

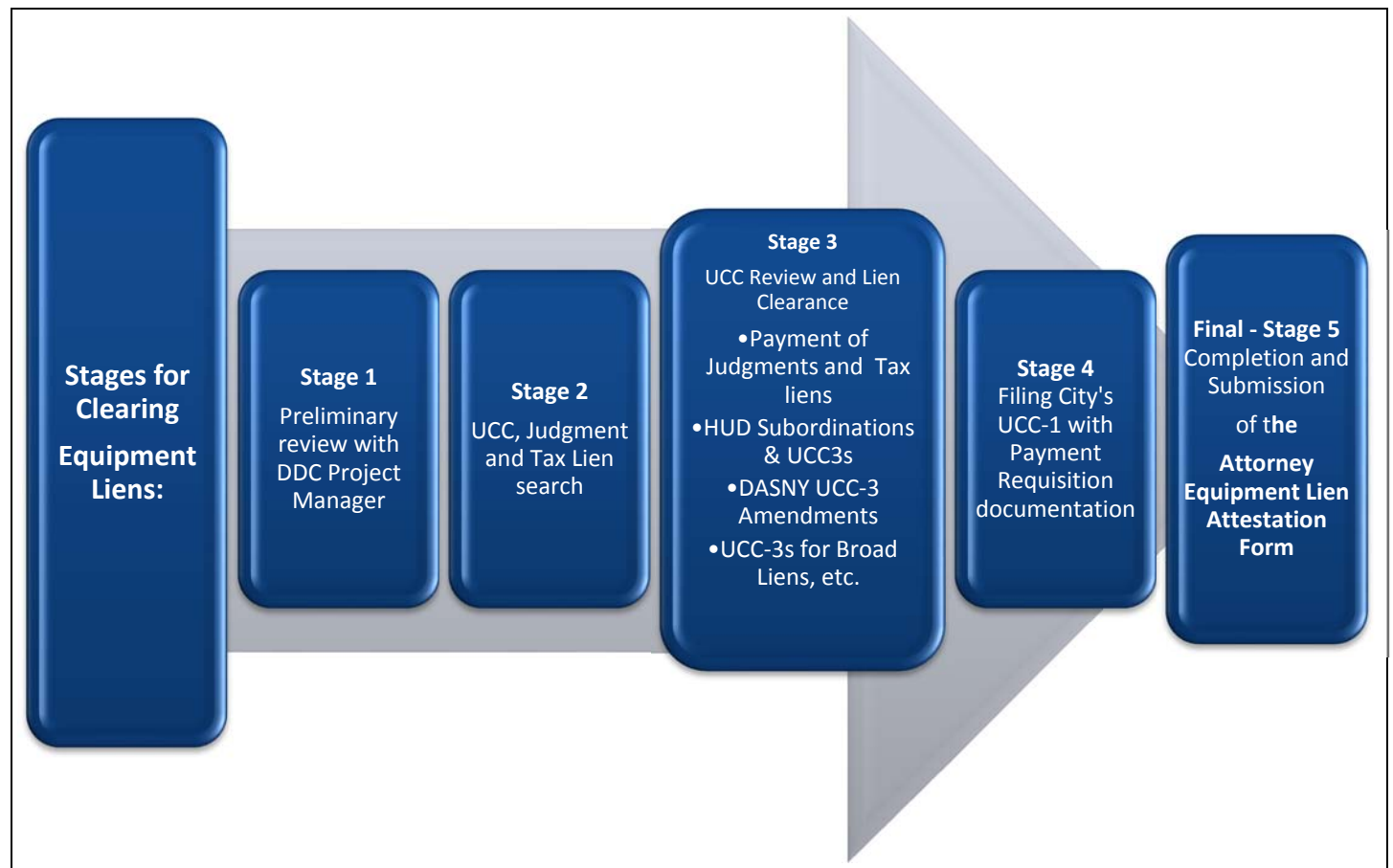
NEW YORK CITY DEPARTMENT OF DESIGN AND CONSTRUCTION (“DDC”)

**EQUIPMENT LIEN CLEARANCE GUIDELINES FOR SECURING THE
CITY’S FINANCIAL INTEREST IN DISCRETIONARY FUNDED EQUIPMENT PURCHASES PURSUANT TO THE CITY’S
FUNDING / SECURITY AGREEMENTS AND ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE (“UCC”)
(THE “UCC GUIDELINES”)**

The City’s template Funding and Security Agreements for the reimbursement of capably eligible equipment purchases require Funding Recipients that receive discretionary City funding for such projects from elected officials to secure the City’s financial interests in the City-funded equipment before the City may make any reimbursements on a project.¹

This legal process requires the Funding Recipient’s attorney to take certain steps to ensure the perfection of the City’s security interest in the City-funded equipment, as defined by Article 9 of the UCC. The City’s requirements for this purpose are delineated in these UCC Guidelines. Basic background information regarding the UCC and secured transactions can be found in Attachment 1 of the UCC Guidelines.

Overview of the Lien Review & UCC Process for DDC Discretionary Funded Equipment Projects:



¹ Capitalized terms included in the UCC Guidelines are defined in the City’s Funding and Security Agreement.

Legal Requirements

To comply with the City’s legal requirements, as delineated in the City’s Funding and Security Agreements, DDC requires the following steps before the City may make any payments on a discretionary funded equipment project:

STAGE 1: PROVIDE ADVANCE NOTICE TO DDC PROJECT MANAGER REGARDING SPECIAL CIRCUMSTANCES:

Prior to commencing the equipment UCC / Lien review process, **the Funding Recipient and its attorney must determine whether there are any issues that may require additional review and/or attention by the City.**

Please immediately advise your DDC Project Manager if the equipment reimbursement project includes or may include any of the following three (3) preliminary items of concern:

1. Fixtures:

Fixtures are not capially eligible for reimbursement as items of equipment. A “fixture” consists of a piece of equipment that is attached to real property and cannot be removed without causing a non-negligible amount of damage to the property.

- (a) **If it is unclear whether an item of equipment falls under the category of a “fixture,”** then the City will need to review the details of such equipment item(s) to determine whether such an item(s) will be eligible for City reimbursement.
- (b) **If “fixture-like” equipment are included in a project’s budget,** then please let your DDC Project manager know from the onset, because the City will need more information in order to make a determination on the matter.

If the City concludes that the “fixture-like” equipment in question does not actually consist of a fixture, then the Funding Recipient and its attorney will need to inform DDC’s Project Manager at the onset of an equipment project about any and all applicable landlord(s) and/or mortgagee(s) that may have a legal interest in the specific property where the “fixture-like” City-funded equipment will be located.

- **This information must be determined based on:** 1) the legal entity that owns the property where the “fixture-like” City-funded equipment will be located (e.g., if the Funding Recipient leases the property where the “fixture-like” equipment will be located, then the lessor’s information will be relevant); and/or 2) whether there are any mortgages for that particular property on file with the Office of the New York City Register in the County where the property is located.
- **The Funding Recipient and its attorney will need to provide DDC’s Project Manager with two (2) submissions when a project involves “fixture-like” equipment:**

- (1) **A listing of any and all applicable landlord(s) or mortgagee(s)** that may have a legal interest in the specific property where the “fixture-like” equipment will be located. This information will be necessary for a required attachment that will be included in the Funding Recipient’s Funding Agreement with the City for the City-funded equipment project.
- (2) **“Personalty Agreement letter” (i.e., a Non-Fixture Agreement Letter)** to ensure that the applicable landlord(s) and/or mortgagee(s) also agree, in writing, with the City’s determination that the City-funded “fixture-like” equipment do not actually consist of fixtures.

The City’s template letters for such matters can be found in the exhibit section of the City’s Capital Funding Application, and consist of the following:

- (i) Exhibit 6A Form -- Landlord Letter regarding Attached Moveable Property; and/or
- (ii) Exhibit 6B Form -- Mortgagee or Creditor Letter regarding Attached Moveable Property.

2. **Complex Lien(s):**

Additional documentation may be required for Liens that relate to loan arrangements with:

- (a) **Private lender loans insured by the U.S. Department of Housing and Urban Development (“HUD”); or**
- (b) **Liens based on financing arrangements with the Dormitory Authority of the State of New York (“DASNY”).**

If your organization has any such Liens on file with the New York State Department of State (“**NYSDOS**”), then please refer to Stage 3 of these UCC Guidelines for the next steps necessary.

3. **Vehicle Reimbursement Projects and Vehicle-related Equipment / Attachment(s):**

The UCC (and these UCC Guidelines) do not apply to vehicle reimbursement projects. However, if your organization seeks reimbursement for both vehicle(s) and *unattached* equipment to be included within the City-funded vehicle(s), then these UCC Guidelines may apply to the equipment portion of the project.

- (a) If, however, your organization has a vehicle reimbursement project that will include will certain items of equipment that will be *permanently attached to the City-funded vehicle(s)*, please let DDC’s Project Manager know, and the City will advise whether a UCC lien will be necessary.

**STAGE 2 - ORDER A UCC, JUDGMENT
AND TAX LIEN SEARCH REPORT:**

The attorney that represents the Funding Recipient must order an up-to-date **UCC, judgment and tax lien search report (the “Lien Search Report”)** [not older than twelve (12) months] from a reputable title search company.

1. **When obtaining a Lien Search Report** for the preparation and completion of DDC’s Attorney Equipment Lien Attestation Form (as provided in Attachment 6 of the UCC Guidelines), **the Funding Recipient’s attorney must ensure that the Lien Search Report:**
 - (a) **Covers the complete and official corporate name of the Funding Recipient, as found on file with the New York State Department of State (“NYSDOS”).** (This information is specifically listed on the Funding Recipient’s Certificate of Incorporation or on official corporate amendments filed with the NYSDOS.)
 - (b) **Includes a chronological list of all active financing statements on file with the NYSDOS** (this list must reference each financing statement’s lapse date and UCC file number); and
 - (c) **Provides clear and readable copies of all active financing statements, continuation statements and amendments statements** found on file with the NYSDOS regarding the Funding Recipient.

Note: The City is only concerned about active UCC liens, as UCC financing statements automatically lapse after five (5) years from the date of their filing unless a continuation financing statement is filed.

STAGE 3 - CLEAR ANY AND ALL LIENS:

The Funding Recipient's attorney must ensure that **all competing liens** found on the Funding Recipient's Lien Search Report are cleared by the Funding Recipient.

Step 1

- The Funding Recipient must **pay any and all outstanding tax liens** and obtain proof of such payment, if applicable.

Step 2

- The Funding Recipient must **resolve and pay any and all judgment liens** and submit proof of such payment, if applicable.

Step 3

- The Funding Recipient's attorney must determine **whether there are any other secured parties on file with the NYSDOS that have UCC liens that may compete with the City's lien over the City-funded equipment** with respect to the Funding Recipient's equipment project with DDC.
- The below-listed UCC Liens pose concern for the City and must be addressed by the Funding Recipient and its attorney -- before -- the preparation of the **Attorney Equipment Lien Attestation Form** (as included in Attachment 6 attached hereto).

There are **four (4) types of UCC-related Liens that require extra action by the Funding Recipient's attorney**, and these UCC Liens are as follows:

1. HUD Liens:

The Funding Recipient's attorney must ensure that **any and all Liens that relate to loan arrangements with the HUD and HUD-approved private lenders are formally subordinated and that UCC-3 amendment statements are filed** to indicate the subordination agreement arrangements with the City.

- For the City's detailed procedures for such Liens, please see Attachment 2 entitled "Procedures for Liens Insured by HUD" within these UCC Guidelines.

2. DASNY Liens:

The Funding Recipient's attorney must ensure that DASNY terminates its security interest over the City-funded equipment, unless the DASNY lien relates to a loan insured by HUD.

- **If the DASNY lien is insured by HUD**, please see Attachment 2 entitled "Procedures for Liens Insured by HUD" within these UCC Guidelines.)

- If DASNY has a lien that is not HUD-insured and that may somehow relate to the City-funded equipment (e.g., covers “any and all equipment,” etc.), **then two (2) steps are required:**

- 1) **Step 1:** As previously noted in Stage 1 of the UCC Guidelines, at the beginning of the equipment project, the Funding Recipient must inform DDC’s project manager about any and all applicable DASNY lien(s).

The Funding Recipient must also submit a letter to DDC from DASNY whereby DASNY agrees, in writing, to terminate its security interest over the City-funded equipment, and also agrees to allow the Funding Recipient’s attorney to file a UCC-3 amendment statement in the City’s favor with the NYSDOS.

- 2) **Step 2:** The Funding Recipient’s attorney must ensure that any and all competing DASNY lien(s) are amended with UCC-3 amendment statements to carve-out the City’s security interest in the City-funded equipment.

- The procedures on how to file UCC-3 amendment statements are delineated in Attachment 3 of the UCC Guidelines.

3. **Broad UCC liens:**

Liens that cover “any and all equipment” typically relate to mortgages, bond-related financing and/or loans that may have overreaching security interests in a Funding Recipient’s assets and, as such, can potentially include the City-funded equipment.

- Any such Liens require that **the Funding Recipient’s attorney file a UCC-3 amendment statement** to carve-out the City’s security interest in the City-funded equipment.
- The procedures on how to file UCC-3 amendment statements are delineated in Attachment 3 of the UCC Guidelines.

4. **Miscellaneous Equipment Financing Arrangements:**

UCC financing statements on file with the NYSDOS that relate to **financing arrangements with vendors, distributors or manufacturers** that sell commercial, medical or office-related equipment must be reviewed individually. The Funding Recipient’s attorney must address equipment listings for these types of UCC financing statements **based on the following categories:**

- **Equipment listings completely different than the City-funded equipment:**
If the UCC lien on file with the NYSDOS includes equipment that does not relate to the Funding Recipient’s City-funded equipment project, then no further action is necessary with respect to that particular UCC-1 financing statement.
- **Equipment listings identical to the City-funded equipment:**
If the UCC Lien(s) cover the **same equipment as those included in the Funding Recipient’s City-funded equipment reimbursement project**, please note that the City

does **NOT** allow for financing arrangements where other creditors have a superior security interest over the equipment paid for with City funds. These Liens require that the Funding Recipient's attorney file a UCC-3 amendment statement.

- The procedures on how to file UCC-3 amendment statements are delineated in Attachment 3 of the UCC Guidelines.

- **Equipment listings similar to the City-funded equipment, but distinguishable:**

If the UCC lien(s) consist of different items of equipment that are not in any way related to the City-funded equipment and do not consist of replacements or attachments and can somehow be distinguished from the City-funded equipment (either with different model types or serial numbers, etc.), then a written acknowledgement letter that the equipment is distinguishable may suffice from any such secured parties or equipment lessors.

- **DDC's template Secured Party Disclaimer letter is available in Attachment 4 of the UCC Guidelines.**

(Note: The Funding Recipient's attorney must have this information on file before completing the Attorney Equipment Lien Attestation form.)

- **Equipment listings that relate to true equipment lease arrangements that do not relate to the City-funded equipment:**

If the UCC filing(s) consist of true equipment lease(s) filed solely for precautionary reasons and do not relate to the City-funded equipment, (as the City does not allow for the financing or reimbursement of leased equipment, etc.), then a written acknowledgement letter may suffice from secured parties or equipment lessors to provide, in writing, that the equipment differentiates from the City-funded equipment.

- **DDC's template Secured Party Disclaimer letter is available in Attachment 4 of the UCC Guidelines.**

(Note: The Funding Recipient's attorney must have this information on file before completing the Attorney Equipment Lien Attestation form.)

**STAGE 4 – FILE THE CITY’S UCC-1
FINANCING STATEMENT:**

The Funding Recipient’s attorney must file the City’s UCC-1 Financing Statement with the NYSDOS along with a copy of the Funding Recipient’s payment requisition.

1. The Filing of the City’s UCC-1 financing statement:

Once all of the Liens mentioned in Stage 3 of the UCC Guidelines are addressed by the Funding Recipient and its attorney, the Funding Recipient’s attorney must prepare and file a UCC-1 financing statement with the NYSDOS on behalf of the City/DDC.

- **For detailed instructions on how to file the City’s UCC-1 financing statement, please see Attachment 5 of the UCC Guidelines.**

**FINAL STAGE 5 – SUBMIT ATTORNEY
EQUIPMENT LIEN ATTESTATION FORM:**

The Funding Recipient’s attorney must prepare and submit the Attorney Equipment Lien Attestation form.

1. Completion of the DDC Attorney Equipment Lien Attestation form.

When Stages 1-4 of the UCC Guidelines are completed by the Funding Recipient and its attorney, the Funding Recipient’s attorney must complete and sign DDC’s Attorney Equipment Lien Attestation form.

- The Funding Recipient’s attorney may only complete the DDC’s Attorney Equipment Lien Attestation form once the City’s UCC-1 financing statement and all the UCC-3 amendment statements, as applicable, have been filed with the NYSDOS. The Funding Recipient’s attorney must either:
 - Receive official confirmation from the NYSDOS that the City’s UCC-1 financing statement and UCC-3 amendment statements, as applicable, have been filed with the NYSDOS; and/or
 - The City’s UCC-1 financing statement and UCC-3 amendment statements, as applicable, must be viewable online on the NYSDOS’ website as UCCs on file with the Funding Recipient.
- **For a copy of DDC’s Attorney Equipment Lien Attestation form, please see Attachment 6 of the UCC Guidelines.**

Attachment 1

Basic UCC Background Information

The term “UCC” is short for Uniform Commercial Code. The Uniform Commercial Code consists of a uniform set of rules that govern commercial transactions. Pursuant to the City’s Standard Funding/Security Agreements and Article 9 of the UCC, Funding Recipients of City Discretionary capital funding for equipment projects need to submit certain lien information and documentation to DDC prior to receiving any funding reimbursement from the City. As such, the attorneys that represent Funding Recipients specifically need to: 1) perform a UCC lien search, 2) address any competing UCC liens (if applicable), and 3) file a UCC lien to protect the City’s interests in the City-funded equipment.

The reason for this legal requirement is that prior to the City’s reimbursement of the equipment, DDC must obtain a security interest in the City-funded equipment. A “security interest” is a legal term used to describe the right a “secured party” has to pledged assets (i.e., in this case the City-funded equipment) or to the proceeds of the pledged assets if the debtor fails to perform its obligations to the secured party. A “secured party” is a creditor, seller or lender who holds a security interest in the pledged assets of a debtor. DDC’s Security Agreement grants the City such a security interest over the equipment paid for with City funds. The Security Agreement establishes what will happen to the equipment if the funding is not spent as directed in the Funding Agreement, or if the equipment not used in the manner described therein. DDC must obtain a lien on the equipment (also referred to as “collateral” in UCC terms), so that if a Funding Recipient *does not properly use the City funding, or does not use the City-funded equipment as stated in its Funding Agreement with the City*, then the City will be legally able to initiate a legal process to retrieve any such City-funded equipment.

In order for a UCC lien to have legal force, a secured party’s security interest must be “perfected” to protect against other possible creditors and lienholders. “Perfection” consists of a legal UCC term for recording a lien that has first priority over all other creditors pursuant to Article 9 of the UCC. Under the UCC, the standard way to perfect a lien for equipment is to first address any competing liens by searching and recording UCC-3 amendment statements against conflicting liens and then to file a UCC-1 Financing Statement with the NYSDOS for the collateral / equipment covered by the secured party’s security interest. Accordingly, UCC-3 amendment statements apply, and are filed, whenever UCC-1 financing statement(s) already on file with the NYSDOS need to be modified, amended, subordinated or terminated to protect another secured party’s security interests. The UCC-1 financing statement gives a description of the secured party’s UCC lien, and serves to notify all other creditors of the secured party’s interest in the collateral covered under the UCC-1 lien. UCC-1 financing statements have an effective duration of five (5) years.

- All NYSDOS UCC forms are available online at: <http://www.dos.ny.gov/corps/uccforms.html>.
- The financing statement consists of a public record that is publically available online on the NYSDOS’ website at: http://appext20.dos.ny.gov/pls/ucc_public/web_search.main_frame.
- The costs associated with the filing of the documents with the NYSDOS are provided at: http://www.dos.ny.gov/corps/fees_ucc.html.
- To view the necessary DDC template agreements and UCC-related documents, please see DDC’s web pages for non-profit reimbursement projects at: <https://www1.nyc.gov/site/ddc/contracts/not-for-profit-forms.page>.

For more information on the UCC, please contact DDC or an attorney familiar with secured transactions.

Attachment 2

Procedures for UCC Liens that Relate to Loans Insured by the U.S. Department of Housing and Urban Development (“HUD”)

1. Liens relating to loan arrangements with HUD and HUD-approved lenders:

a. **Background:**

- HUD-related UCC liens typically relate to hospitals, medical centers, and residential care facilities that have financing arrangements with private lenders insured by HUD. These types of loans usually require broad security interests in any and all of the Funding Recipient’s property and collateral, which often also includes equipment, etc.
- The City requires that HUD and HUD-insured private lenders subordinate their security interests over City-funded equipment for duration of the Funding Agreement’s Performance Term (i.e., 5 years.)
- For this reason, if there are any HUD-related liens on file with the NYSDOS, then the Funding Recipient must submit evidence to DDC that the HUD UCC lien(s) will be subordinated to the City’s UCC lien over the City-funded equipment.

b. **There are three (3) steps necessary to address HUD-related UCC liens:**

• **1st Step:**

- At the onset of the project, the Funding Recipient must provide DDC’s project manager two submissions:
 - (1) **A brief listing of any and all HUD-related Liens, as applicable.** This preliminary information is necessary, because this listing will consist of a required exhibit within the City’s Funding Agreement with the Funding Recipient for the equipment project.
 - (2) **Letter(s) of subordination approval from HUD and the HUD-insured private lender.**
 - This letter needs to indicate HUD and the HUD-insured private lender’s approval to execute a subordination agreement to formally subordinate their security interests over the City-funded equipment for the duration of the Funding Agreement’s Performance Term.²

• **2nd Step:**

- Prior to receiving any reimbursement funds from the City, the Funding Recipient’s attorney will need to get HUD and the HUD-insured private lender(s) to **execute the City/HUD approved template subordination agreement for equipment projects.**
- Note: The City/HUD approved **subordination agreement template is attached hereto** for reference purposes and may also be obtained on DDC’s webpages for Non-Profits.

• **3rd Step:**

- Once the City/HUD approved template subordination agreement is signed by both HUD and the HUD-insured private lender(s), then the **Funding Recipient’s attorney must file a UCC-3**

² Please note this requirement is also indicated in the City’s “Capital Funding Request Form for Not-for-Profit Organizations” within the sections that relate to: “Standalone Equipment and/or Equipment System Application” (see Question 5A and B on pages 9 and 10), the “Initial Outfitting Application” (see Question 6A and B on page 11) and the “City Requirements & Covenants” section of each application (see Question 1D).

amendment statement against the applicable HUD-related UCC financing statement(s). This UCC-3 amendment statement will simply need to be filed for information purposes.

- **Important Note:** The UCC-3 amendment statement for HUD-related UCC liens differ from the UCC-3 amendment statements noted in Attachment 3 of the UCC Guidelines for broad UCC financing statements, because the HUD-related UCC-3 amendment statement simply serves to inform other creditors about the executed subordination agreement. The UCC-3 amendment statement for HUD-related liens subordinates, but does not -- delete -- the City-funded equipment from the HUD-related lien on file with the NYSDOS.

c. HUD Contacts:

- **Hospitals and medical centers:** Funding Recipients that are hospitals and medical centers should direct all of their initial requests and inquiries regarding HUD-related liens to Steven Wang at the HUD Office of Hospital Facilities, NY Division, who may be reached at 212-542-7875.
- **Residential care facilities:** Funding Recipients that are residential care facilities, such as nursing homes or assisted living facilities, should direct all of their initial requests and inquiries regarding HUD liens to the HUD Office of Residential Care Facilities, NY Division.

d. Important notices:

- **The Funding Recipient's attorney must have all HUD-related liens subordinated and the applicable UCC-3 amendment statement(s) filed with the NYSDOS, as above delineated, before finalizing and signing DDC's Attorney Equipment Lien Attestation form.**
- Please note that obtaining both the letter agreeing to lien subordination and the lien subordination agreement from HUD and the HUD-insured private lenders consists of a very lengthy and time consuming process. Accordingly, DDC advises the attorneys that represent Funding Recipients begin to work with HUD and the HUD-insured lender(s) at the onset of a discretionary City-funded equipment project to help ensure that their client obtains the necessary paperwork in a timely manner.

SUBORDINATION AGREEMENT

This **SUBORDINATION AGREEMENT** (the “**Agreement**”) is made as of _____, 20__, by [INSERT NAME OF MORTGAGEE], a [Delaware] Corporation having its office and place of business at [INSERT ADDRESS] and the SECRETARY OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT of Washington D.C. (collectively, the “**Federal Secured Parties**”) and THE CITY OF NEW YORK, a New York municipal corporation acting by and under its DEPARTMENT OF DESIGN AND CONSTRUCTION having an office at 30-30 Thomson Avenue, Long Island City, New York 11101.

PRELIMINARY STATEMENT

1. The Federal Secured Parties and [INSERT NAME OF FUNDING RECIPIENT] (“**Debtor**”) entered into a Security Agreement dated as of [_____] (the “**Federal Security Agreement**”) pursuant to which Debtor granted to the Federal Secured Parties a security interest (“**Federal Security Interest**”) in certain collateral (as more fully described in Exhibit A hereto, the “**Federal Collateral**”) as security for certain obligations of Debtor to the Federal Secured Parties more fully described in said Federal Security Agreement.

2. The Federal Secured Parties perfected their Federal Security Interest under Article 9 of the Uniform Commercial Code in New York by filing a Uniform Commercial Code Financing Statement (Form UCC-1) with each of the New York Secretary of State and the Office of the City Register for [_____] County (the “**Federal UCC-1s**”).

3. Debtor has applied to the City of New York (“**City**”) for City Capital funds (“**Funding**”) to reimburse Debtor for costs and expenses incurred by Debtor for the acquisition of certain items of machinery and equipment that Debtor will use in connection with the operation of [INSERT NAME OF FUNDING RECIPIENT] (as more fully described in Exhibit B hereto, the “**City Collateral**”).

4. The Federal Collateral includes a broad scope of the Debtor’s assets, including, without limitation, certain assets of the Debtor “now owned or hereafter from time to time acquired,” and, by definition, the Federal Collateral comprises the assets of the Debtor that constitute the City Collateral.

5. It is a condition of the Funding that, among other things, Debtor dedicate the City Collateral to a bona fide City purpose determined by the City and that Debtor execute and deliver to the City a Security Agreement (“**City Security Agreement**”) granting the City a first priority security interest in the City Collateral (“**City Security Interest**”) as security for the obligations of Debtor to the City in connection with the Funding.

6. The City intends to perfect its City Security Interest in the City Collateral under Article 9 of the Uniform Commercial Code in New York by filing a Uniform Commercial Code Financing Statement (Form UCC-1) with each of the New York Secretary of State and the Office of the City Register for [_____] County (the “**City UCC-1s**”).

7. It is also a condition of the Funding that the Federal Secured Parties subordinate their Federal Security Interest in the City Collateral to the City Security Interest.

8. To facilitate the grant of the Funding by the City to Debtor, the Federal Secured Parties are willing to subordinate the Federal Security Interest in the City Collateral to the City pursuant to this Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Federal Secured Parties agree as follows:

1. The Federal Security Interest in those items of the City Collateral shall be subject and subordinate to City Security Interest in the City Collateral irrespective of the order in which the Federal Security Agreement and the City Security Agreement may have been executed and delivered by the Debtor, the Federal Security Interest and the City Security Interest may have been granted by the Debtor, and the Federal UCC-1s and the City UCC-1s may have been filed with the New York Secretary of State and the Office of the City Register for [_____] County.

2. The Federal Secured Parties agree that the City Security Interest shall have the same validity, priority, and effect as if Debtor had executed and delivered the City Security Agreement, granted the City Security Interest to the City and filed or caused to be filed the City UCC-1s with the New York Secretary of State and the Office of the City Register for [_____] County prior to the date that Debtor executed and delivered the Federal Security Agreement, granted the Federal Security Interest to the Federal Parties and filed or caused to be filed the Federal UCC-1s with the New York Secretary of State and the Office of the City Register for [_____] County.

3. The Federal Secured Parties acknowledge that the City is relying on this instrument in its determination to make the Funding available to Debtor.

4. The City understands and agrees that nothing in this instrument shall in any way alter, change, or modify the terms and conditions of the Federal Security Agreement, or in any way release or affect the attachment, validity, perfection, or priority of the Federal Security Interest, except with respect to the City Security Interest as provided herein.

5. The terms, covenants, and agreements of this Agreement shall inure to the benefit of the City and its successors, assigns and transferees and shall be binding upon the Federal Secured Parties and their respective successors, assigns and transferees.

[INSERT NAME[S] OF MORTGAGEE[S]]

U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

By: _____
Name:
Title:

By: _____
Name:
Title:

STATE OF _____)
: SS.:
COUNTY OF _____)

On this _____ day of _____, 20__, before me, a Notary Public, personally appeared _____, to me personally known to be the _____, and who being by me duly sworn, subscribed their name to the foregoing instrument as an officer of said corporation and acknowledged the execution of such instrument as the voluntary act and deed of said corporation.

Notary Public

My Commission Expires: _____

STATE OF _____)
: SS.:
COUNTY OF _____)

On this _____ day of _____, 20__, before me, a Notary Public, personally appeared _____, to me personally known to be the _____, and who being by me duly sworn, subscribed their name to the foregoing instrument as an officer of said corporation and acknowledged the execution of such instrument as the voluntary act and deed of said corporation.

Notary Public

My Commission Expires: _____

EXHIBIT A

FEDERAL COLLATERAL

(SEPARATE ATTACHMENT)

[All building materials, equipment, furniture, furnishings, accounts receivable or other property installed or to be installed or used in and about the building or buildings now erected or hereafter to be erected upon the lands secured by the FHA Mortgage from Debtor to Secured party dated as of [_____] herewith situated in the Borough of [_____] , County of [_____] and State of New York, being FHA Project No. [_____] (the "Project") which are necessary to complete the comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including, but not limited to, all gas and electric appliances and fixtures; all engines, motors, dynamos, elevators, and machinery; all boilers, radiators, heaters, furnaces, stoves, heating equipment; all stoves, ranges, and cooking equipment; all bathtubs, sinks, basins, pipes, hot-water boilers, faucets, and other plumbing fixtures; all mantels; cabinets; all washing machines, laundry tubs, and ironers; all lighting, air-conditioning and ventilating equipment; all awnings, shades, screens and venetian blinds; and all incinerating equipment, together with appurtenances thereto; all equipment used in the diagnosis and treatment of patients; and all building material and equipment now or hereafter delivered to the premises and intended to be installed therein, such goods, equipment, chattels and personal property as are commonly used in the fully furnishing of and the equipping of a hospital, whether personal property, inventory or fixtures, whether now owned or hereafter from time to time acquired by the Debtor, together with all substitutions, replacements, additions, attachments, accessories, accretions, their component parts thereto or thereof, all other items of like property installed or to be installed or used therein and any and all proceeds thereof whether now in existence or hereafter arising.

EXCEPTING AND EXCLUDING THEREFROM any property or fixtures as described above which are now subject to security interests, but only so long as such security interests remain outstanding, and further excepting any personal property or fixtures now or hereafter held or used by Debtor as lessee, but only so long as the Debtor is the lessee, and further excepting and excluding, any property as described above acquired or to be acquired by Debtor, other than items in replacement of those covered by the Security Agreement of which this Schedule is a part, during the time when said items are covered by purchase money security interests in third parties as evidenced by the filing of Uniform Commercial Code Financing Statements in the appropriate filing offices.

Nothing in this Schedule "A" shall relieve Debtor of its obligations under the Regulatory Agreement between Debtor and the Secretary of Housing and Urban Development as the same may be amended from time to time.]

EXHIBIT B

CITY COLLATERAL

(SEPARATE ATTACHMENT)

Attachment 3

UCC-3 Amendment Statements for Competing Liens on file with the NYSDOS

This attachment serves to delineate the specific steps that are required by Stage 3 of the UCC Guidelines.

If another creditor holds a UCC security interest / Lien that may impact the City-funded equipment, then the Funding Recipient's attorney must file a UCC amendment statement (also referred to as "UCC-3") to address each potential competing UCC lien. The UCC-3 amendment statement filed with the NYSDOS for each competing UCC financing statement helps ensure that the City's lien on the City-funded Equipment has a first priority lien.

All creditors, mortgagees and other lien holders must exclude (i.e., "carve-out") the City-funded equipment from their Liens if their UCC financing statements in any way may impact the City's lien over the City-funded equipment.

- The Funding Recipient's attorney may either get conflicting UCC lien-holders to:
 - file the UCC-3 amendment statement(s) on their own on behalf of the Funding Recipient; or
 - provide permission to the Funding Recipient's attorney to directly file the necessary UCC-3 amendment statements with the NYSDOS (in order to help expedite the process.)
- **The UCC-3 amendment statement(s) filed with the NYSDOS with respect to the City-funded equipment must attach:**
 - 1) The most up-to-date **UCC-3 amendment statement form** as provided by the NYSDOS:
 - Note: The UCC-3 form should be completed in the same manner as provided in the sample UCC-3 amendment statement attached hereto;
 - 2) **DDC's "UCC-3 Exhibit A"**³ (which defines the term "deleted Collateral"):
 - DDC's UCC-3 Exhibit A attachment is available on DDC's website at: <https://www1.nyc.gov/site/ddc/contracts/not-for-profit-forms.page>; and
 - 3) **The equipment budget found in Schedule I of the Funding Recipient's Security Agreement with the City.**
- For more information on how to file UCC amendment statements with the NYSDOS, please see the NYSDOS' website at: <<http://www.dos.ny.gov/corps/uccforms.html>>.

³ Please be careful to use the appropriate UCC Exhibit A. The UCC-1 Exhibit A provides for the definition of "collateral" and the UCC-3 Exhibit A is almost identical, but it instead refers to the "deleted" collateral.

INFORMATION ONLY

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Duval & Stachenfeld LLP Third Floor 300 East 42nd Street New York, NY 10017	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

200301290204901 Dated January 29, 2003 (the "Financing Statement")

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the ☐ REAL ESTATE RECORDS.

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ **CHANGE** name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party

☐ **DELETE** name: Give record name to be deleted in item 6a or 6b.

☐ **ADD** name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

The Young Women's Christian Association of the City of New York

OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----	----------------------------	------------	-------------	--------

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----	----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
---------------------	------	-------	-------------	---------

7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
---	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral ☒ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

See Exhibit A and Schedule I attached hereto

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

CIT Technology Financing Services, Inc.

OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**

EXHIBIT A

COLLATERAL DELETED

The **deleted** collateral ("Collateral") shall include each and every one of the following:

1. All machinery, equipment, furniture and fixtures listed in Schedule I attached hereto, and all machinery, equipment, furniture and fixtures purchased, or paid for, or financed with the proceeds of certain funding ("Funding") made available or intended to be made available by the City of New York, acting by and through its Department of Design and Construction, (the "City") to Debtor pursuant to that certain Funding Agreement by and between the City and Debtor, including, without limitation, any such machinery, equipment, furniture and fixtures paid for by the City or for which Debtor was reimbursed with the proceeds of the Funding, wherever located and whenever acquired, whether now owned or existing or hereafter acquired or created, together with all accessions thereto and all substitutions and replacements thereof and parts therefor;
2. All ledger sheets, files, records, documents, and instruments (including, but not limited to, computer programs, tapes, and related electronic data processing software) relating to any Collateral; and
3. All cash or non-cash proceeds of the sale or other disposition of any Collateral and, to the extent not otherwise included, all amounts paid or payable under any policy of insurance (whether or not the City is named as a loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage, or otherwise with respect, to any Collateral.

SCHEDULE I

LIST OF CERTAIN ITEMS OF
MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES

(SEPARATE ATTACHMENT)

YWCA OF THE CITY OF NEW YORK

52 Broadway 4th floor

New York, New York 10004

Item Description	QTY	Unit Price	Amount	Date
3300 MX secure console server	1	6,764	6764	2/15/05
Network License link	1	2782	2782	2/15/05
NEC 2200 DLP projector	2	2080	4160	5/26/05
3300 IP phone	16	150	2400	2/15/05
5220 IP phone	11	354	3894	2/15/05
5301 IP conference Unit	1	1802	1802	2/15/05
Global Halton Series Desks	12	738	8856	4/12/05
Global Halton 30X66 desk	1	629	629	4/12/05
Halton u-shape credenza	1	1077	1077	4/12/05
Halton desk with box file	3	348	1044	4/12/05
Overhead hutch units	10	493	4930	4/12/05
Overhead 66" hutch units	3	482	1446	4/12/05
Steel laminate tops	16	255	4080	4/12/05
Set of Station & reception chairs	46	214	9844	4/12/05
Versteel performance tables	6	618	3708	4/12/05
			0	
			0	
Grand Total			57416	

DDC Reimbursement Amount Not to Exceed:.....\$57,000.00

Attachment 4

Secured Party Disclaimer Letter

(Template letter for secured parties or lessors of equipment
that have security or lease interests in equipment similar
but distinguishable to the City-funded equipment)

(Please see documentation attached.)

[Template Secured Party Disclaimer Letter]

[Note: This letter must be on the Funding Receipt's Letterhead]

[date]

[name of authorized representative]

[creditor's/lender's name]

[address]

[address]

Re: [name of funding recipient/debtor] ("Funding Receipt")

Dear [authorized representative]:

The City of New York has financed the equipment, goods or personal property (the "Equipment") listed on the attached Attachment A by way of a capital funding agreement for the above-referenced Funding Receipt.

The City of New York will have a security interest in the Equipment.

This letter is to serve as your confirmation and agreement that (1) you do not claim any lien, claim, title or security interest in or to the Equipment, (2) you will not in the future claim any lien, claim, title or security interest in or to the Equipment that is or will be perfected pursuant to any financing statement currently on file, and (3) no other person has any lien, claim, title or security interest in or to the Equipment which such person has acquired or claims through you. Copies of your financing statements relating to Funding Receipt are also attached.

Please sign below to acknowledge your disclaimer of interest in the Equipment, and return to my attention at _____, or by fax to _____, or by e-mail to _____ as soon as possible, or call me with questions at _____. This disclaimer shall be binding on and inure to the benefit of you, the City of New York, and each party's respective successors and assigns.

Thank you.

[FUNDING RECEIPT]

_____, [Title]

ACKNOWLEDGED AND AGREED BY THE UNDERSIGNED (through an authorized representative)

[LENDER/CREDITOR/SECURED PARTY]

By: _____

Print Name: _____

Title: _____

Date: _____

Attachment (Equipment List)

Attachment 5

Procedures on How to File the City's UCC-1 Financing Statement for the City-Funded Equipment

This attachment serves to delineate the specific steps that are required by Stage 4 of the UCC Guidelines.

The Funding Recipient's attorney must prepare and file a UCC-1 financing statement ("UCC-1") with the NYSDOS on behalf of the City/DDC. Once all competing Liens are addressed (as delineated in Stage 3 of the UCC Guidelines), the filing of the UCC-1 financing statement serves to grant the City with a first priority interest in the City-funded equipment.

- **The UCC-1 financing statement filed on behalf of the City with respect to the City-funded equipment MUST include:**
 - 1) The most up-to-date **UCC-1 financing statement form**, as provided by the NYSDOS.
 - Note: The UCC-1 form should be completed in the same manner as provided in the sample UCC-1 amendment statement attached hereto.
 - 2) **DDC's "UCC-1 Exhibit A" attachment** (which serves to define the term "Collateral").
 - DDC's UCC-1 Exhibit A attachment is available on DDC's website at:
<https://www1.nyc.gov/site/ddc/contracts/not-for-profit-forms.page>.
 - 3) **A copy of the payment requisition** that lists the *exact* equipment that the Funding Recipient purchased and submitted to DDC for reimbursement.
 - Note: The items listed in the payment requisition form should match the items of equipment listed in Schedule I of the Funding Recipient's Security Agreement with the City for the equipment project.
- **Important Notices:**
 - Please keep in mind that pursuant to the Funding Agreement, **Funding Recipients may only seek reimbursement for the City-funded equipment** covered under a specific Funding and Security Agreement **within twelve (12) months of the date when the Funding Agreement is registered with the New York City Comptroller's Office**.
 - Once the Funding Recipient's attorney files the necessary UCC-1 financing statements and clears any and all competing liens, then **the Funding Recipient's attorney will need to complete and sign DDC's Attorney Equipment Lien Attestation form before the agency may begin the reimbursement process** for equipment purchases made by the Funding Recipient.
 - A copy of DDC's Attorney Equipment Lien Attestation form is available in Attachment 6 of the UCC Guidelines.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

The filing attorney's
contact information is
entered in Box B.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
1d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]:		<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]		<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2	
8. OPTIONAL FILER REFERENCE DATA							

EXHIBIT A
COLLATERAL

The collateral ("Collateral") shall include each and every one of the following:

1. All machinery, equipment, furniture, and fixtures listed in Schedule I attached hereto, and all machinery, equipment, furniture, and fixtures purchased, or paid for, or financed with the proceeds of certain funding ("Funding") made available or intended to be made available by Secured Party to Debtor pursuant to that certain Funding Agreement by and between Secured Party and Debtor, including without limitation, any such machinery, equipment, furniture, and fixtures paid for by Secured Party or for which Debtor was reimbursed with the proceeds of the Funding, wherever located and whenever acquired, whether now owned or existing or hereafter acquired or created, together with all accessions thereto and all substitutions and replacements thereof and parts thereof;
2. All ledger sheets, files, records, documents, and instruments (including, but not limited to, computer programs, tapes, and related electronic data processing software) relating to any Collateral; and
3. All cash or non-cash proceeds of the sale or other disposition of any Collateral and, to the extent not otherwise included, all amounts paid or payable under any policy of insurance (whether or not Secure Party is named as a loss payee thereof), or any indemnity, warranty, or guaranty, payable by reason of loss or damage, or otherwise with respect to any Collateral.

SCHEDULE I

LIST OF CERTAIN ITEMS OF
MACHINERY, EQUIPMENT, FURNITURE, AND FIXTURES

(SEPARATE ATTACHMENT)

DISCRETIONARY CAPITAL AWARD

PAYMENT REQUISITION: Part A

TITLE OF AWARD: Discretionary Equipment NAME OF ORGANIZATION: ABC Center, Inc.

ORGANIZATION'S ADDRESS: 123 West 11th St., New York, NY 10008

AWARD REGISTRATION NO.: 20181110123 FMS ID: 850AB467CDEF AWARD REGISTRATION DATE: 1/1/17

REQUISITION NO.: 1 PAY PERIOD: FROM: 9/29/16 TO 3/5/18 AWARD AMOUNT \$125,711.00 PAYMENT TYPE: PARTIAL FINAL X

A	B	C	D	E	F	G	H	I
Item No.	DESCRIPTION	TOTAL SCHEDULED VALUE*	ADJUSTED VALUE**	WORK COMPLETED		TOTAL COMPLETED TO DATE (E+F)	% (G/D)	BALANCE TO FINISH
				FROM PREVIOUS APPLICATIONS	THIS PERIOD			
1	NVT EXTERIOR BOX STYLE CAMERA	\$1,372.50	\$1,372.50		\$ 1,372.50	\$ 1,372.50	100%	\$ -
2	NVT EXTERIOR CAMERA-DOME	\$6,822.00	\$6,822.00		\$ 6,822.00	\$ 6,822.00	100%	\$ -
3	NVT INTERIOR CAMERA-MEGA PIXEL	\$11,067.00	\$11,594.00		\$ 11,594.00	\$ 11,594.00	100%	\$ -
4	NVT NETWORK VIDEO RECORDER (NVR)	\$4,350.00	\$4,350.00		\$ 4,350.00	\$ 4,350.00	100%	\$ -
5	NVT CLEER POE SWITCH	\$8,646.00	\$8,646.00		\$ 8,646.00	\$ 8,646.00	100%	\$ -
6	NVT 48 PORT PATCH PANEL AND PATCH CORDS	\$366.00	\$366.00		\$ 366.00	\$ 366.00	100%	\$ -
7	NVT ELEVATOR INSTALLATION	\$2,800.00	\$2,800.00		\$ 2,800.00	\$ 2,800.00	100%	\$ -
8	NVT EXACQ VISION S STORAGE BOX	\$19,395.50	\$19,395.50		\$ 19,395.50	\$ 19,395.50	100%	\$ -
9	SB EXTERIOR BOX STYLE CAMERA	\$2,745.00	\$2,745.00		\$ 2,745.00	\$ 2,745.00	100%	\$ -
10	SB EXTERIOR CAMERA-DOME	\$5,685.00	\$5,685.00		\$ 5,685.00	\$ 5,685.00	100%	\$ -
11	SB INTERIOR CAMERA-MEGA PIXEL	\$16,864.00	\$16,337.00		\$ 16,337.00	\$ 16,337.00	100%	\$ -
12	SB NETWORK VIDEO RECORDER (NVR)	\$4,350.00	\$4,350.00		\$ 4,350.00	\$ 4,350.00	100%	\$ -
13	SB CLEER POE SWITCH	\$8,646.00	\$8,646.00		\$ 8,646.00	\$ 8,646.00	100%	\$ -
14	SB 48 PORT PATCH PANEL AND PATCH CORDS	\$366.00	\$366.00		\$ 366.00	\$ 366.00	100%	\$ -
15	SB ELEVATOR INSTALLATION	\$2,800.00	\$2,800.00		\$ 2,800.00	\$ 2,800.00	100%	\$ -
16	INSTALLATION MATERIALS	\$4,436.00	\$4,436.00		\$ 4,436.00	\$ 4,436.00	100%	\$ -
17	LABOR	\$25,000.00	\$25,000.00		\$ 25,000.00	\$ 25,000.00	100%	\$ -
	SUBTOTALS (THIS SHEET)	\$ 125,711.00	\$ 125,711.00	\$ -	\$ 125,711.00	\$ 125,711.00	100%	\$ -
	TOTALS (LAST SHEET)	\$125,711.00	\$125,711.00	\$ -	\$ 125,711.00	\$ 125,711.00	100%	\$ -

RECEIVED FROM CONTRACTOR BY: _____ [DDC CONTRACT MANAGER] DATE: _____

* Funding Agreement Amount ** Invoice Amount

Commented [LJ(1): All the information on this payment requisition form will need to be filled out by your organization, before the UCC-1 financing statement may be filed with the NYS Department of State.

Please also remember to first confirm with the Project Manager assigned to your organization's project that the payment requisition form has been reviewed for sufficiency by DDC.

Commented [LJ(2): The address noted on this section of the payment requisition form should reflect the specific location of the equipment

If multiple locations relate to your organization's equipment project, then please use multiple payment requisition forms and note the multiple sheets in the form's above-right corner.

Commented [LJ(3): Please note that the City's Funding Agreement only allows for the submission of one (1) payment requisition to the agency for each discretionary funded project. Accordingly, please make sure to include all of the eligible equipment within one Payment Requisition request (your organizations may use multiple sheets, if necessary, depending on the amount of equipment covered under the project.)

Attachment 6

DDC's Attorney Equipment Lien Attestation Form

(Please see documentation attached.)

PROJECT / CLIENT INFORMATION:

FUNDING RECIPIENT: _____

FUNDING AGREEMENT DATED AS OF _____, 20__ / SECURITY AGREEMENT DATED AS OF _____, 20__

EQUIPMENT FUNDING AMOUNT: \$_____

FORM INSTRUCTIONS:

This form requires the Funding Recipient’s attorney to attest that the Funding Recipient has complied with the requirements set forth in DDC’s Funding and Security Agreement in order to secure a perfected security interest for the City pursuant to Article 9 of the UCC with respect to the City-Funded Equipment and other Collateral covered by the Security Agreement.

- **The City’s UCC-related requirements that apply to the completion of this form are specified in DDC’s UCC Guidelines attached to this form.**
- (Note: Capitalized terms included in this form are defined in the City’s Funding and Security Agreement.)

FUNDING RECIPIENT’S ATTORNEY INFORMATION:

ATTORNEY NAME: _____

First Name

Last Name

Work as:

☐ In-house Counsel for the Funding Recipient
 ☐ Law Firm Representing Client

Law Firm or Company Name: _____

Contact Information: _____

Address

City

State

Zip Code

Telephone Number

Email Address

LIEN SEARCH REPORT:

- Attach Lien Search Report: Pursuant to Section 2.03(b) of the Funding Agreement, **please attach to this form a copy of the UCC, judgment and tax Lien search conducted by a reputable title company or other established Lien search company reasonably satisfactory to the City dated not more than thirty (30) days prior to the date of the Funding Agreement**, which should evidence that there are no Liens on the City-Funded Equipment and other Collateral covered by the Security Agreement except Liens in favor of the City and Permitted HUD Liens.
- This **lien search should specifically use the full legal name of the Funding Recipient** as delineated in the Funding Agreement.

ATTESTATION:

As the attorney that is representing the above-mentioned Funding Recipient with the compliance of the UCC condition precedent requirements to the City’s disbursement of City Funding pursuant to Section 6.02 of DDC’s Funding Agreement, I attest, in reliance on the accuracy of the UCC, tax and judgment lien search report by a reputable title company or other established lien search company performed under the Funding Recipient’s complete and official corporate name as found on file with the New York State Department of State and the Funding Recipient’s representations relating to its UCC liens, tax liens and judgments, that: **(Check all applicable.)**

- _____

Judgments and Tax Liens, as applicable:

 - The Funding Recipient has addressed and satisfied any and all pending judgments and tax liens, and has properly filed the necessary paperwork to remove any such Liens with the court and/or has submitted the requisite payment(s) to the appropriate Federal, State and/or City government offices.
- _____

UCC-3 Amendment Statement(s), as applicable:

 - The Funding Recipient has properly filed with the appropriate office of the New York State Department of State (“NYSDOS”) the necessary UCC amendment financing statement form(s) (“UCC-3”) required to terminate of record any Liens on the City-Funded Equipment and other Collateral covered by the Security Agreement, except Liens in favor of the City and Permitted HUD Liens.
 - The amendment statement(s) utilized the City’s required provisions and template exhibit (as noted in DDC’s UCC Guidelines), and will serve to carve-out the City’s security interest in the City-Funded Equipment and ensure the perfection of the City’s security interest.
 - Moreover, any and all competing liens with the Dormitory Authority of the State of New York (“DASNY”) have also been amended with UCC-3 amendment statements.
 - **Attach a copy of each UCC-3 Amendment Statement(s) filed with the NYSDOS.**

ATTORNEY EQUIPMENT LIEN ATTESTATION FORM

RE: RECORDATION AND PERFECTION OF THE CITY’S SECURITY INTEREST IN CITY-FUNDED EQUIPMENT
PURSUANT TO DDC’S FUNDING / SECURITY AGREEMENTS & ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE (“UCC”)

Permitted HUD Lien Subordination Agreement(s), as applicable:

- The Funding Recipient has executed the template HUD and City approved subordination agreement with HUD and the HUD-insured lender(s) as listed in Schedule V of the Funding Agreement for the project (and as explained in DDC’s UCC Guidelines.)
- The Funding Recipient has also ensured that the subordination agreement(s) has/have been properly filed as an UCC-3 amendment statement(s) against the competing HUD-related UCC lien(s) on file with the NYSDOS.
- **Attach a copy of each UCC-3 amendment statement(s) filed with the NYSDOS.**

Mandatory UCC-1 Financing Statement:

- Upon first clearing any and all competing Lien interests (as listed above on this form), the Funding Recipient has properly filed with the appropriate office of the NYSDOS a Financing Statement Form (“UCC-1”) with respect to City-Funded Equipment covered by the Reimbursement Request and other Collateral covered by the Security Agreement. Pursuant to the requirements of the City’s Funding and Security Agreements, this UCC-1 filing will serve to perfect the City’s security interest in the City-Funded Equipment, as any and all competing Liens on file with the NYSDOS have either been satisfied, amended or subordinated as above-noted.
- The UCC-1 financing statement must:
 - use the City’s required provisions and template exhibit language (as shown in the sample provided in DDC’s UCC Guidelines); and
 - include a DDC-approved equipment exhibit from DDC’s Project Manager based on the payment requisition for the equipment reimbursement submitted to DDC by the Funding Recipient.
- **Attach a copy of the UCC-1 financing statement(s) filed with the NYSDOS.**

As checked-off above, I hereby attest that, in my opinion, the following items have been properly addressed, recorded and/or validly executed: the UCC-1 financing statement; satisfaction of judgment(s) (as applicable); release or withdrawal of tax lien(s) (as applicable); Permitted HUD Lien subordination agreement(s) (as applicable); and/or UCC-3 amendment statement(s) (as applicable). I certify under penalty of perjury that the foregoing information is true and correct.

Attorney Signature

Date