

'02 FEB 20 AM 10:55

Vol M02 Page 9957

State of Oregon, County of Klamath
Recorded 02/20/2002 10:55 a m.
Vol M02, Pg 9957-58
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

After recording return to:
PacifiCorp, dba Pacific Power & Light
Attn: Energy Services Administration
PO Box 400
Portland, OR 97207

SUBORDINATION AGREEMENT OF TRUST DEED

CONSENT

Claudia Hardin is the owner of real property commonly known as 5463 Sherwood Drive, Klamath Falls, Oregon and legally described in the attached **Exhibit A** (the Property). Owner and PacifiCorp dba Pacific Power & Light Company (PP&L) are parties to an agreement known as Home Comfort - Energy Services Contract #9935 dated July 23, 1991 (Energy Services Agreement) pursuant to which PP&L provided conservation assistance to make the Property more energy efficient. The Energy Services Agreement provides that Owner, and other persons who own or occupy the property, will pay for the conservation assistance and that if a default in payment occurs PP&L may cease providing electricity to the Property. A Memorandum of Agreement (the Memorandum) was recorded on April 29, 1992 in the records of Klamath County, State of Oregon as Volume M92 Page 9173. Neither the Energy Services Agreement nor the Memorandum constitute a lien on the Property, but the Memorandum does constitute record and constructive notice of the terms and conditions of the Energy Services Agreement to Owner and all persons or entities that acquire an interest in the Property.

Wells Fargo Bank is about to loan to owner the sum of \$68,000.00 (the loan) with such loan to be secured by a Trust Deed on the Property. The loan is to be repaid not more than 15 years and shall accrue interest at 6.375% per annum. Prior to making the loan, Lender requires that the lien of its Trust Deed be first, prior and superior to all other liens on the Property.

To facilitate the loan to Owner, PP&L as a courtesy to Owner, does reaffirm, consent, agree and state as follows:

1. PP&L reaffirms that the Memorandum does not constitute a lien on the Property. At no time, in particular in the event of default on the loan, will PP&L assert that it holds a superior lien on the Property.
2. PP&L consents to the recordation of Lenders Trust Deed and any other lien or document, including renewals and extensions related to the loan.
3. Nothing herein, however, shall be construed to release, change, alter, modify or impair PP&Ls rights under the Energy Services Agreement or the Memorandum. The Energy Services Agreement and Memorandum shall remain in full force and effect. In particular, without limiting the foregoing, PP&Ls rights and remedies in the event of a default shall remain unchanged and may be enforced against Owner and other persons or entities that own or occupy the Property.

Owners:

Claudia R. Hardin
Claudia Hardin

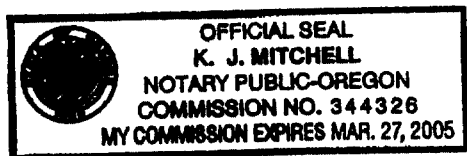
DATED this 15th day of February 2002
PACIFICORP DBA PACIFIC POWER & LIGHT
By Angela Ghaneswaran
Angela Ghaneswaran
Lead Senior Administrator

SUBSCRIBED before me
This 19 day of February, 2002

K. J. Mitchell
Notary Public

SUBSCRIBED before me
this 15th day of February, 2002

Terrica M. Rangel
Notary Public



Claudia Hardin
Jack Hardin
5463 Sherwood Dr.
Klamath Falls, Oregon

Exhibit A

Lot 13, Block 11, Tract No. 1064, FIRST ADDITION TO GATEWOOD, in the County of
Klamath, State of Oregon.