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mtz 58090-m

State of Oregon, County of Klamath  
Recorded 10/15/2002 11:04 a m.  
Vol M02, Pg 58648  
Linda Smith, County Clerk  
Fee \$ 21<sup>00</sup> # of Pgs 1

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

## Deed Of Trust Subordination Agreement

Account No. 3000033439

This Agreement is made this 18th day of September, 2002, by and between U.S. Bank National Association ND ("Bank") and Klamath First ("Refinancer").

Bank is the beneficiary under a deed of trust (the "Junior Deed of Trust") dated February 14, 2002, granted by Harold R Heaton and Sally P Heaton ("Borrower"), and recorded in the office of the County Recorder, Klamath County, Oregon, on March 25, 2002, as Book M02, Page 17122, encumbering the real property described therein (collectively, the "Property"). Refinancer is the beneficiary under a deed of trust (the "Senior Deed of Trust") dated October 9, 2002, granted by the Borrower, and recorded in the same office on October 15, 2002, as Volume M02, page 58633, 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 \$233,000.00, exclusive of interest thereon, amounts advanced to protect the lien and priority of the Senior Deed of Trust, and costs of collection, and provided further, that this agreement shall not be effective until each other mortgage or other lien recorded against the property (other than the Senior Mortgage) and each judgment that is a lien against the Property shall be subordinated of record of the lien of the Senior Mortgage.

### Legal Description:

LOTS 5 AND 6, LESS THE SOUTHWESTERLY 20 FEET THEREOF IN BLOCK 44, AND LESS THE NORTHERLY 12 FEET OF LOT 5 IN BLOCK 44 OF HILLSIDE ADDITION TO THE CITY OF KLAMATH FALLS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

Property Address 600 Hillside Avenue, Klamath Falls, OR 97601

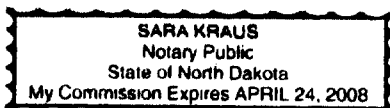
IN WITNESS THEREOF, this Subordination Agreement is executed on the day and year first above stated.

Bank Name: U.S. Bank National Association ND

By: Amy M. Kotula  
Title: Operations Officer

STATE OF North Dakota)  
COUNTY OF Cass)

The foregoing instrument was acknowledged before me this 18th day of September, 2002, by (name) Amy M. Kotula, the (title) Operations Officer of (bank name) U.S. Bank National Association ND, a national banking association, on behalf of the association.



Sara Kraus  
Notary Public