

When recorded return to:

SWAN ROAD(SHERRON ASSOCIATES), LLC
12301 NE 10th PLACE
BELLEVUE, WA 98005



201207120088
Skagit County Auditor

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File for Record at Request of
Land Title and Escrow
Escrow Number: 133128-SE

Grantor:
Grantee: CLEAR VALLEY ENVIRONMENTAL FARM, LLC, CLEAR VALLEY
ENVIRONMENTAL FARM II, Inc

11171-SE/1329 33-FC/133128-SE

Subordination Agreement
LAND TITLE OF SKAGIT COUNTY

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:

1. SWAN ROAD (SHERRON ASSOCIATES) LLC, a Washington limited liability company
referred to herein as "subordinator", is the owner and holder of a mortgage dated August 7, 2009
which is recorded in _____ of Mortgages, page _____
under auditor's file 200908100155, records of Skagit County.
OWENS MORTGAGE INVESTMENT FUND, a California limited partnership
2. 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*
(which is recorded in volume _____ of Mortgages, _____
auditor's file 200604270155** records Skagit County) (which
**MEMORANDUM OF EXTENSION AGREEMENT, dated May 17, 2012, recorded July 12,
2012, under Auditor's File No. 201207120085.
*limited liability company; and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a
Washington Corporation
3. 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.
4. 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.
5. "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.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in
Paragraph 2 without this agreement.
7. 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.
8. 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.

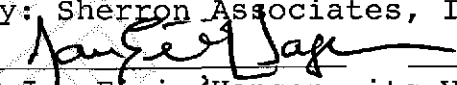
UNOFFICIAL DOCUMENT

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 27, 2012

SWAN ROAD (SHERRON ASSOCIATES) LLC, a Washington limited liability company

By: Sherron Associates, Inc., its Manager


By: Jan Elvin Hansen, its VP



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Skagit County Auditor

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STATE OF Washington

County of King

}
} SS:

I certify that I know or have satisfactory evidence Jan Eivin Hansen
the person who appeared before

me, and said person acknowledged that he signed this instrument, on oath stated
authorized to execute the instrument and is Vice President, Sherron
Associates Inc, Manager of Swan Road(Sherron Associates) 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

Dated:

6/27/12

Paula M. Hardin

Notary Public in and for the State of Washington

Residing at Maple Valley, WA

My appointment expires: 8/21/2014

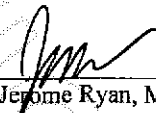


201207120088
Skagit County Auditor

Acknowledged and accepted by:

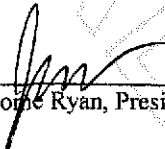
Borrower: CLEAR VALLEY ENVIRONMENTAL FARM, LLC,
A Washington limited liability company

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

By: _____
Kevin F. Noon, Vice President



201207120088
Skagit County Auditor

UNRECORDED INSTRUMENT

STATE OF CA
County of Sonoma

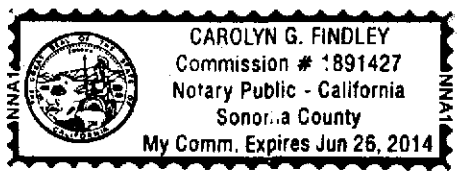
}
} SS:

I certify that I know or have satisfactory evidence Jerome Ryan

LS 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: _____




201207120088
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

By:  _____
Kevin F. Noon, Vice President



201207120088

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 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 3rd, 2012

Christopher Richard Tracy

Notary Public in and for the State of Colorado

Residing at 5253 W Dartmouth Ave

My appointment expires: May 1st, 2016

Christopher Richard Tracy
Notary Public
State of Colorado
My Commission Expires May 1, 2016



201207120088

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 30th, 2012

Christopher Richard Tracy

Notary Public in and for the State of Colorado

Residing at May 1 5753 W. Dartmouth Ave

My appointment expires: May 1st, 2016

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

My Commission Expires May 1, 2016



201207120088
Skagit County Auditor