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AFTER RECORDATION, RETURN BY MAIL (X) PICKUP ( ) TO:

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**SUBORDINATION AGREEMENT**

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

PARTIES TO AGREEMENT:

Click or tap here to enter text. COUNTY OF KAUA‘I

Click or tap here to enter text. PLANNING DEPARTMENT

Click or tap here to enter text. 4444 Rice Street, Suite 473

(MORTGAGOR) Līhu‘e, Hawai‘i 96766

(COUNTY)

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

PROPERTY DESCRIPTION: Click or tap here to enter text.

TAX MAP KEY: Click or tap here to enter text.

This SUBORDINATION AGREEMENT is entered into this Click or tap here to enter text. day of Choose an item., 20Choose an item., by and between the County of Kaua‘i, a body corporate and politic, acting by and through its Planning Department (hereinafter "County"), whose business and mailing address is 4444 Rice Street, Suite 473, Līhu‘e, Hawai‘i 96766 and Click or tap here to enter text. (hereinafter “Mortgagor”), whose address is Click or tap here to enter text. and Click or tap here to enter text., (hereinafter the "Financial Institution"), whose address is Click or tap here to enter text..

W I T N E S S E T H

WHEREAS, Mortgagor owns that certain parcel of land (hereinafter the “Property”), Tax Map Key No. Click or tap here to enter text. being the premises described in that certain Click or tap here to enter text. in favor of Click or tap here to enter text. recorded as Document No. Click or tap here to enter text. in the Bureau of Conveyances of the State of Hawai‘i; and

WHEREAS, Mortgagor has given and is giving a mortgage, herein called "Mortgage", in favor of Financial Institution, which is recorded in the Bureau of Conveyances of the State of Hawai‘i as Document No. Click or tap here to enter text.; and

WHEREAS, Title 13 Hawai‘i Revised Statutes Chapter 205 (“Chapter 205”), places restrictions on the use of Mortgagor’s land which is in an agricultural district; and

WHEREAS, Chapter 205 further requires that the restrictions on the use of land be made an encumbrance on the land; and

WHEREAS, Mortgagor and the County, in compliance with the requirements of Chapter 205, Hawai‘i Revised Statutes, entered into that certain Farm Dwelling Agreement which is recorded in the Bureau of Conveyances, Document No. Click or tap here to enter text. (hereafter the “Farm Dwelling Agreement”), and such Farm Dwelling Agreement is an encumbrance which runs with the land; and

WHEREAS, Chapter 205 places the responsibility of enforcing its provisions on the County government and also grants the County the right to seek civil fines, injunctions, other judicial relief and any other remedy available to it under the law; and

WHEREAS, Chapter 205 allows for a conditional waiver of the encumberance by the County if the Mortgagor’s mortgage financing is jeopardized solely due to the required encumberance; and

WHEREAS, the Mortgagor has shown to the satisfaction of the County that Financial Institution will not provide mortgage financing to the Mortgagor so long as the Farm Dwelling Agreement remains an encumberance on the Property; and

WHEREAS, the Financial Institution is a lender qualified under Chapter 205, Section 4.5; and

NOW, THEREFORE, in consideration of a loan or loans made or to be made or continued by the Financial Institution to the Mortgagor, (or to Mortgagor jointly and severally with others), the Mortgagor and the County hereby agree with the Financial Institution as follows:

1) Only in the event that the Property is subjected to foreclosure proceedings by the Financial Institution will all claims and rights of Mortgagor and County under the Farm Dwelling Agreement be subordinate to all claims and rights of the Financial Institution under the Mortgage.

2) The County agrees to defer any enforcement action pursuant to Chapter 205 until all judicial foreclosure proceedings instituted by the Financial Institution are completed and a final decree of foreclosure (order confirming sale) has been entered by a court of competent jurisdiction.

3) The Financial Institution shall make any violation of any Farm Dwelling Agreement an “Event of Default” under the terms of its Mortgage, and it shall include specific language to that effect to the preprinted covenants and agreements of the mortgage substantially as follows:

“Mortgagor will comply with the terms and provisions of the Farm Dwelling Agreements between Mortgagor and the County of Kaua‘i Planning Department which is recorded in the Bureau of Conveyances at Liber \_\_\_\_, Page \_\_\_\_ (the “Farm Dwelling Agreement”). Mortgagor’s failure to comply with any term or provision of any Farm Dwelling Agreement aforesaid shall be an additional Event of Default under this mortgage.”

4) This Subordination Agreement shall bind and benefit the parties hereto and the respective successors, assigns, heirs, devisees, personal representatives and administrators of the parties hereto. The covenants of County and the Mortgagor herein shall extend to, include, and be enforceable by any transferee or endorsee of the Financial Institution of any of its claims.

5) This Subordination Agreement shall be construed in accordance with and governed by the laws of the State of Hawai‘i. All singular references shall include the plural and vice versa.

6) The terms of this Subordinaton Agreement have been approved as to form and legality by the County Attorney as required by the Charter of the County of Kaua‘i. No modification of any term herein, other than the completion of the fillable fields, is permitted without the express written approval of the County Attorney or a Deputy County Attorney. Any such modification made without the express written approval of the County Attorney or a Deputy County Attorney will result in the revocation of the approval as to form and legality.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Subordination Agreement has been executed by the Parties as of the first date written above.

COUNTY OF KAUA‘I MORTGAGOR

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

Director of Planning Click or tap here to enter text.

County of Kaua‘i

Planning Department

Click or tap here to enter text.

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

Click or tap here to enter text.

Its:Click or tap here to enter text.

[Signature Page to Subordination Agreement]

STATE OF HAWAI‘I )

) ss.

COUNTY OF KAUA‘I )

On this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, before me appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that \_\_\_\_\_ is the County Planning Director of the PLANNING DEPARTMENT, of the County of Kaua‘i that \_\_\_\_\_ is authorized to execute the foregoing instrument for and on behalf of said department; and that said \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ acknowledged that \_\_\_\_\_ executed the same as his free act and deed for and on behalf of said department.

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

Notary Public, State of Hawai‘i

My commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[MORTGAGOR AND FINANCIAL INSTITUTION/BANK TO INSERT THEIR OWN NOTARY PAGES*]