

This Instrument Prepared by:

When Recorded Return to:
First Tennessee Bank National Association, Grantor
P.O. Box 132
Memphis, TN 38101

SCJL 30261

SUBORDINATION AGREEMENT

RECITALS:

WHEREAS, Larry S. Ostler and Kim J. Ostler, Husband and Wife (hereinafter singly or collectively "Borrower") is the owner of the following described real property described below or in Exhibit "A" attached hereto, and having a street address as follows (the "Property"):

281 Clear View Lane
Stevenson, WA 98648

SE 1/4 Sec 25 T3N R7E

Parcel Number: 03-07-25-4-0-0202-00

AND WHEREAS, the said Borrower has made application for a closed-end mortgage loan ("New Loan") in an amount not to exceed \$326,300.00 from First Horizon Home Loans, a division of First Tennessee Bank National Association (the "Grantee"), whose address is: 4000 Horizon Way, Irving, Texas 75063 to be evidenced by a Deed of Trust / Mortgage which shall be a lien or charge on the Property.

AND WHEREAS, the undersigned, First Horizon Home Loans, a division of First Tennessee Bank National Association (collectively, "Grantor") has an interest in or lien upon the Property as follows:

(Deed of Trust) As Beneficiary under a Deed of Trust to the Trustee named therein, Recorded July 16, 2007 in Auditor's File Number: 2007166875. Official Records of the County of Skamania, State of Washington.

As a condition of making the New Loan, the Grantee has required the Borrower to execute a Deed of Trust/Mortgage on the Property securing repayment of the New Loan (the "New Deed of Trust/Mortgage"), which, upon execution and recordation of this Agreement, and subject to the conditions and limitations set out below, shall have a superior lien position to that of Grantor on the Property.

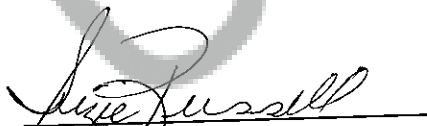
AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

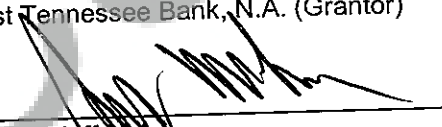
1. Grantor hereby agrees to subordinate the lien of its Deed of Trust/Mortgage to the lien of the New Deed of Trust/Mortgage, subject to the following conditions. This Subordination is limited solely to the New Deed of Trust/Mortgage and is effective ONLY to the extent to which the New Deed of Trust/Mortgage is a valid, enforceable and properly recorded mortgage lien instrument. This Agreement shall be of no force and effect in the event Grantee or its agents fails to satisfactorily perform all acts required to make the New Deed of Trust/Mortgage a valid and enforceable mortgage loan, that is properly recorded in the appropriate land records.
2. This Subordination as described above shall not apply to any future advance of funds to or for the benefit of the Borrower by the Grantee of the New Deed of Trust/Mortgage, except for advances necessary to protect the security of the New Deed of Trust/Mortgage.
3. Nothing in this Agreement shall be deemed to constitute a novation with respect to the debt secured by the Grantor Deed of Trust/Mortgage, nor an extension or modification thereof, nor otherwise affect the rights, remedies or penalties under the Grantor Deed of Trust/Mortgage.
4. This Agreement shall be binding upon and shall inure to the benefit of Grantor and the Grantee and their respective successors and assigns, and any purchaser at any foreclosure sale instituted pursuant to the Grantor Deed of Trust/Mortgage or the New Deed of Trust/Mortgage.
5. This Agreement shall be construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed by its duly authorized representative and Trustee has executed this Agreement on this 18 day of February, 2008.

WITNESS:


Suzie Russell

First Horizon Home Loans, A Division of
First Tennessee Bank, N.A. (Grantor)

By: 
Name: Jeff McLean
Title: Limited Vice President

ACKNOWLEDGMENT

STATE OF TENNESSEE

)
) ss:
)

COUNTY OF SHELBY

Before me, Tena Farrell of the state and county mentioned, personally appeared Jeff McLean, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Limited Vice President of First Horizon Home Loans, A Division of First Tennessee Bank, N.A. the within named bargainer, a corporation, and that he/she, as such Limited Vice President, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as Limited Vice President.

WITNESS my hand and official seal on this 18 day of February, 2008

Lee Anne Gafford
Notary Public

My Commission expires:

MY COMMISSION EXPIRES NOV. 29, 2009



DOC # 2008169049
Page 3 of 4

EXHIBIT 'A'

A portion of the Northeast Quarter of the Southeast Quarter of Section 25, Township 3 North, Range 7 East, Willamette Meridian, Skamania County, Washington, described as follows:

Beginning at a ½ inch iron rod marking the Northeast corner of Lot 2 of the "Meadow Short Plat", recorded in Book 3 of Short Plats, Page 341, Skamania County Auditor Records, (said point also being the Northwest corner of the "Esch tract" as described in Book 77 of Deeds, Page 842, Skamania County Auditor Records); thence North 88°49'33" West, along the North line of Lot 2, for a distance of 20.00 feet to a ½ inch iron rod set in a "2000 Hagedorn, Inc. Survey" and the True Point of Beginning; thence South 01°37'15" West, 224.75 feet to a ½ inch iron rod, ("2000 Hagedorn, Inc. Survey"); thence South 01°48'54" West, 177.05 feet to a ½ inch iron rod ("2000 Hagedorn, Inc. Survey"); thence North 88°49'33" West, for a distance of 178.03 feet to the center of a 50 foot radius cul-de-sac at the terminus of "Clear View Lane" (Short Plat 3-341); thence North 75°33'51" West, along the centerline of "Clear View Lane" (Short Plat 3-341), for a distance of 22.00 feet; thence leaving the centerline of "Clear View Lane" North 02°01'03" East, for a distance of 40.42 feet to the Northerly right-of-way line of "Clear View Lane" (Short Plat 3-341); thence Southwesterly, along the arc of a 50 foot radius curve to the left, (the radius point of which bears South 23°25'53" East), through a central angle of 27°30'25", for an arc distance of 24.00 feet to a point of reverse curvature; thence along the arc of a 10 foot radius curve to the right, through a central angle of 65°24'10", for an arc distance of 11.41 feet to a ½ inch iron rod (Short Plat 3-341); thence leaving said Northerly right-of-way line, North 02°24'58" East, for a distance of 374.78 feet to a ½ inch iron rod at the Northwest corner of Lot 2 (Short Plat 3-341); thence North 88°49'33" East along the North line of Lot 2, for a distance of 223.29 feet to the True Point of Beginning.