**MODIFICATION, SEVERANCE AND SPLITTER AGREEMENT**

 AGREEMENT made as of this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 1996 between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a New York \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having offices at c/o \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Mortgagor”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a New York \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with offices at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Mortgagee”).

RECITAL

 WHEREAS, the Mortgagor is the owner of the premises known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ New York, more particularly described in Schedule A annexed hereto, (the “Premises”); and

 WHEREAS, the Mortgagee is the holder of a certain note for an indebtedness of $\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Existing Note”) by the terms of a certain Mortgage dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, recorded on \_\_\_\_\_\_\_\_\_\_\_\_\_ in Reel \_\_\_\_, Page \_\_\_\_ in the Office of the City Register, \_\_\_\_\_\_\_ County (the “Existing Mortgage”) which mortgage was assigned by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by Assignment of Mortgage dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and recorded on \_\_\_\_\_\_\_\_\_\_\_\_ in Reel \_\_\_\_, Page \_\_\_\_ in said City Register’s Office; which Existing Mortgage has a present principal balance of $\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Debt”); and,

 WHEREAS, the Mortgagor and the Mortgagee mutually desire to modify, sever, split and divide the Existing Note and the Existing Mortgage so that the same shall constitute in law two (2) separate and distinct notes and mortgages in the amounts of $\_\_\_\_\_\_\_\_\_\_\_ and $\_\_\_\_\_\_\_\_\_\_\_\_, respectively;

 NOW, THEREFORE, in consideration of Ten and 00/100 ($10.00) Dollars paid by each of the parties hereto to the other, receipt of which is hereby acknowledged, and for other good and valuable consideration, the parties hereto agree as follows:

 1. The Existing Mortgage is hereby modified to permit the Mortgagor and the Mortgagee to sever and split the Existing Note and the Existing Mortgage into two (2) separate and distinct notes and mortgages as follows: (i) a note and mortgage each in the amount of $\_\_\_\_\_\_\_ and (ii) a note and mortgage each in the amount of $\_\_\_\_\_\_\_\_\_; and to provide that upon request by the Mortgagee the Mortgagor will execute the appropriate substitute notes and substitute mortgages.

 2. The Existing Note and the Existing Mortgage shall be deemed to be separate and distinct notes, one in the sum of $\_\_\_\_\_\_\_\_\_\_ which shall be secured by a mortgage which shall be a lien in the principal sum of $\_\_\_\_\_\_\_\_\_\_, and the other in the sum of $\_\_\_\_\_\_\_\_\_\_ which shall be secured by a mortgage which shall be a lien in the principal amount of $\_\_\_\_\_\_\_\_\_\_ .

 3. The lien of the Existing Mortgage is hereby severed, split and divided in order to constitute in law two (2) separate and distinct mortgage liens on the land and buildings located at the Premises.

 4. Simultaneously with the execution of this Agreement the Mortgagor agrees to execute substitute notes and substitute mortgages in the amounts of $\_\_\_\_\_\_\_\_ and $\_\_\_\_\_\_\_\_\_\_\_, respectively, secured by the Premises.

 5. Upon execution and delivery of the substitute notes and the execution, delivery and recording of the substitute mortgages, the substitute notes secured by the substitute mortgages collectively shall be deemed to evidence the Debt and shall not be deemed to create any further indebtedness.

 6. Upon delivery of the substitute notes and upon the recording of the substitute mortgages, the lien of each mortgage upon the Premises shall be deemed to be transferred from the Existing Mortgage to each substitute mortgage in the amounts set forth in Paragraph 2 hereof and against the Premises.

 7. The substitute mortgages shall be mortgage liens in the amounts of $\_\_\_\_\_\_\_\_\_\_\_ and $\_\_\_\_\_\_\_\_\_\_\_\_, respectively, on the Premises.

 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

 MORTGAGOR

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name, Title

 MORTGAGEE

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name, Title

(ACKNOWLEDGMENTS)

SCHEDULE A

**Modification, Severance and Splitter Agreement**

- with -

Section: \_, Block: \_\_\_\_, Lot: \_

Premises:

The within premises lie in \_\_\_\_\_\_\_ County

Record and Return To: