

NOT 88244-LW

2010-012855

Klamath County, Oregon



00092476201000128550070074

11/03/2010 11:11:06 AM

Fee: \$67.00

Recording Requested By/Return To:

Wells Fargo
P.O. Box 31557
MAC B6955-013
Billings, MT 59107-90900

This Instrument Prepared by:

Wells Fargo
P.O. Box 4149 MAC P6051-019
Portland, OR 97208-4149
1-800-945-3056

[Space Above This Line for Recording Data]

Account #: XXX-XXX-XXX6033-1998

Reference Number: 154558152149

SUBORDINATION AGREEMENT

INDEX AS A MODIFICATION OF SHORT FORM LINE OF CREDIT DEED OF TRUST (WITH FUTURE ADVANCE CLAUSE)

Effective Date: 10/20/2010

Owner(s): ROBERT C MC LALLEN
SANDRA A MC LALLEN

Current Line of Credit Recorded Commitment \$106,100.00 being reduced to \$50,400.00.

Senior Lender: Wells Fargo Bank, N. A.

Subordinating Lender: Wells Fargo Bank, N.A.

If Wells Fargo Bank, N.A. is subordinating to Wells Fargo Bank, N.A., this document is notice that the line of credit agreement owned by the Wells Fargo Bank Home Equity Group is subordinated to the first lien loan owned by the Wells Fargo Home Mortgage Group.

Trustee: WELLS FARGO FINANCIAL NATIONAL BANK

Property Address: 3872 RIO VISTA WAY, KLAMATH FALLS, OR 97603-0000

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THIS AGREEMENT (the "Agreement"), effective as of the Effective Date above, is made by and among the Subordinating Lender, Owners and the Senior Lender named above.

ROBERT C. MC LALLEN AND SANDRA A. MC LALLEN, HUSBAND AND WIFE (individually and collectively the "Owner") own the real property located at the above Property Address (the "Property").

The Subordinating Lender has an interest in the Property by virtue of a Short Form Line Of Credit Deed Of Trust (With Future Advance Clause) given by the Owner, covering that real property, more particularly described as follows:

See Exhibit A

which document is dated the 10th day of January, 2008, which was filed in Document ID# 2008-001444 at page N/A (or as No. N/A) of the Official Records in the Office of the Recorder of the County of KLAMATH, State of Oregon (the "Existing Security Instrument"). The Existing Security Instrument secures repayment of a debt evidenced by a note or a line of credit agreement extended to , ROBERT C MC LALLEN, SANDRA A MC LALLEN (individually and collectively "Borrower") by the Subordinating Lender.

The Senior Lender has agreed to make a new loan or amend an existing loan in the original principal amount NOT to exceed \$72,000.00 (the "New Loan or Amended Loan"), provided that the New Loan or Amended Loan is secured by a first lien mortgage on the Property (the "New Security Instrument") in favor of the Senior Lender. If the New Loan or Amended Loan exceeds this amount, the Subordination Agreement is VOID.

The Subordinating Lender is willing to subordinate the lien of the Existing Security Instrument to the lien of the New Security Instrument under the terms set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the above recitals, the covenants herein contained, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

A. Agreement to Subordinate

Subordinating Lender and Trustee, if applicable, hereby subordinates the lien of the Existing Security Instrument, and all of its modifications, extensions and renewals, to the lien of the New Security Instrument. This Agreement is effective as to any sum whose repayment is presently secured or which may in the future be secured by the Existing Security Instrument.

B. Agreement to Change Credit Limit

Change in Line of Credit Agreement

The Subordinating Lender's agreement to subordinate is conditioned on the reduction in the Borrower's revolving Line of Credit from Zero to \$50,400.00.

By signing this Agreement below, the Borrower agrees to this change.

Change in Security Interest

The lien evidenced by the Existing Security Instrument is hereby reduced from \$106,100.00 to \$50,400.00.

C. Appointment of Substitute Trustee *If Applicable*

The Existing Security Instrument names WELLS FARGO FINANCIAL NATIONAL BANK, as Trustee and the Subordinating Lender as Beneficiary. The Existing Security Instrument provides that the Subordinating Lender may designate and appoint a substitute Trustee in place of any other trustee by an instrument recorded among the appropriate land records.

The Subordinating Lender hereby removes WELLS FARGO FINANCIAL NATIONAL BANK as Trustee and designates and appoints N/A as substitute Trustee with the same powers and duties as were originally vested in the Original Trustee under the Existing Security Instrument.

D. General Terms and Conditions

Binding Effect – This Agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto and all of those holding title under any of them.

Nonwaiver – This Agreement may not be changed or terminated orally. No indulgence, waiver, election or non-election by New Lender or the trustee(s) under the New Security Instrument or related documents shall affect this Agreement.

Severability – The invalidity or unenforceability of any portion of this Agreement shall not affect the remaining provisions and portions of this Agreement.

E. Signatures and Acknowledgements

The Subordinating Lender, through its authorized officer, and the Trustee if applicable, individually or through its authorized officer or other representative, and the Borrower, have each set their hand and seal as of the Effective Date above unless otherwise indicated.

(ACKNOWLEDGEMENT PAGE FOLLOWS)

SUBORDINATING LENDER:

Wells Fargo Bank, N.A.

By [Signature]
(Signature)

10/20/2010

Date

Barbara Edwards
(Printed Name)

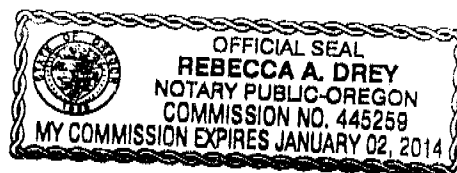
Work Director
(Title)

FOR NOTARIZATION OF LENDER PERSONNEL

STATE OF Oregon)
)ss.
COUNTY OF Washington)

The foregoing Subordination Agreement was acknowledged before me, a notary public or other official qualified to administer oaths this 20 day of Oct, 2010, by Barbara Edwards, as Work Director of the Subordinating Lender named above, Wells Fargo Bank, N.A., on behalf of said Subordinating Lender pursuant to authority granted by its Board of Directors. S/he is personally known to me or has produced satisfactory proof of his/her identity.

[Signature] (Notary Public)



BORROWER/OWNER:

Robert C McAllen

(Signature)

10/29/10
(Date)

ROBERT C MC LALLEN

(Printed Name)

Sandra A McAllen

(Signature)

10-29-10
(Date)

SANDRA A MC LALLEN

(Printed Name)

(Signature)

(Date)

(Printed Name)

(Signature)

(Date)

(Printed Name)

(Signature)

(Date)

(Printed Name)

(Signature)

(Date)

(Printed Name)

(Signature)

(Date)

(Printed Name)

(Signature)

(Date)

(Printed Name)

For An Individual Acting In His/Her Own Right:

State of Oregon)
County of Klamath)

This instrument was acknowledged before me on 10/29/2010 (date) by
Robert C McFallen and Sandra A McFallen
_____(name(s) of person(s)).



Lisa Weatherby
(Signature of notarial officer)

Notary Public for Oregon
Title (and Rank)
Klamath County

My commission expires: 11/20/2011

Exhibit A

Reference Number: 154558152149

Legal Description:

Lot 18 in Block 8 Tract 1079, SIXTH ADDITION TO SUNSET VILLAGE, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.