

Prepared by:

Subordination Agreement

This Subordination Agreement is dated this ____ day of _____, 20__ executed and extended by the Township of Franklin, a New Jersey municipal corporation (SUBORDINATING PARTY).

WHEREAS, the SUBORDINATING PARTY is the the owner and holder of one CDBG/TOWNSHIP AFFORDABLE HOUSING TRUST FUND Mortgage (MORTGAGE) dated: _____, 20__ and recorded _____, 20__ in Official Records Book ____; Pages _____, of the Public Records of Somerset County, New Jersey which refers to the Township of Franklin Community Development Block Grant Housing Rehabilitation Loan Agreement/Township Affordable Housing Trust Fund Mortgage dated _____, 20__ which create a lien encumbering the following parcel of real property located at _____, to wit:

Lot ____, Block _____, of _____, according to the Plat thereof, as recorded in Plat Book _____ at Page _____, of the Public Records of Somerset County New Jersey a/k/a _____ (SUBJECT PROPERTY).

WHEREAS, _____, (OWNERS) hold fee simple title to, and ownership of the SUBJECT PROPERTY, and is under contract to refinance the SUBJECT PROPERTY.

WHEREAS, the Mortgage requires that the above referenced loan be a first mortgage lien against the SUBJECT PROPERTY; and

WHEREAS, as an accomodation to the Owner , the SUBORDINATING PARTY, has agreed to execute and deliver, for recodation, the SUBORDINATION AGREEMENT so that the MORTGAGE will be made subordinate and inferior to the lien of the Mortgagee which is to be executed by the Owner in favor of Mortgagee, its successors and/or assigns, to secure the principal loan amount not to exceed _____ which to be advanced by the mortgagee.

NOW, THEREFORE, the undersigned on behalf of the SUBORDINATING PARTY, does hereby represent, covenant, and agree as follows:

1. That the MORTGAGE dated _____ and recorded _____, 20__ in the Official Records Book _____; Pages _____ of the Public Records of the County of Somerset, New Jersey, and as described in the first paragraph of the preamble of the SUBORDINATION AGREEMENT, is owned and held by the SUBORDINATING PARTY,

and that the MORTGAGE has not been assigned, transferred or pledged to any person whomsoever, so that the SUBORDINATING PARTY has full right and authority to execute this SUBORDINATION AGREEMENT.

2. That the above-described MORTGAGE held by the SUBORDINATING PARTY are declared to be inferior and subordinate in lien right and dignity to only the Mortgage itself in the original principal loan amount and not to exceed _____, just as though the Mortgage has been executed, delivered and recorded prior to the execution and recordation of the MORTGAGE held by the undersigned, SUBORDINATING PARTY.
3. Accordingly, the MORTGAGE held by the undersigned, SUBORDINATING PARTY, is now and shall be inferior and subordinate to the lien of the Mortgage which is to be executed by the Owner to the Mortgagee, its successors and/or assigns, and which shall be recorded in the Public Records of Somerset County, New Jersey concurrently, with and immediately prior to, the recordation of this SUBORDINATION AGREEMENT.

IN WITNESS WHEREOF, the Township of Franklin sets its hand and seal the date set forth above.

WITNESSES:

TOWNSHIP OF FRANKLIN

Robert Vornlocker
Township Manager

STATE OF NEW JERSEY
COUNTY OF SOMERSET

I hereby certify that on this day, before me, appeared Robert Vornlocker, Township Manager, To me personally known, who acknowledged that he is the Township Manager of the Township of Franklin, a municipal corporation, and that this instrument was signed for the purposes contained in behalf of the Corporation and by the authority of the Corporation, and that he further acknowledges the instrument to be the free act and deed of the Corporation.

Sworn to and subscribed before me this
____ day of _____, 20____.

Notary Public, State of New Jersey

ATTEST:

Ann Marie McCarthy, Township Clerk