

When recorded return to:

OWENS MORTGAGE INVESTMENT FUND
P.O. BOX 2400
WALNUT CREEK, CA 94595



200909210132
Skagit County Auditor

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File for Record at Request of
Land Title and Escrow | LAND TITLE OF SKAGIT COUNTY
Escrow Number: 132933-PE

Grantor: OWENS FINANCIAL GROUP, INC.
Grantee: OWENS MORTGAGE INVESTMENT FUND

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 SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

- OWENS FINANCIAL GROUP, INC., a California Corporation** referred to herein as "subordinator", is the owner and holder of a mortgage dated June 5, 2009 which is recorded under Auditor's File No. 200907310107 records of Skagit County.
OWENS MORTGAGE INVESTMENT FUND, a California limited partnership
- referred to herein as "lender", is the owner and holder of a mortgage dated April 10, 2006 executed By CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited* (which is recorded in volume _____ of Mortgages, auditor's file 200604270155** records Skagit County) (which is to be recorded concurrently herewith).
***liability company; and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation**MEMORANDUM OF EXTENSION AGREEMENT, dated April 7, 2008, recorded May 9, 2008, under Auditor's File No. 200805090084 and MEMORANDUM OF MODIFICATION OF LOAN DOCUMENTS, dated June 5, 2009, recorded July 31, 2009, under Auditor's File No. 200907310108**
- CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company; and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation** referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
- In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage 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.
- "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
- It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
- 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 lien or charge of the mortgage in favor of "lender" 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 provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.

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 be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

NOTICE: THIS SUBORDINATION CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT THEIR ATTORNEYS WITH RESPECT THERETO.

Dated: August 19, 2009

OWENS FINANCIAL GROUP, INC

By: [Signature]
William E. Dutra
Senior Vice President

ALL-PURPOSE ACKNOWLEDGMENT

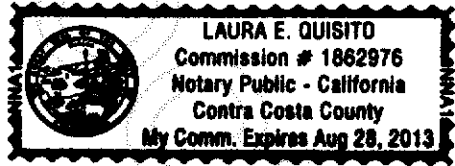
STATE OF CALIFORNIA
COUNTY OF Contra Costa

On September 9, 2009 before me, Laura E. Quisito
a Notary Public, personally appeared William E. Dutra

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~are~~ subscribed to the within instrument and acknowledged to me that he~~she/they~~ executed the same in his~~her/their~~ authorized capacity~~(ies)~~, and that by his~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal:
[Signature]
SIGNATURE OF NOTARY



200909210132
Skagit County Auditor

Acknowledged and accepted by:

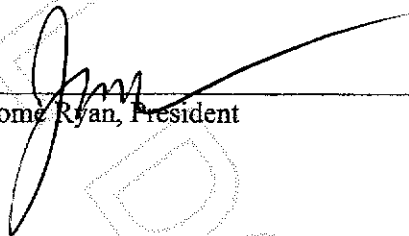
BORROWER: CLEAR VALLEY ENVIRONMENTAL FARM, LLC,
a Washington limited liability company

By: Sustainable Environments, LLC, its Managing
Member

By 
Jerome Ryan, Managing Member

By _____
Kevin F. Noon, Managing Member

CLEAR VALLEY ENVIRONMENTAL FARM II, INC.,
a Washington corporation

By 
Jerome Ryan, President



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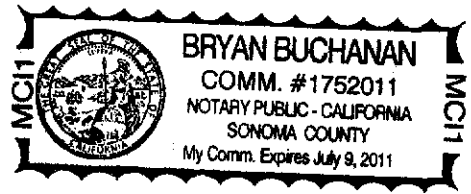
State of California)
County of Sonoma)

On **September 17, 2009** before me, Bryan Buchanan, Notary Public, personally appeared **Jerome Ryan**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Bryan Buchanan* (Seal)



Document Acknowledged: Subordination Agreement



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State of California)
County of Sonoma)

On **September 17, 2009** before me, Bryan Buchanan, Notary Public, personally appeared **Jerome Ryan**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Bryan Buchanan* (Seal)



Document Acknowledged: Subordination Agreement




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Acknowledged and accepted by:

BORROWER: CLEAR VALLEY ENVIRONMENTAL FARM, LLC,
a Washington limited liability company

By: Sustainable Environments, LLC, its Managing
Member

By _____
Jerome Ryan, Managing Member

By  _____
Kevin F. Noon, Managing Member

CLEAR VALLEY ENVIRONMENTAL FARM II, INC.,
a Washington corporation

By _____
Jerome Ryan, President



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STATE OF
County of Denver

} SS: (initials)

I certify that I know or have satisfactory evidence Jerome Ryan and Kevin F. Noon
the person who appeared before
me, and said person acknowledged that they signed this instrument, on oath stated They are
authorized to execute the instrument and is Managing Members of SUSTAINABLE ENVIROMENTS
LLC, the Managing Member of CLEAR VALLEY ENVIRONMENTAL FARM, LLC
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

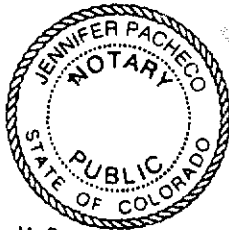
Dated: 8/24/09

(Signature)

Notary Public in and for the State of Colorado

Residing at Denver

My appointment expires: 12/09/2009



My Commission Expires
DECEMBER 9, 2009



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Skagit County Auditor