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MTZ - 13910 - 5628

Vol M04 Page 80311  
State of Oregon, County of Klamath  
Recorded 11/22/04 3:18 P m  
Vol M04 Pg 80311  
Linda Smith, County Clerk  
Fee \$ 21.00 # of Pgs 1

**SUBORDINATION AGREEMENT**

This agreement made this 4th day of November, 2004, 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 \$155,667.79 in accordance with that certain agreement between favored creditor and Tim C. Lancaster and Jackie Lancaster, 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 December 26, 2003, and recorded in the mortgage records of Klamath County, State of Oregon as Book M03, Page 93358, 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.

Provided, however, that this agreement to subordinate shall not extend to any advances made by favored creditor after the date of the loan described above (except that this subordination agreement shall extend to any future advances made for taxes and insurance to protect favored creditor's interest), and provided, however, that this Agreement is based upon favored creditor's representation that subordinating the creditor will not be reduced to less than a second mortgage position by virtue of executing this Agreement.

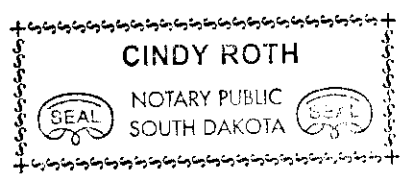
WITNESS WHEREOF, the parties have executed this Assignment the 4th day of November, 2004.

WELLS FARGO FINANCIAL BANK  
Subordinating Creditor  
*John E. DeBerg*  
By: John DeBerg  
Its: Title Officer

State of South Dakota

County of Minnehaha

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of November, 2004 by John DeBerg, Title Officer of Wells Fargo Financial Bank, a South Dakota corporation, on behalf of the corporation.



*Cindy Roth*  
Notary Public

My Commission Expires: March 4, 2008

Recording requested by:  
Wells Fargo Financial Bank

When recorded mail to:  
Wells Fargo Financial Bank  
PO Box 5943  
Sioux Falls, SD 57117-5943

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

2/10 am