



STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

December 15, 2011 8:01 AM
Doc No(s) A-43660642



/s/ NICKI ANN THOMPSON
REGISTRAR

LAND COURT SYSTEM REGULAR SYSTEM
AFTER RECORDATION, RETURN BY: MAIL (/) PICKUP ()

KAUAI COMMUNITY FCU
P O BOX 1447
LIHUE HI 96766

T6-201147626-L RS(2)

209

TITLE OF DOCUMENT:

MORTGAGE

PARTIES TO DOCUMENT:

Borrower: LANIEZA D. GARCIA
Lender: KAUAI COMMUNITY FEDERAL CREDIT UNION
P. O. Box 1447, Lihue, HI 96766

PROPERTY DESCRIPTION:	LIBER/PAGE:
TMK: 4-6-39-27 (4) CPR No. 0005 Apt. No. G	DOCUMENT NO. TRANSFER CERTIFICATE OF TITLE NO(S):

SS/vc 11KC-129

MORTGAGE

THIS MORTGAGE is made this 07th day of December 2011, between LANIEZA D. GARCIA, unmarried, whose place of residence is in Kapaa, Kauai, Hawaii and whose mailing address is P.O. Box 905, Kapaa, Hawaii 96746 (hereinafter called the "Borrower"), and KAUAI COMMUNITY FEDERAL CREDIT UNION, a federally chartered credit union, whose principal place of business is in Lihue, Kauai, Hawaii and whose mailing address is P. O. Box 1447, Lihue, Hawaii 96766 (herein called the "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), which indebtedness is evidenced by the note of even date herewith (herein referred to as the "Note");

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant, convey and assign to Lender, with power of sale, all of the property described in Exhibit "A" attached hereto and hereby incorporated herein by this reference.

TOGETHER WITH all the improvements now or hereafter erected on the property and all easements, rents, rights, appurtenances, royalties, mineral, water, water rights and fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property".

AND TOGETHER ALSO WITH (1) if the mortgaged property consists of a leasehold, all options and rights of the Lessee under the lease agreement, and (2) if the mortgaged property consists of an apartment or unit in a Horizontal Property Regime or a unit in a Planned Unit Development, all rights and options and voting rights accruing to the Borrower under the terms of the Declaration and By-Laws of the Horizontal Property Regime or the Declaration of Covenants, Conditions, and Restrictions of the Planned Unit Development and other documents applicable to the premises and any amendment thereof, including the Apartment or Unit Lease hereinabove mentioned, if any. In either case it being agreed and understood that at the option of the Lender, where the Borrower has the right to exercise any options or rights as between the lessee and the lessor if a leasehold, and any options or rights as among the apartment or unit owners, the decision as to the exercise of such rights and options shall be made solely by the Lender. The Borrower, in addition to the foregoing, hereby nominates and appoints the Lender (irrevocably so long as this Mortgage remains in effect) the Borrower's proxy to vote, and the Borrower's agent to act, pursuant to the Declaration,

By-Laws or the Declaration of Covenants, Conditions and Restrictions and other documents applicable to the premises and any amendment thereof; failure of the Lender to exercise said rights and options and voting rights shall not be construed as a waiver of the right to exercise such rights, options or voting rights; PROVIDED, HOWEVER, that the Borrower shall exercise such rights, options, and votes, excepting rights, options and votes involved in the determination to rebuild upon destruction or condemnation of the mortgaged premises and the distribution of the insurance or condemnation proceeds arising upon such destruction or condemnation, and with respect to construction plans, partitions of the Horizontal Property Regime or Planned Unit Development, amendments of the Declaration or By-laws or the Declaration of Covenants, Conditions and Restrictions and any amendment thereof, or appointment of a managing agent, if any, and all rights, options and votes, which, in the sole discretion of the Lender, would impair the security of this Mortgage, so long as this mortgage is not in default, or in the alternative, unless the Lender shall give notice in writing to the Borrower at Borrower's last known address of its intention to exercise such rights, options and voting rights under the above provision.

TO HAVE AND TO HOLD the same with all improvements now or hereafter erected thereon, and all rights, privileges and appurtenances thereto belonging, and the rents, issues and profits thereof and all of the estate, rights, easements, title and interest of the Borrower both at law and in equity, therein and thereto, or appertaining or held and enjoyed therewith, unto the said Lender, and its successors and assigns forever, or for the unexpired term of the lease, if leasehold.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will WARRANT AND DEFEND title to the property against all claims and demands, subject to any declarations, easements or restrictions or encumbrances mentioned in Exhibit "A" attached hereto.

The Borrower hereby covenants with the Lender as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and any prepayment and late charges as provided in the Note.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraph 1 hereof shall be applied by Lender first to any prepayment and late charges, then to any advances by or other costs of Lender, then to interest payable on the Note, and last to the principal due under the Note.

3. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, directly to the payee thereof, unless otherwise directed by Lender.

Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

4. Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage; provided, however, that if the Property or any portion thereof constitutes an apartment in a Horizontal Property Regime, or a unit in a Planned Unit Development, and the Declaration of Horizontal Property Regime or By-Laws or Declaration of Covenants, Conditions and Restrictions applicable thereto provides that the Association of Apartment or Unit Owners keep all buildings of the project or Planned Unit Development insured against loss or damage by fire with extended coverage, then the Association of Apartment Owners established by the Declaration of Horizontal Property Regime herein mentioned or the Community Association of said Planned Unit Development (either such Association, as applicable, herein referred to as the "Association"), will at all times, while any of the indebtedness secured hereby remains unpaid keep or cause to be kept insured all buildings and improvements now or hereafter constituting the said project or Planned Unit Development against such hazards and in such amounts, in such form or forms of policies and with such endorsements thereon, all as specified in the Declaration and By-Laws, or Declaration of Covenants, Conditions and Restrictions, and in companies selected by the Association, authorized to do business in the State of Hawaii, and will pay or cause to be paid the premiums thereon at the time and place the same are payable.

The insurance carrier(s) providing the insurance shall be chosen by Borrower from insurance companies authorized to do business in the State of Hawaii. NOTICE IS HEREBY GIVEN BY LENDER TO BORROWER THAT LENDER MAY NOT CONDITION THE GRANTING OF THE LOAN SECURED BY THIS MORTGAGE ON THE BORROWER PROCURING ANY INSURANCE WHICH BORROWER IS REQUIRED TO OBTAIN UNDER THIS MORTGAGE FROM ANY INSURANCE COMPANY DESIGNATED BY LENDER. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier, unless otherwise directed by Lender.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to

Lender. If the Borrower shall procure any other insurance on the improvements on the Property, all such insurance shall likewise include such standard mortgage clause in favor of the Lender and will be claimable by the Lender for application in accordance with this paragraph, and, whether or not so made payable, may be recovered by the Lender by any appropriate proceedings and be similarly applied. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of the loss if not made promptly by Borrower.

If the Property is damaged or destroyed, then the proceeds of the insurance insuring against such damage or destruction will be applied, at the Borrower's option, to repair, restore or rebuild the Property, or to reduce the amount the Borrower owes to Lender under the Note and under this Mortgage. Any such proceeds not used to repair, restore or rebuild the Property shall be applied to the sums secured by the Mortgage. If the insurance proceeds are to be applied to the sums secured by this Mortgage, then the excess proceeds, if any, shall be paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds to restoration or repair of the Property.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any installment called for under the Note or change the amount of any such installments. If under paragraph 15 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of the Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

6. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon

notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of the disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part of thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to the proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date of such notice is mailed, Lender is authorized to collect and apply the proceeds, at the Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless the Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any installment called for under the Note or change the amount of any such installments.

9. Continuing Liability of Borrower. Unless Lender agrees in writing to release the original Borrower or any of Borrower's successors in interest, any extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative and any other right or remedy under this Mortgage or afforded by law or equity may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 14 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail, return receipt requested addressed to Borrower at the address on the first page of this Mortgage or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent (which consent shall not be unreasonably withheld), including without limitation by way

of a conveyance, agreement of sale, or otherwise, excluding (a) the creation of a mortgage subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 14, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 13 hereof. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If the Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 15 hereof.

15. Acceleration; Remedies. Except as provided in paragraph 14 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 13 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 15, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall mail Borrower a notice of sale in the manner provided in paragraph 13 hereof. Lender shall publish a notice of sale and shall sell the Property at the time and place under the terms specified in the notice of sale. Lender or Lender's designee may purchase the Property at any sale under power of sale or judicial sale.

The proceeds of any sale shall be applied in the following order: (a) to all reasonable costs and expenses of sale, including, but not limited to, reasonable

attorney's fees and costs of title evidence; (b) to all sums secured by this Mortgage; and (c) the excess, if any, to the person or persons legally entitled thereto. IF THE PROCEEDS SHALL BE INSUFFICIENT TO DISCHARGE THE ENTIRE INDEBTEDNESS OF BORROWER TO LENDER, THE LENDER MAY HAVE OTHER LEGAL RECOURSE AGAINST BORROWER FOR THE DEFICIENCY.

16. Governing Law; Severability. This Mortgage shall be governed by the laws of the State of Hawaii. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 15 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 15 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

18. Defaults on Prior Mortgages. A default under any mortgage prior to this Mortgage that continues for thirty (30) days or more, or the commencement of any action to foreclose any such prior mortgage, shall constitute a default under this Mortgage and all amounts secured hereby shall immediately become due and payable without notice at the option of the Lender, notwithstanding the provisions of paragraph 15 to the contrary.

If the Borrower defaults under any prior mortgage, the Lender shall have the right but not the obligation to cure any such default, and all amounts paid or advanced by Lender to cure such default, including all costs and expenses incident thereto, together with interest from the time of such payments shall be added to the indebtedness secured by this Mortgage and may be collected hereunder at any time thereafter.

19. Future Advances. The Borrower may ask the Lender to make additional loans in addition to the loan that is secured by this Mortgage. The Lender may, but is not required, before this Mortgage is discharged, to make those additional loans. This Mortgage will protect the Lender from possible losses that might result from the Borrower's failure to pay the amounts of any of those additional loans plus interest.

Additional loans made by the Lender that are protected by this Mortgage will be called "Future Advances." The principal amount that the Borrower owes under the Note and under all notes for Future Advances, not including the amounts spent by the Lender to protect the value of the Property and the Lender's rights in the Property, may not be greater than the original amount of the Note.

20. Definition of Planned Unit Development. The term "Planned Unit Development" as used herein shall mean a development consisting of two or more lots subject to a Declaration of Covenants, Conditions and Restrictions or similar restrictions (hereinafter called "covenants") in which individual lots are individually owned or leased and the common area lot or lots are owned or leased by a Community Association which is a Hawaii non-profit corporation organized to exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation as set forth in the covenants, and which corporation's members consist of every person or entity who is a record owner of a fee or leasehold interest in any individual lot within the development which is subject by the covenants to assessment by such corporation, and which such membership is appurtenant to and may not be separated from ownership of any such individual lot.

21. Release. Upon payment of all sums secured by this Mortgage and payment by Borrower for the cost of a release, Lender shall release this Mortgage. Borrower shall pay all costs of recordation, if any.

22. Borrower's Promise to Pay Principal and Interest Under the Note and to Fulfill Other Payment Obligations. Borrower will promptly pay Lender or anyone that Lender may name, principal, interest and any late charges as stated in the Note.

23. Riders to this Instrument. If one or more riders are executed by Borrower and recorded together with this instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this instrument as if the rider(s) were a part of this instrument.

IN WITNESS WHEREOF, the Borrower has executed these presents the day and year first above written.



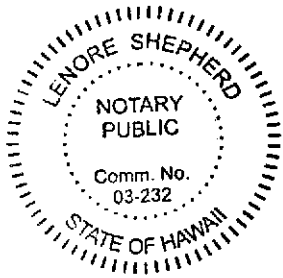
LANIEZA D. GARCIA

"BORROWER"

STATE OF HAWAII)
 : ss.
COUNTY OF KAUAI)

On this 04th day of December 2011, in the Fifth Circuit,
State of Hawaii, before me personally appeared LANIEZA D. GARCIA,
_____ who is personally known to me
Q whose identity I proved on the basis of Hawaii Divis Juri
_____ whose identity I proved on the oath/affirmation of _____
_____, a credible witness;

who being by me duly sworn or affirmed, did say that such person executed the
Mortgage dated December 07, 2011, and consisting of 11 pages, as
the free act and deed of such person, and if applicable in the capacity shown, having
been duly authorized to execute such instrument in such capacity.



Lenore Shepherd
Name: LENORE SHEPHERD
Notary Public, State of Hawaii

My commission expires: 04-27-2015

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 07th day of December 2011 and is incorporated into and shall be deemed to amend and supplement a Mortgage, (herein "Security Instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to KAUAI COMMUNITY FEDERAL CREDIT UNION, a federally chartered credit union (herein "Lender") and covering the Property described in the Security Instrument and located at Kapaa, Kauai, Hawaii. The Property comprises a unit in, together with an undivided interest in the common elements of, a condominium project known as "AHUPUA'A VILLAGE" (herein "Condominium Project"). If the Owners Association or other governing body of the Condominium Project (herein "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property shall also be comprised of Borrower's interest in the Owners Association and the proceeds of such interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security instrument, Borrower and Lender further covenant and agree as follows:

A. Assessments. Borrower shall promptly pay, when due, all assessments imposed by the Owners Association pursuant to the provisions of the declaration, by-laws, code of regulations or other constituent documents of the Condominium Project.

B. Hazard Insurance. So long as the Owners Association maintains a "master" or "blanket" policy, which is satisfactory in form to Lender, with a generally accepted insurance carrier on the Condominium Project and which provides insurance coverage in such amounts, for such periods, and against such hazards as Lender may require, including fire and hazards included within the form "extended coverage," then Borrower's obligation under Paragraph 4 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in such required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument in the manner provided under Paragraph 8.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the declaration, by-laws or code of regulations of the Owners Association, or equivalent constituent documents of the Condominium Project (herein "Constituent Documents") which is for the express benefit of Lender.

(iii) termination of professional management and assumption of self-management of the Condominium Project Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Notice to Lender. In addition to notices required to be given Lender by the terms of the Security Instrument, Borrower shall promptly give notice to Lender of any material amendment to any provision of the Constituent Documents and also of any amendment to a material provision thereof. Examples of material provisions include, but are not limited to, those which provide for, govern or regulate voting or percentage interests of the unit owners in the Condominium Project; assessments, assessment liens or subordination of such liens; the boundaries of any unit or the exclusive easement rights appertaining thereto; or reserves for maintenance, repair and replacement of the common elements.

G. Remedies. If Borrower breaches Borrower's covenants and agreements hereunder, including the covenant to pay when due condominium assessments, then Lender may invoke any remedies provided under the Security Instrument, including, but not limited to, those provided under Paragraph 15.

H. Notice Re Insurance. The insurance carrier(s) providing the insurance shall be chosen by Borrower from insurance companies authorized to do business in the State of Hawaii. NOTICE IS HEREBY GIVEN BY LENDER TO BORROWER THAT LENDER MAY NOT CONDITION THE GRANTING OF THE LOAN SECURED BY THIS

MORTGAGE ON THE BORROWER PROCURING ANY INSURANCE WHICH BORROWER IS REQUIRED TO OBTAIN UNDER THIS MORTGAGE FROM ANY INSURANCE COMPANY DESIGNATED BY LENDER.

This Condominium Rider may be signed and acknowledged in counterparts, each of which shall be considered an original, and the counterparts shall together constitute one and the same Condominium Rider, binding all of the parties to the Condominium Rider, notwithstanding that all of the parties are not signatory to the original or the same counterparts. For all purposes, including without limitation, recordation, filing and delivery of this Condominium Rider, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, Borrower has executed this Condominium Rider.

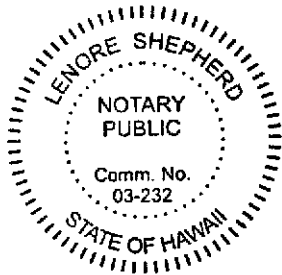


LANIEZA D. GARCIA
"BORROWER"

STATE OF HAWAII)
 : ss.
COUNTY OF KAUAI)

On this 07th day of December 2011, in the Fifth Circuit,
State of Hawaii, before me personally appeared LANIEZA D. GARCIA,
_____ who is personally known to me
Ⓞ whose identity I proved on the basis of Hawaii Davis Jm
_____ whose identity I proved on the oath/affirmation of _____
_____, a credible witness;

who being by me duly sworn or affirmed, did say that such person executed the
Condominium Rider dated December 07, 2011, and consisting of 9
pages, as the free act and deed of such person, and if applicable in the capacity shown,
having been duly authorized to execute such instrument in such capacity.



Lenore Shepherd
Name: Lenore Shepherd
Notary Public, State of Hawaii

My commission expires: 04.27.2015

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EXHIBIT "A"

-FIRST:-

Apartment No. G of that certain Condominium Project known as "AHUPUA'A VILLAGE", as established by Declaration of Condominium Property Regime dated March 8, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-038881, as shown on Condominium Map No. 2225 and any amendments thereto.

Together with appurtenant easements as follows:

Exclusive easements to use the limited common elements appurtenant thereto designated for its exclusive use by the Declaration, as amended, and the Condominium Map.

-SECOND:-

An undivided 5% interest appurtenant to the Apartment and in all common elements of said Project as described in said Declaration, including the land described herein.

The land upon which said Condominium Project "AHUPUA'A VILLAGE" is located is described as follows:

All of that certain parcel of land (being a portion of the land(s) described in and covered by Land Patent Grant Number 10796) situate, lying and being at Kapaa, District of Kawaihau, Island and County of Kauai, State of Hawaii, being LOT 43, same being a portion of Lot 179-B, of the "KAPAA HOMESTEADS FOURTH SERIES", and containing an area of 4.869 acres, more or less.

Together with an easement to construct, reconstruct, install, maintain, operate, and repair a roadway system and utility lines and appurtenances, through, over and across that portion of that certain property designated by Tax Map Key, 4th Division, 4-6-039-029, situate, lying and being at Kapaa, Island and County of Kauai, referred to as "Riley's Easement Area", as granted in Easement Agreement dated December 20, 1994, recorded as Document No. 95-013777.

Said parcel of land being more particularly described in Declaration of Condominium Property Regime dated March 8, 1995, recorded in said Bureau of Conveyances as Document No. 95-038881.

EXHIBIT "A"

BEING THE PREMISES ACQUIRED BY APARTMENT DEED

GRANTOR : HEDSCH, INC., a Hawaii corporation, and HUGH EDWARD RILEY and LILLIAN R. RILEY, Trustees of the Riley Family Revocable Living Trust, under unrecorded Trust Agreement dated June 19, 1992

GRANTEE : LANIEZA D. GARCIA, unmarried, as Tenant in Severalty

DATED : August 21, 1998

RECORDED : Document No. 98-136884

NOTE;

There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature in favor of the State of Hawaii.
2. Excepting and reserving therefrom the right to the present public road and existing trail, until such time said public road and trail are abandoned; as contained in Land Patent Grant Number 10,796, dated December 12, 1939, to the extent, if any, said public road and/or trail affects said lot.
3. Right of Entry to CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP, dated October 17, 1985, recorded in Liber 19076 at Page 339; granting a right-of-entry and temporary easement for the purpose of building, constructing, repairing, maintaining and operating pole and wire lines, and/or underground lines, etc., for the transmission and distribution of electricity.

EXHIBIT "A"

4. Designation of Easement "2" (10 feet wide) for access and utility purposes, as shown on Survey Map prepared by Dennis M. Esaki, approved April 9, 1986.

5. The terms and provisions, contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS

DATED : June 25, 1986
RECORDED : Liber 19663 Page 157

Said Declaration was amended by Annexation instrument dated March 18, 1987, recorded in Liber 20481 at Page 218.

6. Grant in favor of CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated June 8, 1990, recorded as Document No. 90-137448; granting a perpetual right and easement for utility purposes.

7. WAIVER AND RELEASE

DATED : January 17, 1995
RECORDED : Document No. 95-008791
BY : HEDSCH, INC., a Hawaii corporation
WITH : COUNTY OF KAUAI
RE : Building permit

8. The terms and provisions, contained in the following:

INSTRUMENT : EASEMENT AGREEMENT

DATED : December 20, 1994
RECORDED : Document No. 95-013777
PARTIES : HEDSCH, INC., a Hawaii corporation, and HUGH EDWARD RILEY and LILLIAN R. RILEY, as Trustees of the unrecorded Riley Family Revocable Living Trust dated June 19, 1992

EXHIBIT "A"

9. The terms and provisions, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR THE "AHUPUA'A VILLAGE" CONDOMINIUM
PROJECT

DATED : March 8, 1995
RECORDED : Document No. 95-038881
MAP : 2225 any amendments thereto

Said Declaration was amended by instruments dated May 26, 1995, recorded as Document No. 95-073716, and dated June 9, 1995, recorded as Document No. 95-082168.

10. The terms and provisions, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : March 8, 1995
RECORDED : Document No. 95-038882

11. Designation of Easement "B-1" for roadway and utility purposes affecting Apartment B in favor of Apartment C, as contained in Declaration of Condominium Property Regime dated March 8, 1995, recorded as Document No. 95-038881.
12. Designation of Easement "H-1" for vehicular and pedestrian access and utility services, water lines, septic systems and other services necessary to service the limited common element of Apartment A that abuts Apartment H, as contained in Second Amendment to Declaration of Condominium Property Regime dated June 9, 1995, recorded as Document No. 95-082168.
13. Designation of Easement "J-1" for vehicular and pedestrian access and utility services, water lines, septic systems and other services necessary to service the limited common element of Apartment A that abuts Apartment J, as contained in Second Amendment to Declaration of Condominium Property Regime dated June 9, 1995, recorded as Document No. 95-082168.

EXHIBIT "A"

14. Grant in favor of CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP and GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated September 22, 1995, recorded as Document No. 96-063021; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission of electricity over and across Easement "E-1", as shown on the map attached thereto.
15. Any adverse claim or boundary dispute which may exist or arise by reason of the failure of the Easement Agreement recorded as Document No. 95-013777 referred to in Exhibit A, to locate with certainty the boundaries of the Riley's Easement Area described in said instrument.
16. The terms and provisions contained in Apartment Deed dated August 21, 1998, recorded as Document No. 98-136884.