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Vol M05 Page 00640

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State of Oregon, County of Klamath  
Recorded 01/04/2005 11:44 a m  
Vol M05 Pg 00640-43  
Linda Smith, County Clerk  
Fee \$ 36.00 # of Pgs 4

CRS# 808059

APN# P00556623

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**SUBORDINATION AGREEMENT OF DEED OF TRUST**

First Party: Discover Bank

Second Party: Wells Fargo Home Mortgage, Inc.

Owner of Property: Julie A. Shidlee and Russell P. Shidlee

RECORDING REQUESTED BY:

00641

~~Discover Bank~~  
~~4909 East 26th Street~~  
~~Sioux Falls, SD 57110~~

(This Space Reserved for Recorder)

940-2-709-974409

SUBORDINATION AGREEMENT

of Deed of Trust

This Agreement, made August 10, 2004 by Julie A Shidler and Russell P Shidler, an undivided one-half owner(s) of the land hereinafter described ("Owner"), and Discover Bank, ("Discover Bank"), present owner and holder of the Note and beneficiary of the Deed of Trust first hereinafter described (Discover Bank);

WITNESSETH

WHEREAS, In order to secure a loan in the principal amount of \$30,000.00 plus interest thereon, Owner did execute a Deed of Trust in favor of Discover Bank, dated January 13, 2004, which Deed of Trust was recorded on 02/13/2004, as Document Number (or in Book M04, Pages 8635,) in the County of Klamath, State of OR, covering the premises at 4534 Meadows Dr Klamath Falls, OR 97603-8065, more particularly described in Exhibit "A" attached hereto and made a part thereof by reference.

WHEREAS, Wells Fargo Bank N.A. ("Lender"), is about to make a loan through a promissory note to Owner, secured by a Mortgage/Deed on and covering the above-described premises; and

WHEREAS, Lender is willing to make such loan, provided that the Deed of Trust held by Discover Bank is subordinated to the lien of the Deed of Trust about to be made in favor of Lender as set forth above.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, IT IS HEREBY DECLARED, UNDERSTOOD AND AGREED as follows:

1. Discover Bank and Owner hereby covenant, consent and agree that the above mentioned Deed of Trust held by Discover Bank is and shall continue to be subject and subordinate in lien to the lien of the Deed of Trust about to be made in favor of Lender is and shall continue to be a lien prior to and superior to the lien of the Deed of Trust in favor of Discover Bank.

2. Discover Bank and Owner declare and acknowledge that they intentionally subordinate the Deed of Trust in favor of Discover Bank to the Deed of Trust in favor of Lender, and understand in reliance upon and in consideration of this subordination, Lender will make its loan to Owner and Lender would not make said loan but for this subordination.

3. Such subordination shall be for the principal sum of said note of Lender and accrued interest thereon, and other costs and fees as set forth in Lender's Deed of Trust and said Note, but shall not apply to future advances whether pursuant to a Future Advance clause or otherwise, provided, however, that the maximum amount subordinated by this Agreement shall be the sum of \$83,213.00.

4. This Subordination Agreement contains the whole agreement between the parties hereto as to the priority of the Deed of Trust of Discover Bank and the Deed of Trust about to be made in favor of Lender, and there are no other agreements, written or oral, outside and separate from this Agreement, and all prior negotiations, if any, are merged with this Agreement.

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In WITNESS WHEREOF, Discover Bank and Owner have executed this instrument on the day and year first above written.

DISCOVER BANK

By: [Signature]  
Printed Name: DAYNA M. SYVERSON  
Its: VICE PRESIDENT

OWNER: \_\_\_\_\_  
Printed Name: [REDACTED]

OWNER: \_\_\_\_\_  
Printed Name: [REDACTED]

STATE OF SOUTH DAKOTA ) SS:  
COUNTY OF MINNEHAHA )

On this August 10, 2004 before me the undersigned personally appeared Dayna M. Syverson known to me to be the Vice President and or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public, State of South Dakota  
Sandra L. Ugland My Commission Expires October 22, 2005  
My Commission Expires: \_\_\_\_\_ (This area for official notary seal)



STATE OF OR )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me the undersigned personally appeared Julie A Shidler and Russell P Shidler personally known to me, or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ (This area for official notary seal)

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Order ID1550493

Loan Number : 708-0042375899

**EXHIBIT A**  
**LEGAL DESCRIPTION**

THAT CERTAIN REAL PROPERTY, WITH THE TENENMENTS, HEREDITAMENTS AND APPURTENANCES  
THEREUNTO BELONGING OR IN  
ANY WAY APPERTAINING, SITUATED IN KLAMATH COUNTY, STATE OF OREGON, DESCRIBED AS  
FOLLOWS. TO-WIT:

LOT 4, BLOCK 15, TRACT NO. 1148, SECOND ADDITION TO THE  
MEADOWS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE  
IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

APN: R00556623