

WHEN RECORDED RETURN TO:

2012-009993

Klamath County, Oregon

77833005

When Recorded Return To:
Indecomm Global Services
2925 Country Drive
St. Paul, MN 55117



00124012201200099930050054

09/11/2012 08:23:14 AM

Fee: \$57.00

LOAN: 601276567

SUBORDINATION AGREEMENT

1. **STERLING SAVINGS BANK dba STERLING BANK** referred to herein as "subordinator", is the owner and holder of a deed of trust dated **December 11, 2009** which is recorded on **December 14, 2009** in the amount of **\$14,200.00** under auditor's file No **2009-015682**, records of **Klamath County**.
2. JP Morgan Chase Bank, NA referred to herein as "lender" is the owner and holder of the deed of trust dated July 10, 2012 in the amount of \$ 119,000, executed by Mike Kratochvil + Deanna Kratochvil under auditor's file No 2012-008115, records of Klamath County (which is to be recorded concurrently herewith).
3. **Mike Kratochvil and Deanna Kratochvil**, referred to herein as "owner," is the owner of all the real property described in the deed of trust identified above in Paragraph 2.
4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its deed of trust and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of the deed of trust identified in Paragraph 1 above to the lien of "lender's" deed of trust identified in Paragraph 2 above, and all advances or charges made or accruing hereunder, including any extension or renewal thereof.
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" deed of trust, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its deed of trust or see to the application of "lender's" deed of trust funds, and any application or use of such funds for purposes other than those provided for in such deed of trust, note or agreements shall not defeat the subordination herein made in whole or in part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the deed of trust in Paragraph 2 without this agreement.
7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to a deed of trust or deeds of trust to be thereafter executed.
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement.

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. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THAT PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

Executed: **June 19, 2012**

STERLING SAVINGS BANK dba STERLING BANK


Mariko Morgan, Lending Production Specialist

Mike Kratochvil

Deanna Kratochvil

77843025 1002

When Recorded Return To:
Indecomm Global Services
2925 Country Drive
St. Paul, MN 55117

LOAN: 601276567

56570470-13535413

SUBORDINATION AGREEMENT

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2. JP Morgan Chase Bank, N.A. referred to herein as "lender" is the owner and holder of the deed of trust dated July 10, 2008 in the amount of \$ 119,000.00, executed by JP Morgan Chase under auditor's file No. 2012-00845 records of Klamath County (which is to be recorded concurrently herewith). Mike Kratochvil + Deanna Kratochvil

3. **Mike Kratochvil and Deanna Kratochvil**, referred to herein as "owner," is the owner of all the real property described in the deed of trust identified above in Paragraph 2.

4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its deed of trust and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of the deed of trust identified in Paragraph 1 above to the lien of "lender's" deed of trust identified in Paragraph 2 above, and all advances or charges made or accruing hereunder, including any extension or renewal thereof.

5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" deed of trust, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its deed of trust or see to the application of "lender's" deed of trust funds, and any application or use of such funds for purposes other than those provided for in such deed of trust, note or agreements shall not defeat the subordination herein made in whole or in part.

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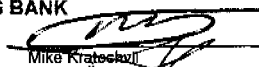

8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement.

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Executed: **June 19, 2012**

STERLING SAVINGS BANK dba STERLING BANK


Mariko Morgan, Lending Production Specialist



Mike Kratochvil

Deanna Kratochvil

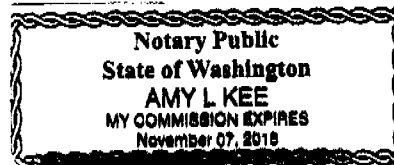
ACKNOWLEDGMENT - Corporate

STATE OF WASHINGTON
COUNTY OF SPOKANE

On ~~June 19, 2012~~, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mariko Morgan known to me to be the Lending Production Specialist of Sterling Savings Bank dba Sterling Bank, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that ~~he/she~~ is authorized to execute the said instrument

Witness my hand and official seal hereto affixed the day and year first above written


Notary Public in and for the State of
Washington, residing at Spokane, Co.
My appointment expires Nov. 7, 2015



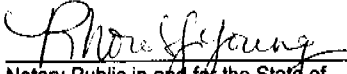
ACKNOWLEDGMENT - Individual

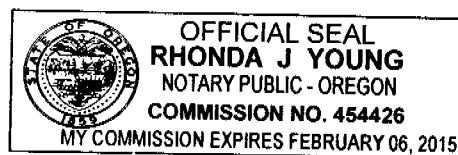
STATE OF OREGON
COUNTY OF KLAMATH

On this day personally appeared before me MICHAEL KRATOCHVIL AND DEANNA KRATOCHVIL, to me

known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that ~~he/she~~ signed the same as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 10 day of JULY,
2012


Notary Public in and for the State of OREGON,
residing at KLAMATH FALLS, OREGON
My appointment expires 2-6-15

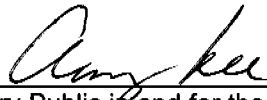


ACKNOWLEDGMENT – Corporate

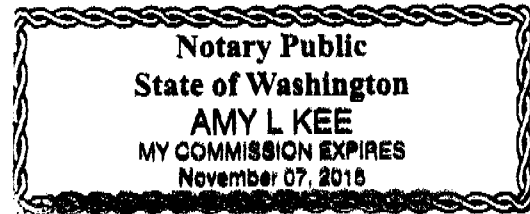
STATE OF WASHINGTON
COUNTY OF SPOKANE

On **June 19, 2012**, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mariko Morgan known to me to be the Lending Production Specialist of Sterling Savings Bank dba Sterling Bank, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that **he/she** is authorized to execute the said instrument

Witness my hand and official seal hereto affixed the day and year first above written



Notary Public in and for the State of
Washington, residing at Spokane Co.
My appointment expires Nov 7, 2015



ACKNOWLEDGMENT – Individual

STATE OF _____
COUNTY OF _____

On this day personally appeared before me _____, to me
known to be the individual(s) described in and who executed the within and foregoing instrument,
and acknowledged that **he/she** signed the same as **his/her** free and voluntary act and deed, for
the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____,
20____

Notary Public in and for the State of _____,
residing at _____
My appointment expires _____

Exhibit A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KLAMATH, STATE OF Oregon, AND IS DESCRIBED AS FOLLOWS:

THE NORTH 17 1/2 FEET OF LOT 20 AND ALL OF LOTS 21, 22, 23 AND 24 IN BLOCK 23, SECOND ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO (HE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.

Parcel ID: R214093 / 3809-029AC-02700-000

Commonly known as 1929 WORDEN AVE, Klamath Falls, OR 97601
However, by showing this address no additional coverage is provided



+U02811953+

1634 7/17/2012 77833065/2