

After Recording Return to:  
Farm Credit Services - Burlington  
265 East George Hopper Road  
PO Box 966  
Burlington, WA 98233



201210250004  
Skagit County Auditor

10/25/2012 Page 1 of 7 9:51AM

**LAND TITLE OF SKAGIT COUNTY**

144201-0

Please print neatly or type information

<b>Document 1 Title:</b> Subordination Agreement	
Reference #s:	
Additional Reference #s on page	
<b>Grantors:</b>	<b>Grantees:</b>
Northwest Farm Credit Services, FLCA	Northwest Farm Credit Services, PCA

Additional grantors on page Additional grantees on page \_\_\_\_\_

<b>Document 2 Title:</b>	
Reference #s: 201210250003 ; 201006150013	
Additional Reference #s on page	
<b>Grantors:</b>	<b>Grantees:</b>

Additional grantors on page Additional grantees on page \_\_\_\_\_

**Legal description** (abbreviated form: i.e. lot, blk, plat or S,T,R quarter/quarter):

Lot 3, Vanderveen SP 26-29 and FU 121, Blk 78, Grant County, Washington  
A: SW1/4 of NE1/4 & Ptn Gov. Lot 2, 6-33-4E; B: N1/2 of NW1/4 of SE1/4, 17-33-4 E; and C: Lot 3B, SP PL  
07-0565; ptn SE1/4, 17-33-4 E W.M., Skagit County, Washington

Additional legal is on page 6 & 7

**Assessor's Property Tax Parcel/Account Numbers:**

20-1836-000, 20-1749-000, 20-1732-000, 330406-0-003-0008, 330406-1-002-0007, 330417-4-002-0008,  
330417-4-001-0009

**SUBORDINATION AGREEMENT**

**WHEREAS, NORTHWEST FARM CREDIT SERVICES, PCA** (hereinafter referred to as PCA) is the holder of a loan to Western Valley Farms L.L.C. a limited liability company and David L. Boon and Yvonne G. Boon, a married couple ("Borrower"), designated as Loan No. 66568-141, evidenced as follows:

Note dated June 11, 2010, in the face amount of \$3,000,000.00 and secured by Mortgage given to Northwest Farm Credit Services, PCA, dated June 11, 2010, recorded on June 17, 2010, as Instrument No. 1272346, records of Grant County, State of Washington and recorded on June 15, 2010, as Instrument No. 201006150013, records of Skagit County, Washington, covering in whole or in part the property described in Exhibit A attached hereto and incorporated herein by this reference ("Property").

**WHEREAS, Borrower** has applied for a loan from Northwest Farm Credit Services, FLCA (hereinafter referred to as FLCA) to be designated as Loan No. 78477-441 and evidenced as follows:

Note dated October 24, 2012, in the face amount of \$920,000.00 and secured by Mortgage given to FLCA, dated October 24, 2012, recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_, records of Grant County, State of Washington, and recorded on 10-25-12, as Instrument No. 201210250003, records of Skagit County, State of Washington covering in whole or in part the Property.

**NOW, THEREFORE,** in consideration of FLCA making Loan No. 78477-441 to Borrower, FLCA/PCA and Borrower agree as follows:

PCA's interest in the Property under Loan No. 66568-441 is subordinate to FLCA's interest in the Property under Loan No. 78477-441, including all interest, advances or charges made or accruing under Loan No. 78477-441, if any.

In the event Borrower shall default in the obligations to FLCA under Loan No. 78477-441 prior to satisfaction of Loan No. 66568-441, the proceeds from any foreclosure sale, less expenses of the sale, shall be distributed first to Loan No. 78477-441, with the balance of the proceeds, if any, distributed to Loan No. 66568-441.

This Agreement does not affect Lender's right to enforce any Loan documents, for either Loan No. 78477-441 or Loan No. 66568-441 in accordance with their terms and this Agreement and does not alter the relative priority of liens on any collateral other than the Property.

This Agreement shall be for the benefit of and binding upon the heirs, personal representatives, successors and assigns of all parties to this Agreement.

Dated: 10/24/12

**NORTHWEST FARM CREDIT SERVICES, FLCA**

By: [Signature]  
Authorized Agent

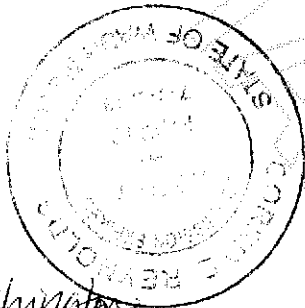


NORTHWEST FARM CREDIT SERVICES, PCA

By: [Signature]  
Authorized Agent

STATE OF Washington  
County of Skagit )ss.

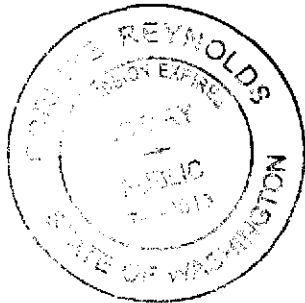
On this 24th day of October, 2012, before me personally appeared Tim VanHofwegen, known to me to be an authorized agent of the Northwest Farm Credit Services, PCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Corinne Reynolds  
Printed Name Corinne Reynolds  
Notary Public for the State of Washington  
Residing at Lalonne  
My commission expires 7/9/13

STATE OF Washington  
County of Skagit )ss.

On this 24th day of October, 2012, before me personally appeared Tim VanHofwegen, known to me to be an authorized agent of the Northwest Farm Credit Services, FLCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Corinne Reynolds  
Printed Name Corinne Reynolds  
Notary Public for the State of Washington  
Residing at Lalonne  
My commission expires 7/9/13



**BORROWER(S):**

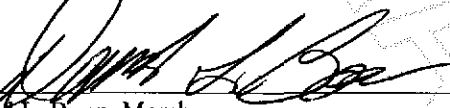
The undersigned hereby acknowledges the foregoing Subordination Agreement and confirms that notwithstanding the Subordination Agreement, the obligations of each of the undersigned under or in connection with the Loan Documents executed by it are and shall remain in full force and effect, in accordance with their respective terms.

Western Valley Farms Properties, LLC, a Limited Liability Company

By:   
Steven E. Boon, Member

By:   
Jeffrey S. Boon, Member

Bayside Dairy, LLC, a Limited Liability Company

By:   
David L. Boon, Member

Rainview Dairy LLC, a Limited Liability Company

By:   
Steven E. Boon, Manager

By:   
Jeffrey S. Boon, Manager

Western Valley Farms L.L.C., a Limited Liability Company

By:   
Steven E. Boon, Managing Member

By:   
David L. Boon, Managing Member

By:   
Jeffrey S. Boon, Managing Member



By: Yvonne G. Boon  
Yvonne G. Boon, Managing Member

SJB Farms, LLC, a Limited Liability Company

By: Steven E. Boon  
Steven E. Boon, Member

By: Jeffrey S. Boon  
Jeffrey S. Boon, Member

Steven E. Boon  
Steven E. Boon

David L. Boon  
David L. Boon

Allison M. Boon  
Allison M. Boon

Jeffrey S. Boon  
Jeffrey S. Boon

Melinda A. Boon  
Melinda A. Boon

Yvonne G. Boon  
Yvonne G. Boon



**EXHIBIT A TO  
SUBORDINATION AGREEMENT**

Grant County

**PARCEL 1:**

Lot 3, Vanderveen Short Plat, according to the plat thereof recorded in Volume 26 of Short Plats, page(s) 29, 30 and 31, records of Grant County, Washington.

**PARCEL 2:**

Farm Unit 121, Irrigation Block 78, Third Revision, Columbia Basin Project, according to the plat thereof recorded August 18, 1958, records of Grant County, Washington.

Tax Parcel Nos.: 20-1836-000, 20-1749-000, 20-1732-000;

Skagit County

**PARCEL "A":**

The Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and that portion of Government Lot 2, Section 6, Township 33 North, Range 4 East, W.M.,

EXCEPT that portion of Government Lot 2, described as follows:

Beginning at the South line of Hickox Road and the East line of Government Lot 2 of said Section 6, said point being 20 feet South of the Northeast corner of said Government Lot 2;  
thence South  $89^{\circ}31'13''$  West along the South line of Hickox Road, a distance of 780.22 feet;  
thence South  $00^{\circ}05'06''$  West, a distance of 149.15 feet;  
thence South  $38^{\circ}18'48''$  East, a distance of 62.11 feet;  
thence South  $89^{\circ}18'22''$  East, a distance of 367.28 feet;  
thence South  $2^{\circ}35'57''$  East, a distance of 148.45 feet;  
thence North  $89^{\circ}31'13''$  East, a distance of 395.05 feet to the East line of said Government Lot 2;  
thence North  $4^{\circ}22'57''$  West, along said East line of Government Lot 2, a distance of 354.89 feet to the point of beginning of this description.

Situate in the County of Skagit, State of Washington.

**PARCEL "B":**

The North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 17, Township 33 North, Range 4 East, W.M., EXCEPT that portion condemned by Drainage District No. 17 in Skagit County Civil Cause No. SC 5271.

Situate in the County of Skagit, State of Washington.

**PARCEL "C":**

Lot 3B, Short Plat No. PL 07-0565, approved July 29, 2008 and recorded July 29, 2008, under Skagit County Auditor's File No. 200807290012, records of Skagit County, Washington; being a portion of the Southeast  $\frac{1}{4}$  of Section 17, Township 33 North, Range 4 East, W.M.



Situate in Skagit County, Washington.

Tax Account Nos.: 330406-0-003-0008, 330406-1-002-0007, 330417-4-002-0008, 330417-4-001-0009;

Subordination Agreement (CIF/Note No. 078477-441-999-99)

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Skagit County Auditor