordinator") is the owner and holder of deeds of trust dated May 13, 1993, which was recorded under Auditor's File No. 9305280142, records of Skagit County and dated May 27, 1994, which was recorded under Auditor's File No. 9406020106, records of Skagit County;
2. Skagit County ("Grantee") is the holder of a conservation easement dated December 31, 2001, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement; Recorded under Auditor's File No: 200201030057
3. Daralene Youngquist, surviving spouse of Donald A. Youngquist, deceased, as her separate property, ("Grantor"), is the owner of all the real property described in the conservation easement identified above in Paragraph 2.

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and as required by Treasury Regulation § 170A-14(g)(2) for any conservation easement transaction with anticipated federal income, gift or estate tax benefits to the property owner, the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified above in Paragraph 1 to the conservation easement identified above in Paragraph 2.
5. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the conservation easement in favor of Easement Holder above referred to and shall supersede and cancel any prior agreements as to such, or any subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provided for the subordination of the lien or charge thereof to a mortgage to be thereafter executed.
6. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word mortgage appears herein it shall also be considered as deed of trust, and gender and number of pronouns considered to conform to undersigned.



Executed this 24 day of December, 2001.

SUBORDINATOR

(Name)

Skagit State Bank
Pres - CEO

PROPERTY OWNER

~~SUBORDINATOR~~

(Name)

Darlene Youngquist

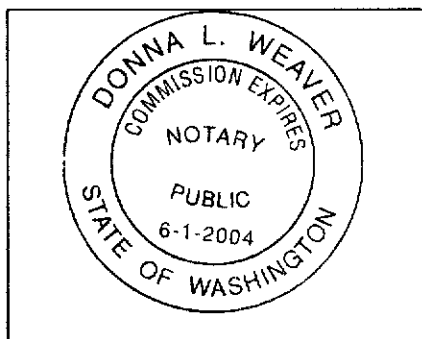
STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that JE Bishop - Co-CEO 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 the Co-CEO of Skagit State Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Dec 24, 2001



(Use this space for notarial stamp/seal)

Donna L Weaver
Notary Public

Print Name DONNA L WEAVER

My commission expires June 1 2004



200201030058
Skagit County Auditor

C-3

1/3/2002 Page 3 of 4 11:54AM

EXHIBIT A

Legal Description

Tract 2, Short Plat No. 16-81, approved April 10, 1981, recorded April 10, 1981 in Book 5 of Short Plats, page 53, under Auditor's File No. 8104100043 and being a portion of the East ½ of the Southwest ¼ of Section 35, Township 34 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington



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1/3/2002 Page 4 of 4 11:54AM