

APPENDIX XIII: RIDER FOR SECTION 247 MORTGAGE

IT IS HEREBY agreed that the lease to which this rider is attached is hereby amended and supplemented as follows:

Notwithstanding any provisions to the contrary, this lease may serve as security for any leasehold mortgage insured or held by the Secretary of the Department of Housing and Urban Development, and the following shall apply during such time as the lease serves as such security:

- (1) Any condemnation compensation due the Lessee shall be paid to the mortgagee to be applied in the same manner as condemnation proceeds under the terms of the mortgage.
- (2) Assignment of this lease is restricted to those persons who have received certificates issued by the Department of Hawaiian Home Lands certifying that the assignee or assignees are native Hawaiians as defined in Section 247 of the National Housing Act.
- (3) The Lessor will not cancel this lease without the consent of the Department of Housing and Urban Development.
- (4) Any casualty insurance proceeds are to be applied in accordance with the provisions of the leasehold mortgage.

IN WITNESS WHEREOF, the parties have executed this rider to acknowledge the attachment hereof to said lease and the annotation of said lease with the following statement:

Additional provisions pertaining to the lease when the lease serves as security for a mortgage insured or held by the Secretary of Housing and Urban Development are contained in the Department of Hawaiian Home Lands Mortgage Insurance Program Rider, which is attached to this lease and made a part thereof.

Dated: _____, 20____

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

By: _____
LESSEE

By: _____
CHAIRMAN COMMISSIONER
HAWAIIAN HOMES COMMISSION
LESSOR

LEASE NO. _____

LOT NO. _____

HOMESTEADER _____

Revised May 2004