

02 APR 3 PM 3:06

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Recording requested by:
Wells Fargo Financial System Oregon, Inc.

When recorded mail to:
Wells Fargo Financial System Oregon, Inc.
P.O. Box 5943
Sioux Falls, SD 57117-5943

State of Oregon, County of Klamath
Recorded 04/03/2002 3:06 p m.
Vol M02. Pg 19643
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

SUBORDINATION AGREEMENT

This agreement made this 18th day of March, 2002, between Wells Fargo Financial Bank, f/k/a/ Dial Bank, (hereinafter referred to as subordinating creditor), and Wells Fargo Financial System Oregon, Inc. (hereinafter referred to as favored creditor), witnesseth:

That in consideration of subordinating creditor entering into this subordination agreement, favored creditor agrees to lend not to exceed \$226,687.00 in accordance with that certain agreement dated on or about March 18, 2002, between favored creditor and Robert Randolph Sword and Joy Geraldine Sword as tenants by the entirety (debtor).

In consideration of favored creditor making aforesaid loan to debtor, subordinating creditor agrees that the mortgage/deed of trust (hereafter "mortgage") executed in its favor by debtor on April 24, 2001, and recorded in the mortgage records of Klamath County, State of Oregon as Book M01, Page 19242, Instrument No. _____, be subject, inferior, junior, secondary and subordinate to a mortgage which is executed by debtor in favor of favored creditor as security for the aforesaid loan, and that said mortgage and debt in favor of favored creditor shall have priority over said mortgage and debt in favor of subordinating creditor, with respect to the property legally described in the mortgage executed in favor of subordinating creditor described above.

WITNESS WHEREOF, the parties have executed this Assignment the 18th day of March, 2002.

WELLS FARGO FINANCIAL BANK
Subordinating Creditor

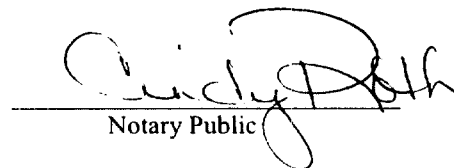
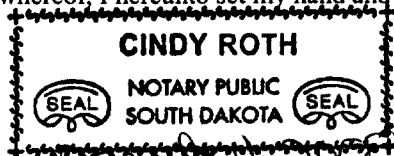
By: Corey Lucas
Its: Title Officer



STATE OF SOUTH DAKOTA) COUNTY OF MINNEHAHA)

On this the 18th day of March, 2002, before me, a Notary Public the undersigned officer, personally appeared Corey Lucas, who acknowledged himself to be the Title Officer of Wells Fargo Financial Bank, a South Dakota corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President.

In witness whereof, I hereunto set my hand and official seal.


Notary Public

Prepared by Cindy Roth for Wells Fargo Financial Bank