LAND COURT SYSTEM REGULAR SYSTEM

Return by: Mail ( ) Pickup ( ) Escrow No.\_\_\_\_\_\_\_\_\_\_\_\_\_

OWNER(S) NAME(S) This document has \_\_\_\_\_\_\_ pages

ADDRESS UNIT #\_\_\_\_\_\_\_

Honolulu, Hawaii 96813

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Tax Map Key No. (1) 2-1-048-008 (CPR\_\_\_\_\_)

KEOLA LA’I, UNIT # \_\_\_\_

SUBORDINATION OF EQUITY SHARING PAYMENT AGREEMENT

SUBORDINATION OF EQUITY SHARING PAYMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Hawaii Community Development Authority, a body corporate and a public instrumentality of the State of Hawaii ("HCDA"), whose address is 547 Queen Street, Honolulu, Hawaii 96813, is the holder of certain rights, reservations and restrictions under that certain Condominium Apartment Deed With Reservations and Conditions dated execution date and recorded on recorded date in the Bureau of Conveyances of the State of Hawaii ("Bureau") as Document Nos.\_\_\_\_\_\_\_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (“Office”) as Land Court Document No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and duly noted on Transfer Certificate of Title No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(delete this green section if not applicable), and that certain Unilateral Declaration of Restrictive Covenants for Apartment Designated as a Reserved Housing Unit dated execution date, recorded on recorded date in said Bureau as Document No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and filed in said Office as Land Court Document No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and noted on Transfer Certificate of Title No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(delete this green section if not applicable) (collectively referred to herein as "Deed and Declaration"), pertaining to that certain real property located at 600 Queen Street #\_\_\_, Honolulu, HI 96813 (“Property"), described in Exhibit "A" attached hereto and made a part of this Subordination of Equity Sharing Payment Agreement ("Agreement"), owned by OWNER NAME(S) MUST BE CAPITALIZED, single/husband and wife/etc.**,** as Tenant(s) by the Entirety/Tenant(s) in Severalty/Joint Tenants/etc. (“Owner(s)”);

WHEREAS, pursuant to the Deed and Declaration, HCDA is entitled to, among other things, an equity sharing payment as set forth in the Deed and Declaration ("Equity Sharing Payment");

WHEREAS, the Owner(s) intends to refinance his/her/their mortgage on the Property by executing that certain Mortgage dated \_\_\_\_\_\_\_\_\_\_\_\_ between the Owner(s), as Mortgagor, and HONOLULU HOMELOANS, INC., a Hawaii corporation, which is organized and existing under the laws of the United States of America, whose address is 745 Fort Street, Ste. 1001, Honolulu, Hawaii 96813, as Mortgagee (also referred to as “Lender”), recorded in the Bureau of Conveyances of the State of Hawaii as Document No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Honolulu HomeLoans Mortgage"), to secure the payment of a Note in the principal amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter collectively referred to as "Honolulu HomeLoans Mortgage and Note'');

WHEREAS, Lender requires that HCDA's Equity Sharing Payment be subordinated to that of the Honolulu HomeLoans Mortgage and Note;

NOW THEREFORE, for good and valuable consideration, the receipt of which the parties to this Agreement acknowledge, the parties agree as follows:

1. Consent to Mortgage. HCDA hereby consents to the execution of the Honolulu HomeLoans Mortgage and Note; provided, however, that HCDA 's consent herein shall not authorize nor be deemed to authorize, any further or other conveyance or mortgage of the Property, or the execution of any other or further agreement to convey or pledge the same;

2. Subordination. The Honolulu HomeLoans Mortgage and Note shall be and remain at all times until terminated, a lien or charge upon the Property prior and superior to the lien or charge of HCDA's Equity Sharing Payment.

3. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the respective heirs, personal representatives, successors and assigns of the parties.

4. Governing Law. This Agreement shall be governed by the laws of the State of Hawaii.

5. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties and shall supersede any and all prior communications, representations, or agreements, both verbal and written, between the parties regarding the subordination of HCDA's Equity Sharing Payment to that of the Honolulu HomeLoans Mortgage and Note. This Agreement cannot be modified except by a written instrument signed by all the parties.

6.            Counterparts. The parties agree that this Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts shall together constitute one and the same agreement, binding all of the parties, notwithstanding that all of the parties are not signatory to the same instrument. Duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

**[SIGNATURES APPEAR ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the undersigned has executed this Agreement on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **"HCDA"**

 APPROVED AS TO FORM:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Deputy Attorney General

State of Hawaii

**HONOLULU HOMELOANS, INC.**

 By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **“LENDER”**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **OWNER NAME**

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **2ND OWNER IF MARRIED OR JOINT**

 **“OWNER”**

STATE OF HAWAII )

 ) SS.

CITY AND COUNTY OF HONOLULU )

 On this the day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, before me personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ❑personally known to me **-OR-** ❑proved to me on the basis of satisfactory evidence who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

 Notary Public Signature

 (Official Stamp or Seal) Printed Name:

 Notary Public, State of Hawaii

 My Commission Expires:

STATE OF HAWAII NOTARY CERTIFICATION

Doc. Description: Subordination of Equity Sharing Payment Agreement

Date of Document: # Pages:\_\_\_\_\_\_

Notary Public Signature Date

Print Name: (Official Stamp or Seal)

Notary Public, State of Hawaii, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Circuit

STATE OF HAWAII )

 ) SS.

CITY AND COUNTY OF HONOLULU )

 On this the day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ❑personally known to me **-OR-** ❑proved to me on the basis of satisfactory evidence who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

 Notary Public Signature

 Printed Name:

 Notary Public, State of Hawaii

 My Commission Expires:

(Official Stamp or Seal)

STATE OF HAWAII )

 ) SS.

CITY AND COUNTY OF HONOLULU )

 On this the day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, before me personally appeared OWNER ❑personally known to me **-OR-** ❑proved to me on the basis of satisfactory evidence and 2ND OWNER ❑personally known to me **-OR-** ❑proved to me on the basis of satisfactory evidence who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

 Notary Public Signature

 Printed Name:

 Notary Public, State of Hawaii

 My Commission Expires:

(Official Stamp or Seal)

EXHIBIT "A"

All of the premises described in paragraphs FIRST and SECOND below, constituting a portion of that certain condominium project known as “KEOLA LA’I” (herein referred to as the “Project”), which Project consists of those certain parcels of land and the improvements and appurtenances thereof, as described herein and in and established by Declaration of Condominium Property Regime dated October 21, 2005, recorded in the Bureau of Conveyances of the State of Hawaii (the “Bureau”) as Document No. 2005-217082, as now or hereafter amended (herein referred to as the “Declaration”) and as shown on the plans of the Project filed in said Bureau as Condominium Map No. 4101, as now or hereafter amended (herein referred to as the “Condominium Map”).

FIRST:

Apartment No. #### of the condominium project known as “KEOLA LA’I,” as established by the Declaration, and as shown on the Condominium Map.

Together with the limited common elements appurtenant to the above apartment set out in the Declaration.

Together also with non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said apartment, in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as provided in the Declaration, and in all other apartments of the buildings for support.

SECOND:

An undivided 0.1924%interest in all common elements of the Project as established for said apartment by the Declaration, as tenant in common with the other owners and tenants thereof, or such other undivided percentage interest as established for the apartment hereafter by amendment to the Declaration.

THE LAND UPON WHICH THE PROJECT IS LOCATED IS DESCRIBED AS FOLLOWS:

All of that certain parcel of land (being portions of the land(s) described in and covered by Royal Patent Number 5716 to Piikoi Kamakee for Maria M. Cummins, on a portion of Land Commission Award Number 10605, Apana 7 to Kamakee Piikoi, Land Patent (DPW) Grant Number 71 to Estrella M. Calhau, Royal Patent Grant Number 3182 to John Magoon, Royal Patent Grant Number 3183 to John Magoon and Deed: Territory of Hawaii to J.F. Bowler) situate, lying and being at Honolulu, City and County of Honolulu, State of Hawaii, being LOT "A-1", being land bounded by Kawaiahao Street, Emily Street, Queen Street, and South Street, and thus bounded and described as per survey dated August 30, 2007:

Beginning at the west corner of this parcel of land, being on the east side of Queen Street, the coordinates of which referred to Government Survey Triangulation Station “PUNCHBOWL” being 3611.18 feet south and 3030.07 feet west and running by azimuths measured clockwise from true South:

1. Along the east corner of the intersection of Queen Street and South Street, on a curve to the right with a radius of 30.00 feet, the azimuth and distance of the chord being:

197° 36’ 15” 48.17 feet;

2. 251° 00’ 242.62 feet along the southeasterly side of South Street;

3. Thence along the southeasterly side of South Street, on a curve to the left with a radius of 898.00 feet, the azimuth and distance of the chord being:

 249° 26’ 30” 48.85 feet;

4. Thence along the south corner of the intersection of South Street and Kawaiahao Street, on a curve to the right with a radius of 30.00 feet, the azimuth and distance of the chord being:

 292° 11’ 30” 41.91 feet;

5. 336° 30 272.05 feet along the southwesterly side of Kawaiahao Street;

6. Thence along the west corner of intersection of Kawaiahao Street and Emily Street, on a curve to the right with a radius of 30.00 feet, the azimuth and distance of the chord being:

 14° 11’ 36.68 feet;

7. 51° 52’ 223.25 feet along the northwesterly side of Emily Street;

8. Thence along the north corner of the intersection of Emily Street and Queen Street, on a curve to the right with a radius of 30.00 feet, the azimuth and distance of the chord being:

 98° 02’ 15” 43.28 feet;

9. 144° 12’ 30” 358.29 feet along the northwesterly side of Queen Street to the point of beginning and containing an area of

 116,767 square feet more or less.

 BEING THE PREMISES ACQUIRED BY CONDOMINIUM APARTMENT DEED WITH RESERVATIONS AND CONDITIONS

 GRANTOR: A&B KAKAAKO LLC, a Hawaii limited liability company

 GRANTEE: JOHN DOE and JANE DOE, husband and wife, as Tenants by the Entirety

 DATED: January 11, 2008

 RECORDED: Document No. 2008-026743

\*(Include this text only if owner purchased unit as a single and is now married)

Note: The marriage of HUSBAND’s NAME to WIFE’S NAME (now known as MARRIED NAME) on DATE at LOCATION as noted on Transfer Certificate of Title No. ##### by Land Court Document No. ##### recorded on DATE.

END OF EXHIBIT “A”