

RECORDING REQUESTED BY

[Insert Requestor(s)]

AND WHEN RECORDED RETURN TO:

[Insert Applicable Entity]

Recorder's Stamp

**AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION
USE AGREEMENT**

[Insert Project Name and Source of Financing]

This Agreement to Subordinate to Rental Assistance Demonstration Use Agreement (the "Subordination") is entered into this _____ (date), by the [insert lender or agency] (the "Lender" or "Agency"), and [insert Project Owner] (the "Project Owner"), collectively, the "Parties."

WHEREAS, the Parties executed that certain [insert name of applicable subordinate financing document(s) or restrictive covenant(s)] ("Subordinate Document(s)") [dated and recorded as of substantially even date herewith] [OR if existing financing: dated as of _____ and recorded in the Recorder's Office of _____ County ("Recorder's Office") as document number _____;] and

WHEREAS, HUD has authorized the conversion of [insert Project Name] (the "Project") located upon the real property described on Exhibit "A" attached hereto, from public housing to Section 8 assistance under the Rental Assistance Demonstration ("RAD") program, pursuant to Public Law 112-55; and

WHEREAS, as a condition of the RAD conversion, the Owner executed a Rental Assistance Demonstration Use Agreement dated and recorded as of substantially even date herewith (the "RAD Use Agreement") for the benefit of HUD; and

WHEREAS, HUD requires as a condition of the RAD conversion that the Parties agree to subordinate the Subordinate Document(s) to the RAD Use Agreement;

NOW THEREFORE, let it be known to all interested parties, that for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby agree:

1. So long as the RAD Use Agreement, and all extensions thereto, be in effect, the Subordinate Document(s) shall in all respects be subordinate.

2. Subordination extends to and continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or the Subordinate Document(s).
3. In the event of conflict between/among the Subordinate Document(s) and the RAD Use Agreement, the RAD Use Agreement controls.
4. The following amendments to the Subordinate Document(s) require the prior written consent of HUD: Any amendment to any HUD-required provisions in the Subordinate Document(s), an increase in the interest rate, an increase of the total indebtedness, an acceleration of the amortization or payment schedule, and any changes that would preclude or impair a reasonable opportunity to cure any defaults by the Project Owner under the Subordinate Documents.
5. This Subordination will survive bankruptcy and foreclosure.
6. This Subordination may be signed in counterparts.
7. The invalidity, in whole or in part, of any of the provisions set forth in this Subordination, shall not affect or invalidate any remaining provisions.
8. This Subordination and every covenant hereof shall be binding upon the Parties and their respective successors and assigns. This Subordination shall not be modified or amended except by a written instrument executed by all parties hereto and approved in writing by HUD.

[SIGNATURE PAGE(S) TO FOLLOW]

In witness whereof, the parties have executed this Subordination as of the date first written above.

Lender/Agency

[insert appropriate signature block]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he/she, being authorized to do so, voluntarily executed the foregoing on behalf of said companies for the purposes state therein.

Notary Public

My commission expires:

[Seal]

Project/Owner

[insert appropriate signature block]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he/she, being authorized to do so, voluntarily executed the foregoing on behalf of said companies for the purposes state therein.

Notary Public

My commission expires:

[Seal]
