

**SUBORDINATION AGREEMENT
AND CONSENT TO ENCUMBER**

This **SUBORDINATION AGREEMENT AND CONSENT TO ENCUMBER** (the "**Agreement**") made as of the ____ day of _____, 202__, by and between the _____ (together with its successors and/or assigns, the "**Lender**"), having an address of _____ and **CENTRAL ADIRONDACK PARTNERSHIP FOR THE 21ST CENTURY INC.**, a New York not-for-profit corporation with an address of P.O. Box 642, 108 Codling Street, Old Forge, New York 13420 (together with its successors and/or assigns, the "**Agency**"), and acknowledged by _____ and _____, individuals with an address of _____ (collectively, "**Homeowner**").

WHEREAS, the Homeowner owns or will own certain real property and improvements situated thereon located at _____, New York, as more particularly described in Schedule A attached hereto and made a part hereof (the "**Property**");

WHEREAS, the Lender holds or will hold a senior, first-position mortgage lien on the Property pursuant to that certain [Mortgage], dated as of [_____] made by Homeowner in favor of Lender (the "**Mortgage**");

WHEREAS, simultaneously herewith, the Agency is compensating Homeowner for certain restrictive covenants governing the ownership, occupancy and use of the Property pursuant to the terms of that certain Declaration of Restrictive Covenants by and between Agency and Homeowner (the "**Declaration**"), which Declaration shall be recorded against the Property and run with the land in perpetuity; and

WHEREAS, the parties hereto desire to set forth their agreement as to the subordination of the Declaration and certain other matters.

NOW THEREFORE, the parties hereto agree as follows:

1. CONSENT TO ENCUMBER

The Lender hereby consents to the execution and recording of the Declaration encumbering the Property.

2. SUBORDINATION OF DECLARATION

A. The Declaration and Agency's rights thereunder are and shall at all times continue to be subject and subordinate to the Lender's rights under the Mortgage.

B. The Declaration is and shall continue to be subject and subordinate in all respects to the lien, payment, terms, covenants and conditions of the Mortgage. The parties hereto acknowledge and agree that the Declaration shall terminate and be of no further force or effect on the date the Property is acquired by foreclosure or an instrument in lieu of foreclosure. Agency shall record a lien release of the Declaration

of Restrictive Covenants and any other liens it has attached to the property within 30 days of receipt of notice of transfer of title, at Agency's sole cost and expense.

3. INSURANCE PROCEEDS AND CONDEMNATION AWARDS

A. Notwithstanding anything to the contrary contained in the Declaration, (i) in the event of a casualty or other event causing damage to the Property which is covered by insurance, Agency consents to (a) the settlement by Lender of any claim submitted to an insurer for such damage to the Property; and (b) the application of all insurance proceeds received or to be received on account thereof in the manner determined by Lender in its sole discretion, up to an amount not to exceed the then outstanding balance of principal and interest due under the promissory note evidencing the loan made by Lender to Homeowner. Any amounts remaining thereafter will be remitted to the Homeowner to be applied against any additional obligations, including any obligations due and owing under the Declaration.

B. In the event of a taking of the Property by condemnation, eminent domain or similar process, or a casualty or any other loss or damage to the Property, the Lender's interest in the insurance or condemnation proceeds shall have priority over any interest of Agency in such proceeds.

4. SUCCESSORS AND ASSIGNS THIRD PARTY BENEFICIARY

This Agreement shall be binding upon and for the benefit of the parties hereto and each of their respective successors and assigns. The provisions of this Agreement shall be for the sole benefit of the parties hereto and no other party shall be a third-party beneficiary hereof.

5. OTHER PROVISIONS

A. Nothing contained in this Agreement shall create any pecuniary liability of the Agency or Lender.

B. The parties hereby agree to execute any and all documents necessary to carry out the intent of this Agreement.

C. This Agreement may not be changed or terminated orally, but only by an agreement in writing signed by all of the parties hereto.

D. The provisions of this Agreement are severable. If any clause or provision shall be held invalid or unenforceable, in whole or in part, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof and shall not in any manner affect any other clause or provision in the Agreement.

E. This Agreement contains all the terms and conditions agreed upon by the parties. All items incorporated by reference are to be attached. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

F. This Agreement shall be executed in recordable form and may be recorded by any party hereto.

G. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

H. This Agreement may be executed in one or more counterparts each of which shall constitute an original and all of which shall constitute one agreement.

NOTHING FURTHER ON THIS PAGE; SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, the parties have duly executed this Subordination Agreement and Consent to Encumber as stated below.

Lender:

[_____]

By: _____
Name:
Title:

Agency:

CENTRAL ADIRONDACK PARTNERSHIP FOR
THE 21ST CENTURY INC.

By: _____
Name:
Title:

Homeowner:

Name:

and

Name:

ACKNOWLEDGMENTS

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ___ day of _____, 202__, 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(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ___ day of _____, 202__, 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(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

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Notary Public

Schedule A
(Legal Description)