



200301080077

Skagit County Auditor

1/8/2003 Page

1 of

4 11:38AM

When recorded return to:

Ramona Monroe, Esq.
STOEL RIVES LLP
600 University Street, Suite 3600
Seattle, Washington 98101-3197

Grantor: WHEELER, MARK
JOHNSON, CYNTHIA

Grantee: WETLANDS AMERICA TRUST, INC.

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 to document(s) appears on page 1

LAND TITLE COMPANY OF SKAGIT COUNTY

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.

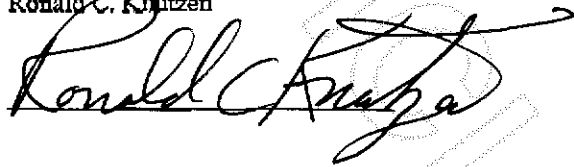
The undersigned subordinator agrees as follows:

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;
2. Wetlands America Trust, Inc. a District of Columbia non-profit corporation ("Grantee") is the holder of a conservation easement dated December 20, 2002, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement; Easement recording # 200301080076
3. Mark Wheeler and Cynthia Johnson, husband and wife ("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 20 day of December, 2002.

Ronald C. Knutzen



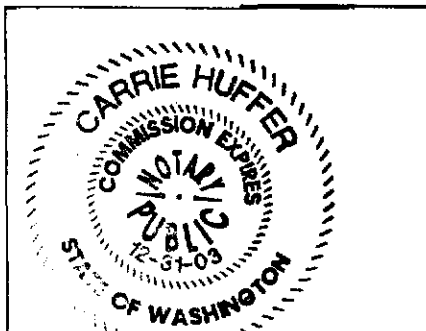
Marilyn E. Knutzen




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. 24, 2002



(Use this space for notarial stamp/seal)


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



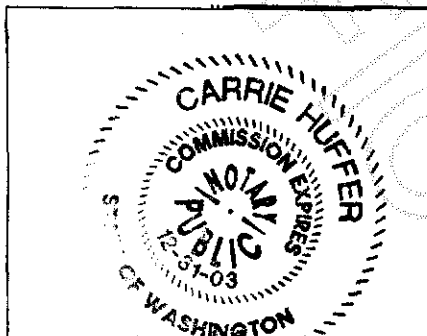
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Skagit County Auditor

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: Dec. 24, 2002



(Use this space for notarial stamp/seal)

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



200301080077
Skagit County Auditor

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EXHIBIT A

Legal Description

PARCEL "A":

GOVERNMENT LOTS 4 AND 5 AND ALL OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 28,
TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M.,

EXCEPT ROADS.

AND EXCEPT DITCH RIGHTS OF WAY ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 AND
ALONG THE NORTH LINE THEREOF.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL "B":

GOVERNMENT LOT 1 AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 33,
TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M.,

EXCEPT ROADS, PRIVATE OR PUBLIC, AND RIGHTS OF WAY THEREFOR, AND DITCH RIGHTS OF
WAY.

ALSO THAT PORTION OF GOVERNMENT LOT 2 AND OF THE SOUTHWEST 1/4 OF THE NORTHWEST
1/4 OF SECTION 33, TOWNSHIP 36 NORTH, RANGE 3 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 188.2 FEET
EAST OF THE NORTHWEST CORNER; THENCE SOUTH 54 DEGREES 05' WEST 167 FEET TO A POINT
53 FEET EAST OF THE WEST LINE OF SAID SECTION 33; THENCE SOUTH 1,145.3 FEET; THENCE
SOUTH 87 DEGREES 03' EAST 195.9 FEET; THENCE SOUTH 0 DEGREES 34' EAST 220 FEET, MORE OR
LESS, TO THE NORTH SAMISH RIVER; THENCE WESTERLY ALONG THE SAMISH RIVER TO THE
SOUTHEAST CORNER OF A TRACT IN LOT 2, DEEDED TO MARGARET A. DRUAND, DATED MAY 18,
1912 AND RECORDED IN VOLUME 89 OF DEEDS, PAGE 193; THENCE NORTH ALONG THE EAST LINE
2.94 CHAINS; THENCE WEST TO A POINT 33 FEET EAST OF THE WEST LINE OF SECTION 33; THENCE
NORTH TO BASE OF DIKE DISTRICT NO. 4; THENCE NORTHEASTERLY ALONG BASE OF DIKE TO
THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE EAST 69 FEET TO THE
POINT OF BEGINNING,

EXCEPT THAT PORTION OF SAID PREMISES, IF ANY, LYING WITHIN THE DIKE RIGHT OF WAY, AND
WITHIN ROAD RIGHTS OF WAY, PUBLIC OR PRIVATE, OTHER THAN THAT CONVEYED TO HENRY J.
ROEHL, ET AL, BY DEEDS RECORDED IN VOLUME 287 OF DEEDS, PAGES 88 AND 90.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.



200301080077

Skagit County Auditor

1/8/2003 Page

4 of

4 11:38AM