

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
HIDDEN VALLEY ESTATES
(Increment 1)
2069 California Avenue
Wahiawa, Hawaii

REGISTRATION NO. 1576

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: July 5, 1984
Expires: August 5, 1985

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 17, 1983, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JUNE 29, 1984. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report on HIDDEN VALLEY ESTATES, Registration No. 1576, dated January 13, 1984, the Developer has prepared, assembled and forwarded additional information relating to the Project.
2. This Final Public Report amends the Commission's Preliminary Public Report and is made a part of the registration on the HIDDEN VALLEY ESTATES condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report (yellow paper stock) and updated Disclosure Abstract. Securing a signed copy of the Receipt for the aforementioned from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. The Developer has submitted to the Commission for examination all documents deemed necessary for registration of a condominium project and issuance of this Final Public Report.
4. No advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, and a copy of the approved floors plans) have been recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime, dated June 19, 1984, has been recorded in said Bureau in Liber 17961 at Page 15, and the Bylaws were recorded in Liber 17961 at Page 47. The condominium plans have been designated as Condominium File Plan No. 908.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, July 5, 1984, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Except for the topical headings which follow, the information contained in the Preliminary Public Report of January 13, 1984 remains unchanged.

LOCATION. The aggregate area of three parcels comprising the Project is 22.955 acres rather than 22.691 acres, as described in the Preliminary Public Report.

DESCRIPTION OF PROJECT. The recorded Declaration has been amended to describe the Project as follows:

1. General Description. Subject to the Developer's right to construct additional increments, the Project will initially consist of five buildings containing a total of

twenty-four (24) residential apartments (hereinafter called the "Apartments"). A total of fifty-six (56) parking stalls are provided in the parking areas of the Project. All of such stalls are uncovered and standard size parking spaces. Said buildings, parking areas and other improvements are hereinafter referred to as "Increment 1".

2. Construction Materials. The buildings of Increment 1 are constructed principally of wood, concrete, aluminum, glass and allied building materials.

3. Description of Building. The five (5) buildings of Increment 1 are designated herein and on the recorded Condominium File Plan as Buildings 1 through 5, inclusive, and are more particularly described as follows:

(a) Buildings 1, 2, 3 and 5 are one-story structures, without basements, each containing four (4) Apartment units.

(b) Building 4 is a two-story structure, without a basement, containing a total of eight (8) Apartments, with four (4) units on each floor.

The buildings are located in a roughly circular arrangement around interior parking and service areas, with Building No. 1 being located closest to the northerly boundary of the Project. Trash enclosures and a common mailbox facility are located adjacent to the buildings in the parking areas of the Project.

4. DIVISION OF PROPERTY.

(a) Apartments. The Project is divided into twenty-four (24) separate condominium Apartments. The numbering, type, approximate net area in square feet, number of rooms, assigned parking stalls and appurtenant common interest of said Apartments are as follows:

<u>Apt. No.</u>	<u>Floor Plan Type</u>	<u>Approx. Living Area in Sq. Ft.</u>	<u>Approx. Lanai Area in Sq. Ft.</u>	<u>No. of Rooms</u>	<u>Parking Stall No.</u>	<u>Percent Common Interest</u>
<u>Bldg 1</u>						
1A	A	782	44.36	6	11, 13	4.166
1B	A	782	44.36	6	10, 14	4.166
1C	A	782	44.36	6	9, 12	4.166
1D	A	782	44.36	6	8, 15	4.166
<u>Bldg 2</u>						
2A	A	782	44.36	6	16, 19	4.166
2B	A	782	44.36	6	21, 24	4.166
2C	A	782	44.36	6	17, 20	4.166
2D	A	782	44.36	6	22, 23	4.166

<u>Bldg 3</u>						
3A	A	782	44.36	6	6, 26	4.166
3B	A	782	44.36	6	5, 32	4.166
3C	A	782	44.36	6	4, 25	4.166
3D	A	782	44.36	6	3, 33	4.166
<u>Bldg 4</u>						
4A	A	782	44.36	6	31, 35	4.166
4B	A	782	44.36	6	36, 44	4.166
4C	A	782	44.36	6	30, 34	4.166
4D	A	782	44.36	6	37, 43	4.166
4E	B	811.61	36.07	6	27, 38	4.170
4F	B	811.61	36.07	6	28, 39	4.170
4G	B	811.61	36.07	6	29, 40	4.170
4H	B	811.61	36.07	6	41, 46	4.170
<u>Bldg 5</u>						
5A	A	782	44.36	6	45, 48	4.166
5B	A	782	44.36	6	49, 52	4.166
5C	A	782	44.36	6	42, 50	4.166
5D	A	782	44.36	6	51, 53	4.166

The approximate net area of each Apartment, as set forth above, is computed by measuring from the interior surfaces of the perimeter walls to the surfaces of interior party walls, and no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls.

5. Types of Apartments.

(a) Each of the twenty (20) Apartments designated as being a Type A unit contains two bedrooms, a kitchen, living-dining room, bathroom and laundry. The total approximate area (including lanai) of each Type A Apartment is 826.36 square feet.

(b) Each of the four (4) Apartments designated as being a Type B unit contains two bedrooms, a kitchen, living-dining room, bathroom and laundry. The total approximate gross area (including lanai) of each Type B Apartment is 847.68 square feet.

6. Access. All ground floor Apartments have immediate access to the grounds and parking areas of the Project. Each of the Apartments above the ground floor has immediate access to its entry after travel by stairway.

7. Limits of Apartments. Each Apartment shall include: (i) all the walls and partitions which are not load-bearing within its perimeter walls; (ii) all glass windows, louvers, doors and panels along its perimeter; (iii) the inner decorated or finished surfaces of the perimeter walls or interior load-bearing walls; (iv) the interior-finished surfaces of the floors and ceilings; (v) all built-in fixtures and appliances originally installed therein; (vi) any utility system or component thereof which is located within any Apartment designed for the exclusive use of such Apartment; and

(vii) all of the air space encompassed within the condominium unit.

Notwithstanding the foregoing, the Apartments shall not include: (i) that portion of any load-bearing interior or perimeter wall within or surrounding any unit which (except for the inner finished surfaces of any such wall), shall be common element; (ii) the floors and ceilings of any Apartment which shall be common elements, except for their inner finished surfaces; and (iii) any pipes, shafts, chases, ducts or any other enclosed space for wiring, plumbing, air exhaust or ventilation, serving or being utilized by more than one condominium unit, the same being deemed common elements as provided hereinbelow.

NOTE: The recorded Declaration continues to reserve to Developer the right to construct additional Apartments, up to no later than December 31, 1993, in one or more increments which will be merged with the existing apartments upon completion (See Topical Heading "Additional Increments and Developer's Option to Withdraw Areas" below). Although the Developer is not obligated to construct any additional apartments, and makes no representations that any increment after Increment 1 will be constructed, negotiations are in process with lenders and others with respect to the construction of a second increment which will contain thirty two (32) apartments in six (6) buildings. It is anticipated that construction of a second increment, if built, will commence within the next few months.

COMMON ELEMENTS. The revised Declaration states that the common elements shall include, but shall not be limited to:

- (a) All the land of the Project.
- (b) All foundations, columns, girders, beams, floor slabs, roofs, supports and load-bearing walls (except for the inner finished surfaces, if any, within each Apartment).
- (c) All structural elements, walkways, retaining walls, fences and railings.
- (d) All driveways, parking areas, trash enclosures and mailbox facilities.
- (e) The eight (8) guest parking stalls designated on said Condominium File Plan as Parking Stall Nos. 1, 2, 7, 47, 54, 55, 56 and 57.
- (f) All pedestrian walkways, yards, grounds and landscaped areas.
- (g) All mechanical and equipment rooms, ducts, shafts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve all Apartments for service such as power, light, water, gas, refuse and telephone.

(h) Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS. The revised Declaration provides that certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below. Unless otherwise provided herein, all costs of every kind pertaining to each limited common element, including but not limited to cost of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the Apartment or Apartments to which they are appurtenant. If any cost is charged to more than one Apartment, each such Apartment shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all Apartments responsible for said cost.

(a) At least two (2) parking stalls shall be appurtenant to and for the exclusive use of each Apartment, as more particularly designated under the topical heading "Division of Property" hereinabove.

(b) Stairways and sidewalks or walkways utilized for ingress and egress to one or more apartments but not all Apartments, as shown on Condominium File Plan, are restricted solely for the use of the Apartments served thereby.

(c) All other common elements of the Project which are rationally related to less than all of said Apartments, shall be limited common elements for the exclusive use of the Apartment or Apartments to which they are appurtenant.

INTEREST TO BE CONVEYED TO PURCHASERS. Each Apartment shall have appurtenant thereto an undivided interest in the common elements of the Project and in all profits and common expenses of the Project, and for all other purposes including voting. The percentage common interest appurtenant to each Apartment is more particularly set forth under Topical Heading "Division of Property" above. A condominium conveyance document incorporating a ground sublease will initially be issued to purchasers at closing in lieu of an apartment lease. Upon the completion of the last increment to be developed on the property, the existing Master Lease between the Developer and the fee owner of the property will be cancelled, thereby converting said sublease arrangement to a direct ground lease from the fee owner to each purchaser.

ENCUMBRANCES AGAINST TITLE. An updated preliminary title report dated June 15, 1984, issued by Title Guaranty of Hawaii, Inc. discloses that title to the land is subject to the following:

AS TO PARCEL FIRST ONLY:

1. An easement in favor of the City and County of Honolulu for sanitary sewer purposes, situate over, under, through and across a portion of said parcel, acquired by Final Order of Condemnation filed in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 31981, on December 29, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8045 at Page 400.

2. Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, dated September 28, 1983, recorded in Liber 17508 at Page 29; granting a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove pull boxes, handholes, transformer vaults and underground power lines, etc. under, upon, across and through said parcel; Consent and Joinder of Hidden Valley Investments.

AS TO PARCEL SECOND ONLY:

3. An easement in favor of the City and County of Honolulu, for sanitary sewer purposes, situate over, under, through and across a portion of the land described herein, acquired by Final Order of Condemnation filed in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 31981, on December 29, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8045 at Page 400.

AS TO PARCELS FIRST AND THIRD ONLY:

4. An 8-foot ditch right-of-way along California Avenue in favor of the City and County of Honolulu, as shown on the Tax Map.

5. Grant in favor of the United States of America, dated June 8, 1979, recorded in Liber 13923 at Page 327; granting a perpetual and assignable easement and right-of-way for the location, construction, operation, maintenance, alteration, repair and partrol of an underground water pipeline, etc., in, over and across a portion of said parcel.

AS TO ALL PARCELS:

6. Any rights of way and water rights as were conveyed by J. W. Welte, et al., to the Wahiawa Water Company, Limited, by Deeds dated April 18, 1903, recorded in Liber 266 at Page 26 and Liber 269 at Page 2.

7. That certain Mortgage and Financing Statement, dated September 29, 1983, made by HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, Mortgagor, in favor of GECC FINANCIAL CORPORATION, a Hawaii corporation, Mortgagee, filed as aforesaid in Liber 17356 at Page 27.

8. That certain Mortgage and Financing Statement, dated August 24, 1983, made by HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, Mortgagor, in favor of MIDPAC LUMBER CO., LTD., a Hawaii corporation, Mortgagee, filed as aforesaid in Liber 17356 at Page 165.

9. That certain unrecorded Master Lease, dated July 1, 1980, by and between WILLIAM H. LIVINGSTON, husband of Mary R. Livingston, KARL R. TIEDE, husband of Joy M. Tiede, C. GORDON LIVINGSTON, husband of Ruth M. Livingston, GILBERT L. LIVINGSTON, husband of Mary Lou Livingston, JAMES C. STELLA, husband of Beatrice M. Stella, JOSEPH W. STELLA, JR., husband of Michelene E. Stella, RUTH C. SAVAGE, wife of Cyrus J. Savage, NANCY C. WRIGHT, wife of Eric Wright, ALICE H. CAMERON, unmarried, JAMES A. CAMERON, husband of Genevieve M. Cameron, and ROBERT E. BJERKE, husband of Darline M. Bjerke, Lessor, and REDEVCO PROPERTIES, INC., a Hawaii corporation, Lessee. A short form of said Master Lease was recorded as aforesaid in Liber 17115 at Page 499. Said Master Lease has been amended by unrecorded instruments dated January 7, 1982 and June 15, 1984.

Said unrecorded Master Lease was assigned to HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, by indenture dated January 8, 1982, recorded as aforesaid in Liber 17282 at Page 509.

10. Any taxes that are due and owing; reference is made to the Department of Finance, City and County of Honolulu.

ADDITIONAL INCREMENTS AND DEVELOPER'S OPTION TO WITHDRAW AREAS. The recorded Declaration continues to reserve to the Developer the right to construct additional increments and/or to withdraw certain land from the Project. However, the total number of additional units which the Developer may construct has been reduced to a maximum of one hundred fifty six (156). Additionally, the provisions of the Declaration pertaining to withdrawal have been modified to permit the Developer to subsequently reconsolidate any land previously withdrawn with the remaining land of the Project. The specific provisions of the Declaration pertaining to incremental development and withdrawal read as follows:

"11. DEVELOPER'S OPTION TO CONSTRUCT ADDITIONAL INCREMENTS.

(a) Notwithstanding the conveyance of any Apartment or anything to the contrary in this Declaration, Developer or its assigns, shall, from time to time, have the right at its option, up to but not later than December 31, 1993, to require alteration of the Project by creating not more than one hundred fifty six (156) additional residential apartments, with appurtenant recreational facilities and other common elements in one or more increments (hereinafter called the "Additional Increment(s)") within the area delineated in red on said Condominium File Plan as "Future Increments", and to thereafter merge said Additional Increment(s) with the then existing Apartments and common elements of the Project (hereinafter called the "Preceding Increment(s)").

(b) In furtherance of the rights reserved to Developer hereunder, Developer, its employees, agents, contractors and subcontractors, shall have the right at any time, and from time to time, to enter upon the Project and the common elements thereof and do all things reasonably necessary, desirable or useful for constructing, completing and selling

the Additional Increment(s), connecting the same to the utility installations of the Project, and selling the apartments contained within said Additional Increment(s) upon and subject to the following terms and conditions:

(1) The Additional Increment(s) shall be constructed in accordance with plans and specifications prepared by a licensed architect and first approved in writing by Fee Owner; provided, however, that such plans and specifications shall not require the alteration or demolition of any Apartments in the Preceding Increment(s) or any buildings or structures constituting part of the common elements thereof.

(2) Developer shall have the right to remove, amend, redesign, alter or add common elements and to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service said Additional Increment(s), including but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, sewage treatment plants, cable television, refuse disposal, driveways, parking areas and roadways; provided, that such easements and rights-of-way shall not materially impair the use of any Apartment in the Preceding Increment(s) or its appurtenant interest in the common elements.

(3) Developer shall have the right to sell and issue condominium conveyance documents for any apartment in the Additional Increment(s), to place signs or other advertising at the Project in connection with such sales and to use any of said apartments as model units so long as such activities shall not unreasonably affect the use and enjoyment of the apartments in the Preceding Increment(s).

(4) Before the commencement of construction of any Additional Increment, Developer shall (i) secure a performance and payment bond, issued by a surety licensed to do business in the State of Hawaii and having a net worth of not less than \$10,000.00, naming as obligees the Developer, the Fee Owner and collectively the owners of all apartments in the Preceding Increment(s) as their interests may appear through the Association of Apartment Owners, in a penal sum of not less than one hundred percent (100%) of the cost of the construction of said Additional Increment guaranteeing completion thereof free and clear of all mechanic's and materialmen's liens; and (ii) furnish to the Association of Apartment Owners satisfactory evidence that Developer has obtained a construction loan commitment and/or other immediately available funds in an aggregate amount sufficient to pay in full the costs of constructing and completing said Additional Increment, including without limitation, the cost of construction, land acquisition or ground rental, financing commitment fees, appraisal, architectural, engineering, legal and accounting fees, and all other costs and expenses associated with such construction.

(5) The construction and sale of the Additional Increment(s) shall be performed in such manner, as shall cause

the least practicable annoyance to and interference with the Apartment owners of the Preceding Increment(s). Each purchaser of an Apartment in the Preceding Increment(s), by his acceptance and occupancy of his Apartment on closing, agrees (i) to remain outside of any fenced or posted construction areas or any other areas upon which work is being performed pending completion, and to exert diligent efforts to prohibit entry into such areas by members of his household and by his invitees; and (ii) to indemnify and save harmless Fee Owner and Developer and its contractors and agents from and against any and all loss or liability for death or injury to persons or damage or loss of property on account of such entry either by the Apartment purchaser or his family and invitees.

(6) Developer shall have the right, at its own expense, and without being required to obtain the consent or joinder of any Apartment owner or lienholder, to execute and record such amendments to this Declaration and said Condominium File Plan as shall be necessary or appropriate in furtherance of the rights reserved to Developer under this paragraph 11 to construct and complete the Additional Increment(s), and without limiting the generality of the foregoing, Developer may amend this Declaration: (i) to create and establish the Additional Increment(s); (ii) to describe and allocate the common interest and common elements appurtenant to the Additional Increment(s); (iii) to decrease the common interest appurtenant to each Apartment in the Preceding Increment(s); and (iv) to merge the Additional Increment(s) with and into the Preceding Increment(s) as herein provided.

(7) The common interest appurtenant to each Apartment in the Preceding Increment(s) shall be decreased and the common interest appurtenant to each new Apartment in the Additional Increment(s) shall be allocated on the following basis: The total net floor area (exclusive of lanais) of all of the Apartments in the Preceding and the Additional Increment(s) shall first be determined. The net floor area of each such Apartment shall then be divided by such total net floor area and the resulting quotient shall be the common interest appurtenant to each such Apartment.

(8) Until the first merger of an Additional Increment as hereinafter provided, Developer shall be responsible for the payment of all real property taxes and other expenses allocable to the land of the Project within the "Future Increments" area, as shown on the Condominium File Plan (but excluding any such taxes assessed against the existing improvements herein described). Upon the merger of each Additional Increment, Developer's proportionate share of the real property taxes and other expenses allocable to the land of the Project shall be appropriately reduced to the ratio (as specified in an Amendment of this Declaration) which the area of the undeveloped land remaining subject to Developer's right of future development bears to the total land area of the Project. Developer will use its best efforts to arrange to have its proportionate share of any real property taxes excluded from the taxes assessed directly to the Apartment owners; provided, that if said proportionate share is nonetheless assessed to the Apartment owners, Developer shall

promptly reimburse each Apartment owner therefor. In no event shall the owners of Apartments in the Preceding Increment(s) have any liability for any common expenses attributable to common interests to be constructed as part of any Additional Increment prior to the merger of such Additional Increment.

(9) The merger of any Additional Increment with the Preceding Increment(s) shall take effect only after the completion of such Additional Increment and the issuance of a Certificate of Occupancy therefor and upon the recordation by Developer of an Amendment to the Declaration which shall certify that said increment has been completed as aforesaid and that the merger has been consummated. Without limiting the generality of the foregoing, the following consequences shall ensue from and after the effective date of such merger:

(i) Each of the increments so merged shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed, divided into Apartments and used by the owners thereof as a single undivided Project. The Apartments in each of the merged increments shall have an equal and non-exclusive right to use the common elements constructed as a part of each of said increments, subject to the terms, conditions and limitations provided herein and in the Bylaws attached hereto, and the Apartments in each of the merged increments shall have appurtenant thereto an undivided percentage interest in the common elements of the Project and the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting, as computed pursuant to subparagraph (b) (6) hereinabove;

(ii) The Developer may require the owner of the additional Apartments added to the Project by merger to make contribution, in addition to their share of the common expenses, to the maintenance reserves of the Project. The Developer may provide that such contributions may be made over a period of time, and in establishing the amounts and terms of such contribution, Developer shall take into account the amount of maintenance reserves accumulated prior to the addition of such Apartments and the condition of the Apartments in the Preceding Increment(s). The owners of additional Apartments added to the Project by merger shall not be obligated to pay or assume any debts, expenses, costs or other obligations incurred by or on behalf of the Association of Apartment Owners as of the effective date of the merger, with the exception of any such debts, expenses, costs or obligations which were incurred for the common benefit of the Apartments in the Preceding Increment(s) and the additional Apartments added to the Project by merger; and

(iii) Within sixty (60) days following the completion and merger of each Additional Increment, a special meeting of the Association of Apartment Owners shall be called to elect a new Board of Directors to replace the existing board of directors and govern the entire Project. The procedures for calling and holding such a meeting and all of the meetings of the Association shall be set forth in the Bylaws recorded concurrently herewith.

12. DEVELOPER'S OPTION TO WITHDRAW AND RECONSOLIDATE COMMON AREAS. Notwithstanding the conveyance of any Apartment or anything to the contrary in this Declaration, Developer, or its assigns, shall have the right, at its option, up to but not later than December 31, 1993, to (i) require alteration of the Project by withdrawing therefrom and causing the reconveyance to Developer or its assigns of any portion or all of the land within the common element area delineated on said Condominium File Plan as the "Future Development Area", and (ii) to subsequently reconsolidate any subdivided lot previously withdrawn with the land of the Project. Any such withdrawal and reconveyance and any subsequent reconsolidation shall be effected on the following terms and conditions:

(a) If the withdrawal shall require a subdivision or consolidation and resubdivision of the land of the Project, Developer shall arrange for the same at its sole cost and expense.

(b) Developer shall give each Apartment owner and lienholder at least thirty (30) days prior written notice of its intention to withdraw such land, or its intention to subsequently effect a reconsolidation thereof.

(c) Developer shall, at its own expense and without being required to obtain the consent or joinder of any Apartment owner or lienholder: (i) execute and file any amendments to the Declaration and the Condominium File Plan for the purpose of withdrawing all or any portion of the common element area or areas designated as being subject to withdrawal or to reconsolidate the subdivided land previously withdrawn; and (ii) when applicable, add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service the land withdrawn, including but not limited to easements and/or rights-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways; provided, however, that such easements and/or rights-of-way do not materially impair the use of any Apartment or its appurtenant common interest in the common elements; (iii) execute and file a deed reconveying to Developer, or its nominee, the land so withdrawn; and (iv) execute and file any consolidation or subdivision applications, and other documents which are necessary or appropriate in connection with the subdivision, withdrawal and reconveyance of the withdrawn land, or the subsequent reconsolidation thereof. If and to the extent that any such documents require the consent or joinder of the Apartment owners, Developer shall have the right to execute the same as the attorney-in-fact for each of the Apartment owners of the Project pursuant to the power of attorney set forth in paragraph 13 hereinbelow.

(d) The withdrawal or any subsequent reconsolidation shall become effective upon the filing with the Bureau of Conveyances of the State of Hawaii of an amendment to the Declaration noting such withdrawal or reconsolidation and setting forth a description of the land withdrawn from the Project as a common element or a description of the reconsolidated land, as the case may be.

(e) No withdrawal or reconsolidation shall be permitted which requires the alteration or destruction of any existing Apartment or the limited common elements appurtenant thereto."

NOTE: Any additional increments constructed by Developer will include one or more private park areas which will become common elements of the Project. If any such private park areas are developed, the City and County of Honolulu will require that the Fee Owner and Developer execute and record a Declaration of Restrictive Covenants which will contain the following provisions:

1. Any private park area must be improved, maintained and used solely for park and recreational purposes by the owners and occupants of apartments of the Project.

2. All owners shall be obligated to perpetually maintain said private parks. In the event of the failure of the owners to properly maintain said parks, the City and County may perform any necessary maintenance work and charge the cost thereof to the Association. Said obligation is secured by a lien in favor of the City and County.

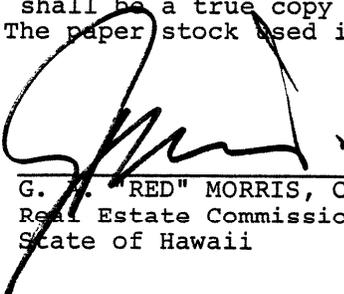
3. The Declaration of Restrictive Covenants shall run with the land and shall continue in effect unless terminated by a majority vote of the apartment owners with the written approval of the City and County.

MANAGEMENT OF PROJECT. Chaney Brooks & Co., whose address is 606 Coral Street, Honolulu, Hawaii 96813, has been appointed as the initial Managing Partner of the Project for a one year period, commencing on the date of the first conveyance of an apartment.

STATUS OF PROJECT. Construction of the initial increment of the Project was completed on or about January 20, 1984. An Owner's Notice of Completion was filed in the First Circuit Court of the State of Hawaii on February 2, 1984.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in its required Notice of Intention submitted October 17, 1983 and information subsequently submitted as of June 29, 1984.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.


G. W. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution: Department of Finance,
City and County of Honolulu
Bureau of Conveyances
Planning Department,
City and County of Honolulu
Federal Building Administration
Escrow Agent

Registration No. 1576

July 5, 1984.

HIDDEN VALLEY ESTATES
DEVELOPER'S DISCLOSURE ABSTRACT

1. Name and Address of Project: HIDDEN VALLEY ESTATES, 2069 California Avenue, Wahiawa, Hawaii.
2. Name, Address and Telephone Number of Developer: HIDDEN VALLEY INVESTMENTS, Suite 1030, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii 96813. (Telephone No. 531-3777).
3. Manager of Project: The initial managing agent for the project is Chaney Brooks & Co., 606 Coral Street, Honolulu, Hawaii 96813. (Telephone No. 544-1600).
4. Maintenance Fees: The schedule of the estimated annual maintenance fees for the project and the monthly maintenance fees for each apartment, as determined by generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof. Purchasers should be aware that the figures shown in Exhibit "A" are estimates only and that there are many factors which may cause the actual maintenance assessments to be greater or lesser than the estimated assessments. For example, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, owner delinquencies, and other factors may affect maintenance assessments. The attached breakdown of the estimated costs for each apartment does not include the Purchaser's obligations for the payment of real property taxes. The actual amount of real property taxes for each apartment probably will not be assessed until after the date of closing.
5. Warranties: The Developer has obtained from the General Contractor of the Project a written warranty with respect to any defects in the construction of the Apartment and the Project due to faulty materials or workmanship or both which are discovered and reported within the one (1) year warranty period provided for in the Contract between the Developer and the General Contractor for the construction of the Project. The Developer does not promise that the General Contractor will honor his warranty. The Developer will attempt to mail the Purchaser a reminder notice (if the Purchaser still owns the Apartment) about 90 days before this warranty period expires; however, failure to mail the notice by the Developer will not affect the Purchaser's rights or give the Purchaser any rights against the Developer for defects or otherwise. The Developer also will transfer to the Purchaser any manufacturer's or

dealer's warranties covering appliances in the Apartment. The Developer further agrees without incurring any legal liability, to cooperate with the Purchaser to try to have all the warranties performed by the General Contractor for which the General Contractor is responsible. This promise to cooperate by the Developer is referred to as the Developer's "Limited Warranty". THE LIMITED WARRANTY IS GIVEN TO THE PURCHASER INSTEAD OF ANY WARRANTY OF ANY KIND FROM THE DEVELOPER, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT AND ANY FURNISHINGS OR APPLIANCES LOCATED IN THE APARTMENT OR THE PROJECT. THE PURCHASER ACKNOWLEDGES THAT THE DEVELOPER IS NOT THE CONTRACTOR, ARCHITECT OR ENGINEER OF OR FOR THE APARTMENT OR THE PROJECT, AND THE DEVELOPER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO THE DESIGN OR CONSTRUCTION OF THE APARTMENT, THE PROJECT OR SUCH FURNISHINGS OR APPLIANCES, INCLUDING THE MERCHANTABILITY OF SUCH FURNISHINGS AND APPLIANCES OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE. THE PURCHASER SHALL, HOWEVER, HAVE THE BENEFIT OF ANY EXISTING CONTRACTOR'S, MANUFACTURER'S OR DEALER'S WARRANTIES COVERING THE APARTMENT, THE PROJECT OR SUCH FURNISHINGS OR APPLIANCES, TO THE EXTENT SUCH WARRANTIES CAN BE ASSIGNED TO THE PURCHASER. EXCEPT AS STATED ABOVE, THE PURCHASER ACKNOWLEDGES AND AGREES THAT THE DEVELOPER HAS NOT MADE AND WILL NOT BE LEGALLY OBLIGATED FOR ANY OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT OR ANYTHING INSTALLED IN THE APARTMENT, OR THE PROJECT.

6. Residential Use: All of the 24 Apartments in the Project are limited to residential use only.

7. Commercial Development: The Project contains no commercial or other non-residential development.

HIDDEN VALLEY INVESTMENTS, a
Hawaii limited partnership
By Its Authorized General
Partners

PENDAR, INC.

By 
Its Vice President

By _____
Its

PROPOSED OPERATING BUDGET
1984

HIDDEN VALLEY ESTATES

<u>RECEIPTS</u>	<u>Monthly</u>	<u>Annually</u>	<u>Remarks</u>
Maintenance Fees	\$ 1,707	\$ 20,484	
 TOTAL RECEIPTS	 \$ 1,707	 \$ 20,484	
 <u>DISBURSEMENTS</u>			
Audit & Taxes	\$ 11	\$ 132	
Insurance - Package	105	1,260	
Insurance - Liability	59	708	
Insurance - Other (TDI)	3	36	
Insurance - Workman's Comp	44	528	
Management & Accounting Services	500	6,000	
Misc. & Project Office Expenses	25	300	
Refuse Service	104	1,248	
Payroll, Maintenance	371	4,452	\$4.50/hr
Supplies, Grounds	35	420	
Supplies, Electric & Lighting	25	300	
Supplies, Building & Other	25	300	
Taxes, Payroll	45	540	
Electricity	65	780	
Water/Sewer	290	3,480	
 TOTAL	 <u>\$ 1,707</u>	 <u>\$ 20,484</u>	

The monthly maintenance fees will be \$71.13.

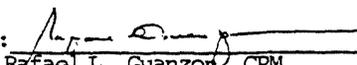
71.11 X 20 UNITS

71.18 - UNIT 46 - 44

The cash operating budget (Pro-rated on a monthly basis) is for one year commencing June 1984. The information contained herein is based on the data available to us at this time.

We certify that the monthly cash operating costs have been based on generally accepted accounting principles.

March 15, 1984

By: 
 Rafael L. Guanzon, CPM
 Senior Vice-President
 Residential Property Management