

**EXHIBIT C**



200501310234

Skagit County Auditor

When recorded return to:

1/31/2005 Page 1 of 5 3:39PM

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

LAND TITLE OF SKAGIT COUNTY

Grantor: DANIEL H. MILLER and CAROL J. MILLER, husband and wife

Grantee: SKAGIT COUNTY

**Legal Description**

Abbreviated form: PTN NE 1/4 DAF; COMM AT NE COR OF SEC; TH W 53 1/2 RDS; TH S 1083  
FT TH E 417 FT; TH S 1567 FT; TH E TO SEC LI. O/S#34 AF#752925 1973 TRNSF AF#808264; TAX  
2 BEG 20FT N & 53 1/2RDS W OF SE C DT 14 OF NE1/4 TH N 1567FT E 417FT S 1567FT T HW  
TPOB OPEN SPACE#53 #854802 1978; O/S#448 #761539 1973 PTN NE1/4 AKA TR 2 OF S/P 27-81  
AF# DT 14 8105150023 (REV 4-24-81) (With Exceptions – see additional legal); ACREAGE  
ACCOUNT, ACRES 22.53, O/S#35 #896322 1980 S1/2 NE1/4 EXC W 874.5FT THOF & EXC E DT 14  
882.75FT THOF EXC W 20FT OF E 445.5FT O FSW1/4 NE1/4 FOR PRV RD & EXC PUB RD &  
DTCH R/W & RT#0-004 (With Exceptions – see additional legal )

Additional legal at Exhibit A.

Assessor's Tax Parcel Number: P36940, P36941, P36958, P119963

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 a deed of trust and assignment of rents dated January 16, 2003, which was recorded under Auditor's File No. 200302040012 and 200302040013, on February 4, 2003, records of Skagit County;
2. Skagit County ("Grantee") is the holder of a conservation easement dated December 13, 2004, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement; Recorded 1/31/05 Auditors # 200501310233

3. Daniel H. Miller and Carol J. Miller, 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 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; provided, however, that such subordination does not preclude Subordinator from exercising its foreclosure rights against the entire subject property.
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 21<sup>st</sup> day of DECEMBER, 2004.

SUBORDINATOR

Douglas E. Noblet  
Douglas E. Noblet, VP  
Skagit State Bank

SUBORDINATOR

\_\_\_\_\_  
(Name)

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF SKAGIT)

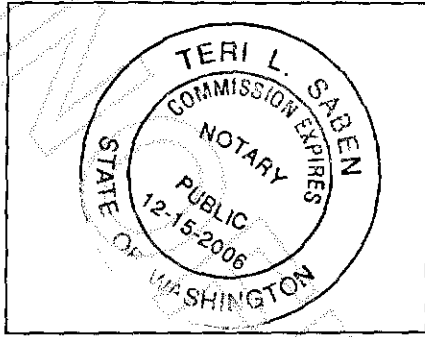
I certify that I know or have satisfactory evidence that Douglas E. Noblet is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Vice President of Skagit State Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12-21-04




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(Use this space for notarial stamp/seal)

  
Notary Public  
Print Name Teri L. Saben  
My commission expires 12-15-06



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Skagit County Auditor

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DESCRIPTION:

PARCEL "A":

That portion of the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 20, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the Northeast corner of said subdivision;  
thence West along the North line thereof, 882.75 feet;  
thence South 1,083 feet, more or less, to the Northwest corner of a tract conveyed to C. E. Megee by Deed recorded in Volume 186 of Deeds, page 365;  
thence East 417 feet to the Northeast corner of said tract;  
thence South 1,567 feet, more or less, to the South line of the Northeast  $\frac{1}{4}$ ;  
thence East to the East section line;  
thence North to the point of beginning,

EXCEPT roads.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the East  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 20, Township 35 North, Range 4 East, W.M., described as follows:

Beginning 20 feet North and  $53\frac{1}{2}$  feet rods West of the Southeast corner of the Northeast  $\frac{1}{4}$ ;  
thence North 1,567 feet;  
thence East 417 feet;  
thence South 1,567 feet;  
thence West to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

The South  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 20, Township 35 North, Range 4 East, W.M.,

EXCEPT the West 874.5 feet thereof,

AND EXCEPT the East 882.75 feet thereof,

ALSO EXCEPT the West 20 feet of the East 445.5 feet of the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of said Section for private road,

AND EXCEPT public road and drainage ditch rights of way,



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DESCRIPTION:

PARCEL "C" Continued:

ALSO EXCEPT that portion thereof described as follows:

Beginning at a point on the South line of said subdivision, 882.75 feet West of the East  $\frac{1}{4}$  corner of said Section 20;  
thence North 180 feet;  
thence West 195 feet;  
thence South 180 feet;  
thence East 195 feet to the point of beginning.

ALSO EXCEPT the South 410 feet of the West 285 feet of the remainder.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

Tract 2 of Skagit County Short Plat No. 27-81, Revised, approved April 30, 1981 and recorded May 15, 1981, in Volume 5 of Short Plats, page 69, under Auditor's File No. 8105150023,

EXCEPT County road along the North line thereof, said tract being a portion of the Northeast  $\frac{1}{4}$  of Section 20, Township 35 North, Range 4 East, W.M.,

EXCEPT that portion described as follows:

Beginning at the Northwest corner of Tract 1 of said Short Plat;  
thence South  $89^{\circ}35'45''$  East along the North line of said Tract 1, a distance of 345.99 feet to the Northeast corner thereof;  
thence South  $00^{\circ}28'38''$  East along the East line of said Tract 1, a distance of 198.87 feet to the Northerly right of way margin of Cook Road;  
thence South  $89^{\circ}35'45''$  East along said margin 219.58 feet to a line parallel with and 20.00 feet Westerly of the East line of said Tract 2;  
thence North  $00^{\circ}28'38''$  West along said line a distance of 330.00 feet;  
thence North  $89^{\circ}35'45''$  West parallel with the North line of said Tract 1, a distance of 565.57 feet to a line parallel with and 20.00 feet Easterly of the Westerly line of said Tract 2;  
thence South  $00^{\circ}28'38''$  East along said line a distance of 131.13 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.



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