

When recorded return to:

Owens Financial Group Inc.  
2221 Olympic Blvd.  
Walnut Creek, CA 94595-1623



201207120087  
Skagit County Auditor

7/12/2012 Page 1 of 9 3:27PM

File for Record at Request of  
Land Title and Escrow  
Escrow Number: 132933-FE2

Grantor:

Grantee: Clear Valley Environmental Farm, LLC, Clear Valley Environmental Farm II, Inc.

LAND TITLE OF SKAGIT COUNTY

111171-SE/132933-FE/133128-SE 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.**

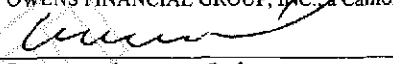
The undersigned subordinator and owner agrees as follows:

- 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 in \_\_\_\_\_ of Mortgages, page \_\_\_\_\_  
under auditor's file 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 CLEAR VALLEY ENVIRONMENTAL FARM, LLC, A WASHINGTON\*  
(which is recorded in volume \_\_\_\_\_ of Mortgages,  
auditor's file 200604270155\* records SKAGIT County)  
\*MEMORANDUM OF EXTENSION AGREEMENT, dated May 17, 2012, recorded July 12, 2012, under Auditor's File No. 201207120085
- CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company;**  
**And CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation, in**  
**indeterminate undivided interests**  
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.

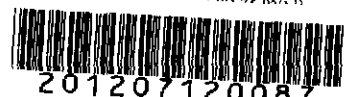
Dated: June 20, 2012

OWENS FINANCIAL GROUP, INC., a California Corporation



By: William E. Dutra  
Senior Vice President

UNOFFICIAL DOCUMENT



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Skagit County Auditor

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF Contra Costa

On June 21, 2012, 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.

Laura E. Quisito  
SIGNATURE OF NOTARY

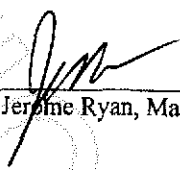


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Acknowledged and accepted by:

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

By: \_\_\_\_\_  
Kevin F. Noon, Vice President



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STATE OF WA  
County of Snohomish

}  
} SS:

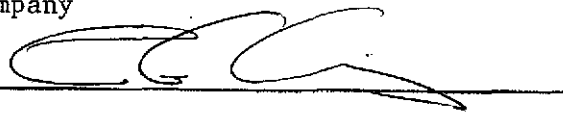
I certify that I know or have satisfactory evidence Jerome Ryan

is the person who appeared before  
me, and said person acknowledged that he is signed this instrument, on oath stated He is  
authorized to execute the instrument and is Managing Member

of Sustainable Environments, LLC, a Washington limited \*  
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

\*liability company which is managing member of Clear Valley Environmental Farm, LLC,  
a Washington limited liability company

Dated: June 29, 2012



Notary Public in and for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_



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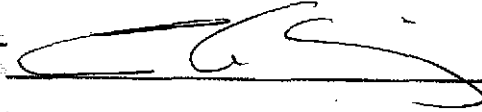
STATE OF California }  
County of Sonoma } SS:

I certify that I know or have satisfactory evidence Jerome Ryan

U the person who appeared before  
me, and said person acknowledged that he signed this instrument, on oath stated He is  
authorized to execute the instrument and is President

of Clear Valley Environmental Farm, II, Inc., a Washington\*  
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.  
\*corporation

Dated: June 29, 2012



Notary Public in and for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_



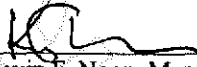
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Acknowledged and accepted by:

Borrower: CLEAR VALLEY ENVIRONMENTAL FARM, LLC,  
A Washington limited liability company

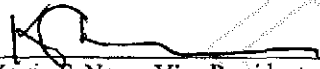
By: Sustainable Environments, LLC, its Managing Member

By: \_\_\_\_\_  
Jerome Ryan, Managing Member

By:  \_\_\_\_\_  
Kevin F. Noon, Managing Member

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

By: \_\_\_\_\_  
Jerome Ryan, President

By:  \_\_\_\_\_  
Kevin F. Noon, Vice President



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STATE OF Colorado  
County of Denver

}  
} SS:

I certify that I know or have satisfactory evidence Kevin F. Noon

\_\_\_\_\_ the person who appeared before  
me, and said person acknowledged that he \_\_\_\_\_ signed this instrument, on oath stated He is  
authorized to execute the instrument and is Managing Member

\_\_\_\_\_ of Sustainable Environments, LLC, a Washington limited \*  
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.  
\*liability company which is managing member of Clear Valley Environmental Farm, LLC,  
a Washington limited liability company

Dated: July 3<sup>rd</sup>, 2012

Christopher Richard Tracy

Notary Public in and for the State of Colorado  
Residing at 5353 W Dartmouth Ave  
My appointment expires: May 1st, 2016

**Christopher Richard Tracy**  
**Notary Public**  
**State of Colorado**

**My Commission Expires May 1, 2016**



201207120087  
Skagit County Auditor



STATE OF Colorado  
County of Denver

}  
} SS:

I certify that I know or have satisfactory evidence Kevin F. Noon

\_\_\_\_\_ the person who appeared before  
me, and said person acknowledged that he \_\_\_\_\_ signed this instrument, on oath stated He is  
authorized to execute the instrument and is Vice-President  
\_\_\_\_\_ of Clear Valley Environmental Farm, II, Inc., a Washington\*  
to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.  
\*corporation

Dated: July 3rd, 2012

Christopher Richard Tracy

Notary Public in and for the State of Colorado  
Residing at 5353 W Bantworth Ave.  
My appointment expires: May 1st, 2016

**Christopher Richard Tracy  
Notary Public  
State of Colorado**

**My Commission Expires May 1, 2016**



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Skagit County Auditor