SAMPLE SUBORDINATION

This Subordination is made as of _____, 20__, by _____ ("**Mortgagee**"), a _____, having its principal place of business at _____.

RECITALS

A. Mortgagee is the holder of a note(s) secured by the mortgage(s) set forth on Schedule A annexed hereto (collectively, the "**Mortgage**"), pertaining to the real estate located at _____, _____, New York _____, and designated as Tax Block ____ Lot ___ on the Tax Map for the City of New York, Borough of _____ (and as further described on Exhibit A, the "**Mortgaged Property**" or "**Premises**"), which Mortgage is recorded in the Office of the City Register of the City of New York ("City Register's Office") as specified on Schedule A.

B. _____, the owner ("**Owner**") of the Mortgaged Property, has applied to The City of New York ("**City**") for City capital funds ("**Funding**") to subsidize certain costs and expenses incurred by Owner in connection with the development of the Mortgaged Property.

C. It is a condition of the Funding that, among other things, Owner execute[d], deliver[ed] and record[ed] or cause[d] to be recorded against the property records of the Mortgaged Property a Declaration of Restrictive Covenant ("**Declaration**") [in substantially the form attached hereto as Exhibit B] [dated _____ and recorded _____ at the City Register's Office under CRFN _____] in favor of the City and New York City Economic Development Corporation ("**NYCEDC**").

D. The Declaration requires, among other things, that Mortgagee execute this Subordination, subordinating its Mortgage to the Declaration and agreeing to the terms contained herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagee agrees as follows:

1. The Mortgage held by Mortgagee shall be subject and subordinate to the Declaration.

2. [Mortgagee agrees that the Declaration shall have the same validity, priority, and effect as if executed, delivered and recorded prior to the date the Mortgage was executed, delivered and recorded.] [*delete this paragraph if Declaration executed and recorded before Mortgage*]

3. If Mortgagee or its designee takes title to the Mortgaged Property, Mortgagee hereby acknowledges that the Declaration is enforceable against the Premises and its owner, and agrees to: (a) be personally bound by each and every term, covenant and condition of the Declaration as if Mortgagee was the original Declarant under the Declaration, and (b) include in any deed, indenture or other instrument of conveyance of fee title interest of the Premises: (i) a covenant that the purchaser or other transferee of said interest agrees to be personally bound by each and every term, covenant and condition of the Declaration as if said purchaser or transferee was the original Declarant under the Declaration, and (ii) an acknowledgement by said purchaser or transferee that the Declaration may be enforced against the Premises and its owner.

4. [Mortgagee acknowledges that the City and NYCEDC are relying on this instrument in its determination to make the Funding available to Owner.] [*delete this paragraph if Funding Agreement executed and registered before Mortgage*]

5. The terms, covenants and agreements of this Subordination shall inure to the benefit of the City, NYCEDC and its respective successors, assigns and transferees and shall be binding upon Mortgagee and its successors, assigns, nominees and transferees.

6. This Subordination shall be recorded in the City Register's Office and indexed against the Mortgaged Property and the Mortgage.

IN WITNESS WHEREOF, Mortgagee has caused this Subordination to be executed by its duly authorized officer as of the day and year first written above.

MORTGAGEE:

_____

By: _____
Name:
Title:

STATE OF _____)
: SS.:
COUNTY OF _____)

On the ____ day of _____ in the year 201_ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, 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 executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

My Commission Expires: _____