

**M05-69212**

Klamath County, Oregon

11/16/2005 02:59:46 PM

Pages 4 Fee: \$36.00

Space above line for recording purposes.

**65165124034121998**

**ATE-62439 SH**

**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 8<sup>th</sup> day of November 2005, by and between **Wells Fargo Bank, N.A. (Home Equity Charter Bank)** a national bank (herein called "Lien Holder"), and **Wells Fargo Bank, N.A., a national bank** (herein called the "Lender").

**RECITALS**

Lien Holder is the beneficiary/mortgagee under a deed of trust/mortgage, dated **January 15, 2004** executed by **Anthony F. Swan and Jeanette M. Rutherford**, as tenants by the entirety (the "Debtor") which was recorded in the county of **Klamath**, State of **Oregon**, as **Book M-04, Pg 6706** on **February 4, 2004** (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 **\$160,000.00**.

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

*36-A*

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.

**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: Vice President, Loan Documentation

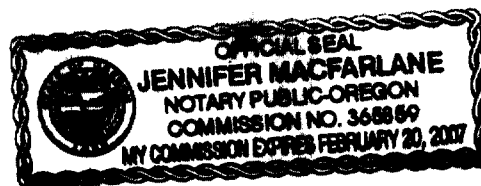
STATE OF OREGON           )  
  ) SS.  
COUNTY OF Clackamas    )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of November, 2005, by Lynette Stanfill, vice president, loan documentation of Wells Fargo Bank, N.A.

WITNESS my hand and official seal.

My commission expires: 2/20/07

Jennifer MacFarlane  
Notary Public



**Exhibit A:**

Lot 1, Block 43, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS,  
according to the official plat thereof on file in the office of the Clerk of Klamath  
County, Oregon.