

WHEN RECORDED MAIL TO:

Bradley W. Andersen
Schwabe, Williamson & Wyatt, P.C.
700 Washington Street, Suite 701
Vancouver, WA 98660

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.

Reference # of documents modified herein: 2008170099; 2008171372; _____
Grantor: ASPEN DEVELOPMENT, LLC
Grantee: CHINIDERE, LLC
Legal Description (abbreviated): Lot 1, Feliz Short Plat
Additional Legal Description: on Exhibit A hereto
Assessor's Tax Parcel #: 03-75-36-3-0-1200-00

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into by ASPEN DEVELOPMENT, LLC ("Aspen"), in favor of CHINIDERE, LLC ("Chinidere").

RECITALS:

A. Aspen was and remains the beneficiary under a Deed of Trust dated October 24, 2008, and recorded in the official real property records of Skamania County, Washington on November 3, 2008, as instrument number 2008171372 (the "Aspen Trust Deed"), encumbering the real property described on the attached Exhibit A (the "Property").

B. Chinidere was the original beneficiary under a Deed of Trust, Assignment of Rents and Leases, and Security Agreement dated May 30, 2008, and recorded in the official real property records of Skamania County, Washington on June 4, 2008, as instrument number 2008170099 (the "Chinidere Trust Deed"), also encumbering the Property.

C. Pursuant to a Loan Sale Agreement, Settlement and Release dated August 12, 2010 (the "Loan Sale Agreement"), Chinidere has transferred to Aspen the loan secured by the Chinidere Trust Deed (the "Chinidere Loan"), and Aspen has become the successor beneficiary of the Chinidere Trust Deed pursuant to the terms of an Assignment of Trust Deed recorded in the official real property records of Skamania County, Washington on August 18, 2010, as instrument number 2010176202.

D. Contemporaneously herewith, Aspen has acquired fee simple ownership of the Property pursuant to the terms of a Non-Merger Bargain & Sale Deed in Lieu of Foreclosure recorded in the official real property records of Skamania County, Washington on August 19, 2010, as instrument number 2010176203 (the "Non-Merger Deed"). As such, Aspen is the owner of the Property and also the beneficiary of the Aspen Trust Deed and the Chinidere Trust Deed (collectively, the "Existing Trust Deeds"), which remain of record in accordance with the terms of the Non-Merger Deed.

E. In accordance with the Loan Sale Agreement, Chinidere has financed a portion of the purchase price paid by Aspen for the Chinidere Loan (the "Acquisition Financing"). The Acquisition Financing is evidenced by a Promissory Note executed contemporaneously herewith in the original principal amount of \$960,000.00, and secured by a Deed of Trust, Assignment of Rents and Leases, and Security Agreement encumbering the Property, recorded in the official real property records of Skamania County, Washington on August 19, 2010, as instrument number 2010176205 (the "Acquisition Trust Deed").

F. Pursuant to the terms of the Loan Sale Agreement, the Acquisition Trust Deed is required to be a first lien deed of trust against the Property, and as such Aspen is entering into this Agreement to evidence the subordination of the Existing Trust Deeds to the Acquisition Trust Deed, and to provide record notice of such subordination.

AGREEMENTS:

THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Aspen agrees as follows:

1. Subordination. Aspen hereby subordinates the liens of the Existing Trust Deeds to the lien of the Acquisition Trust Deed.
2. Effect of Subordination. This Agreement is intended to give record notice of the foregoing subordination, but shall otherwise have no effect on or diminish any of the terms or conditions of the Loan Sale Agreement between the parties. In the event of conflict between the terms of this Agreement and the Loan Sale Agreement, the terms of the Loan Sale Agreement shall control, provided however that in no event shall the Existing Trust Deeds have priority over the Acquisition Trust Deed.

Dated this 19 day of August, 2010.

ASPEN DEVELOPMENT, LLC

By: UM

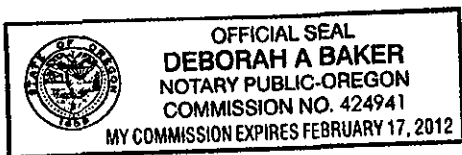
Title: MANAGING MEMBER

[NOTARY ACKNOWLEDGEMENTS ON FOLLOWING PAGE]

STATE OF OREGON)
) ss.
 County of Multnomah)

I certify that I know or have satisfactory evidence that Rex Gaendahl is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Managing Member of ASPEN DEVELOPMENT, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: August 11, 2010



Deborah A. Baker
 (Signature of Notary Public)
Deborah A. Baker
 (Printed Name of Notary Public)
 My Appointment expires February 17, 2012

EXHIBIT A

(Legal Description of Property)

A Tract of land in the Southwest quarter of Section 36, Township 3 North, Range 7 ½ East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Lot 1 of the Feliz Short Plat recorded in Auditor File No. 2008170088, Skamania County Records.

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