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State of Oregon, County of Klamath
Recorded 04/10/2002 11:05 a m.
Vol M02, Pg 2110 - 2112
Linda Smith, County Clerk
Fee \$ 3.00 # of Pgs 3

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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

This Agreement is made this 8th day of April, 2002, by and between **Wells Fargo Bank, N.A. (Home Equity Charter Bank)** a national bank with its headquarters located at 420 Montgomery Street, San Francisco, CA (herein called "Lien Holder"), and **Wells Fargo Home Mortgage, Inc.**, with its main office located in the State of Iowa (herein called the "Lender").

RECITALS

Lien Holder is the beneficiary/mortgagee under a deed of trust/mortgage, dated **December 6, 2001** executed by **Lori A. Gallagher, an unmarried woman, who acquired title as Lori A. Gallagher, a married woman** (the "Debtor") which was recorded in the county of **Klamath, State of Oregon**, in **Volume M01, page 65866, Microfilm Records**, on **December 26, 2001** (the "Subordinated Instrument") covering real property located in **Klamath Falls** in the above-named county of **Klamath, State of Oregon**, as more particularly described in the Subordinated Instrument (the "Property").

PLEASE SEE ATTACHED EXHIBIT "A" (Legal Description)

Lender will make a loan to the Debtor secured by a deed of trust/mortgage on the Property which will be recorded (the "Lender Instrument"). The Lender Instrument will secure a promissory note/line of credit agreement in the amount of \$64,000.00.

Lien Holder has agreed to execute and deliver this Subordination Agreement.

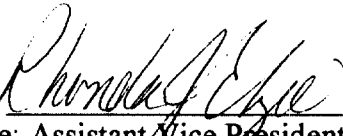
ACCORDINGLY, in consideration of the property and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lien Holder hereby agrees with Lender as follows:

1. Regardless of any priority otherwise available to Lien Holder, the lien of the Subordinated Instrument is, shall be and shall remain fully subordinate for all purposes to the lien of the Lender Instrument, to the full extent of the sum secured by the Lender Instrument, including not only principal and interest on the principal indebtedness secured thereby but all other sums secured by the Lender Instrument, excluding non-obligatory future advances.
2. Lien Holder warrants to Lender that Lien Holder presently owns the Subordinated Instrument and indebtedness secured thereby, free and clear of all liens, security interests and encumbrances.
3. This Agreement is made under the laws of the State of Oregon. It cannot be waived or changed, except by a writing signed by the parties to be bound thereby. This Agreement is made between Lender and Lien Holder. It shall be binding upon Lien Holder and the successors and assigns of Lien Holder, and shall inure to the benefit of, and shall be enforceable by, Lender and its successors and assigns. Neither the Debtor nor any other person (except Lender, its successors and assigns), shall be entitled to rely on, have the benefit of or enforce this Agreement.

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

WELLS FARGO BANK, N.A. (Home Equity
Charter Bank)

NOTICE: This subordination agreement
contains a provision which allows the person obligated on
your real property security to obtain a loan a portion of
which may be expended for other purposes than
improvement of the land

By: 
Title: Assistant Vice President

21112

STATE OF OREGON)
) SS.
COUNTY OF CLACKAMAS)

The foregoing instrument was acknowledged before me this 8th day of April, 2002, by Rhonda Elzie, Assistant Vice President of Wells Fargo Bank N.A. (Home Equity Charter Bank).

WITNESS my hand and official seal.

My commission expires: 3-17-03



Mindy R. Conner
Notary Public