

WHEN RECORDED MAIL TO
U.S. Bank National Association
Retail Service Center
4325 17th Ave. SW
Fargo, ND 58108-2687

K-52814

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

Deed Of Trust Subordination Agreement

Account No. 30400115942410998

This Agreement is made this 8th day of September 1998, by and between U.S. Bank National Association ND as successor in interest to U.S. Bank ("Bank") and Monarch Funding Corporation ("Refinancer").

Bank is the beneficiary under a deed of trust (the "Junior Deed of Trust") dated April 24, 1998, granted by Douglas J. Barnett and Yolanda M. Barnett ("Borrower"), and recorded in the office of the County Recorder, Klamath County, Oregon on May 15, 1998, as Volume M98, Page 16621, encumbering the real property described therein (collectively, the "Property"). Refinancer is the beneficiary under a deed of trust (the "Senior Deed of Trust") dated September 11, 1998, granted by the Borrower, and recorded in the same office on September 30, 1998, as _____, encumbering the property. To induce Refinancer to make a loan to the Borrower secured by the Senior Deed of Trust, Bank has agreed to execute and deliver this Subordination Agreement.

ACCORDINGLY, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank hereby agrees with Refinancer that the lien of the Junior Deed of Trust on the Property is and shall be and shall remain fully subordinate for all purposes to the lien of the Senior Deed of Trust on the Property, to the full extent of all sums from time to time secured by the Senior Deed of Trust; provided, however, that the total indebtedness secured by the Senior Deed of Trust does not exceed \$56,376.08, exclusive of interest thereon, amounts advanced to protect the lien and priority of the Senior Deed of Trust, and costs of collection.

Legal Description:

The South 15 feet of Lots 1,2, and 3 and the North 15 feet of Lots 10, 11, and 12 and the vacated alley adjacent to Lots 1,2,3,10,11 and 12 in Block 15 of Buena Vista Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Property

Address 2430 Berkeley Street, Klamath Falls, OR 97601

IN WITNESS THEREOF, this Subordination Agreement is executed on the day and year first above stated.

Bank Name: U.S. Bank National Association ND as successor in
interest to U.S. Bank

Jeannie M. Pflugrath
By: Jeannie M. Pflugrath
Title: Operations Officer

STATE OF North Dakota
COUNTY OF Cass

The foregoing instrument was acknowledged before me this 8th day of September, 1998, by (name) Jeannie M. Pflugrath, the (title) Operations Officer of (bank name) U.S. Bank National Association ND as successor in interest to U.S. Bank a national bank association, on behalf of the association.

STEVE REGSTAD
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires MARCH 20, 2004

Steve Regstad
Notary Public

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 30th day
of September A.D., 19 98 at 11:24 o'clock A. M., and duly recorded in Vol. M98
of Mortgages on Page 35852

FEE \$10.00

Bernetha G. Letsch, County Clerk
By Kathleen Ross