

EXHIBIT C



200212130075

Skagit County Auditor

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When recorded return to:
Skagit County Farmland Legacy Program
County Administration Building
700 South Second Street, Rm. 202
Mount Vernon, WA 98273

Grantor: MARK WHEELER and CYNTHIA JOHNSON LAND TITLE COMPANY OF SKAGIT COUNTY

Grantee: SKAGIT COUNTY, WASHINGTON

Legal Description

Abbreviated form: Portion of Govt. Lot 4 and S1/2 of SE1/4, Sec. 28, Twp. 36N, R 3E, W.M.; and portion of Govt. Lot 1 and NE1/4, of NW1/4, Sec. 33, Twp. 36, R 3E, W.M.

Additional legal at Exhibit A.

Assessor's Tax Parcel Number: P48464, P48462, P48451, P48452, P48604, P48605, P48525

Reference number(s) of related/assigned/released documents: AF#9508160056 and AF#9508160057
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. Ronald C. Knutzen and Marilyn E. Knutzen ("Subordinator") are the owners and holder of a deed of trust dated August 14, 1995, which was recorded under Auditor's File No. 9508160056, records of Skagit County; This said deed of trust was assigned to The Einer Knutzen Testamentary Trust and Ruby Knutzen, dated August 16, 1995 and was recorded under Auditor's File No. 9508160057, records of Skagit County;
2. Skagit County("Grantee") is the holder of a conservation easement dated 10-21, 2002, executed by Grantor(as hereinafter defined) which will be recorded concurrently with this Subordination Agreement; Auditors File No. 200212130075
3. Mark Wheeler and Cynthia Johnson, husband and wife, ("Grantor"), are the owners 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

SKAGIT COUNTY
Contract # C20020370

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.

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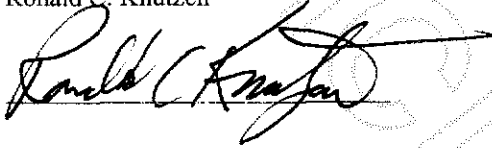
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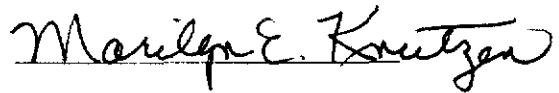
5. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the conservation easement in favor of Easement Holder above referred to and shall supersede and cancel any prior agreements 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 2nd day of December 2002.

Ronald C. Knutzen



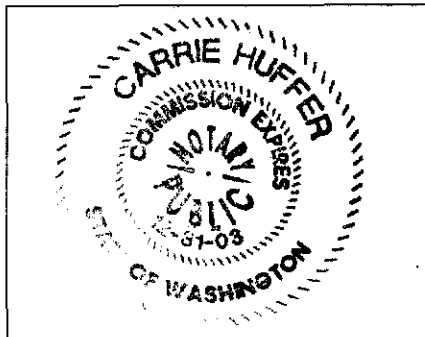
Marilyn E. Knutzen




STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Ronald C. Knutzen 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 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Dec. 2, 2002



(Use this space for notarial stamp/seal)


Notary Public
Print Name Carrie Huffer
My commission expires 12-31-03

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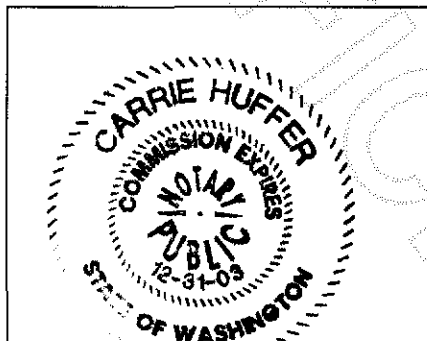
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STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Marilyn E. Knutzen 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 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-02-02



(Use this space for notarial stamp/seal)


 Notary Public
 Print Name Carrie Huffer
 My commission expires 12-31-03

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Skagit County Auditor