

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made and entered into as of the ____ day of _____, 2016, by and between:

THE TOWN OF WEST ORANGE, NEW JERSEY, its successors and assigns

(hereinafter referred to as the “Grantee”) having its office at 66 Main Street, West Orange, New Jersey, and

TAWANDA JACKSON, her successors and assigns

having a mailing address at 23 Maple Avenue, West Orange, New Jersey (hereinafter called “Grantor”); and

STATE FARM BANK, its successors and assigns

(hereinafter referred to as the “Lender”), having its principal office at 425 Phillips Boulevard, Ewing, New Jersey 08618 (hereinafter called “Lender”).

RECITALS:

WHEREAS, the Grantor and the Grantee are about to enter into an Easement Agreement for 23 Maple Avenue, West Orange, New Jersey, and also known as Lot 38 in Block 161.02 on the Tax Maps of the Town of West Orange; and

WHEREAS, the Grantee and the Grantor heretofore have executed an Easement dated _____; and

WHEREAS, the aforementioned Easement Agreement is subject to the execution of this Agreement by all parties hereto; and

WHEREAS, the Grantee will be the holder of an Easement in the premises known as Lot 38 in Block 161.02 on the Tax Maps of the Town of West Orange (this “Parcel”); and

WHEREAS, the Lender is the present owner and holder of a certain mortgage (hereinafter referred to as the “Mortgage”), dated _____, given by the Grantor to Lender which encumbers, this Parcel, the fee estate of Grantor in a certain Property described in the Easement Agreement; and

WHEREAS, the Grantor has requested the Grantee to agree to subordinate the Easement Agreement to the Mortgage under the provisions, covenants, terms and conditions hereinafter set forth; and

WHEREAS, the Grantor, the Lender, and the Grantee desire to memorialize this Agreement.

NOW, THEREFORE, the Lender and the Grantor and the Grantee, for and in consideration of \$1.00, the exchange and receipt of which is hereby acknowledged, hereby covenant and agree as follows:

1. **Subordination.** The Grantee and the Grantor hereby agree that the Easement Agreement and all of the provisions, covenants, terms and conditions, thereof and all of the Grantee's right, title, and interest under the Easement Agreement are and shall be subject and subordinate to the lien of any first Mortgage now against said demised premises or which may hereinafter be placed against the demised premises, insofar as it affects the real property of which the demised premises form a part; and
 - a. to all renewals, modifications, consolidations, replacements and extensions thereof, to the full extent of the principal sum secured thereby and interest thereon.
 - b. the proceeds of any insurance held by Grantee on the improvements constructed by Grantee on the demised premises, payable by reason of fire or other casualty so insured, may be applied first, in payment of the cost of restoring the improvements on the demised premises after such injury before any part of the proceeds or award may be applied on account of any part of the mortgage debt.
2. **Non-disturbance.** The Grantee and the Lender hereby agree that, if Lender, its successors and assigns, obtains title to the Parcel by way of being the prevailing party in any foreclosure action or the Grantor makes any conveyance in lieu of foreclosure to Lender, its successors and assigns, or if Lender, its successors and assigns, shall, in accordance with the foregoing, succeed to the interest of the Grantor, the Lender, its successors and assigns, shall be bound to the Grantee under all the terms, covenants, and conditions of the Easement Agreement except that Lender, its successors and assigns, shall have no liability whatsoever to Grantee for any actions except as to its intentional acts and/or omissions and all rights and obligations under the Easement Agreement shall continue as though the interest of Grantor had not terminated or foreclosure proceedings had not been brought.
3. **Attornment.** The Grantee and the Grantor hereby agree that if the Lender shall become owner of the demised premises by reason of foreclosure or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Easement Agreement shall not be terminated or affected thereby but shall continue in full force and effect as a direct Easement Agreement between the Lender and the Grantee, under all the provisions, covenants, terms, and conditions set forth in the Easement Agreement except as otherwise provided herein.
4. **Binding on Parties.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, executors, successors, administrators and assigns
5. **Applicable Law.** This Agreement and its terms shall be governed by the laws of the State of New Jersey and shall be binding upon and inure to the benefit of the Grantor, the

Lender and the Grantee and their respective successors and assigns, including, without limitation, any purchaser at any foreclosure sale or otherwise.

6. **Modification of Agreement.** This Agreement may not be modified orally or by any course of conduct of the parties hereto or in any manner other than by an agreement, in writing, specifically referring to this Agreement and signed by the parties to be charged thereby.
7. **Execution of this Agreement.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts when taken together shall constitute but one agreement.

THE REST OF THIS PAGE IS LEFT INTENTIONALLY BLANK.

IN WITNESS WHEREOF, the parties hereto, duly authorized, have executed this Subordination Agreement as of the date of the last signing party.

FOR LENDER

Witness

By:
Title:
For Lender, State Farm Bank

STATE OF NEW JERSEY,
COUNTY OF _____ SS.:

I CERTIY THAT ON _____, the above noted representative of the Lender, personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as the _____ of State Farm Bank the entity named in this instrument; and,
- (c) executed this instrument as the act of the entity named in this instrument.

Notary Public

IN WITNESS WHEREOF, the parties hereto, duly authorized, have executed this Subordination Agreement as of the date of the last signing party.

FOR GRANTEE

Witness

By:
Title:
For Town of West Orange

STATE OF NEW JERSEY,
COUNTY OF _____ SS.:

I CERTIY THAT ON _____, the above noted representative of the West Orange, personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as the _____ of State Farm Bank the entity named in this instrument; and,
- (c) executed this instrument as the act of the entity named in this instrument.

Notary Public

IN WITNESS WHEREOF, the parties hereto, duly authorized, have executed this Subordination Agreement as of the date of the last signing party.

FOR GRANTOR

Witness

By: TAWANDA JACKSON

STATE OF NEW JERSEY,
COUNTY OF _____ SS.:

I CERTIY THAT ON _____, Tawanda Jackson, personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of the attached instrument;
- (b) was authorized to and did execute this instrument as the owner of 23 Maple Avenue, West Orange, New Jersey; and,
- (c) executed this instrument as her voluntary act.

Notary Public