

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

**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON

HIDDEN VALLEY ESTATES
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 but may only take reservations therefore after

- (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: January 13, 1984
Expired: February 13, 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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 17, 1983, AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 5, 1984. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. The HIDDEN VALLEY ESTATES is a proposed leasehold condominium project consisting of twenty-four (24) units contained in four (4) one-level buildings and one (1) two-level building, all without basements. There are fifty-eight (58) regular size, open parking stalls.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, and a copy of the approved Floor Plans) have not been filed in the appropriate recording office.

4. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report is made a part of the registration of HIDDEN VALLEY ESTATES condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for same from each purchaser and prospective purchaser is also the responsibility of the Developer.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 13, 1984, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective date of this report.

NAME OF PROJECT: HIDDEN VALLEY ESTATES

LOCATION: The subject 22.691 acre property is situate at Wahiawa, Oahu, State of Hawaii.

TAX MAP KEY: 7-25-27:01; 7-5-15:01 and 7-5-27:03

ZONING: R-4 (Residential)

DEVELOPER: HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, whose principal place of business and post office address is Suite 1816, Pacific Trade Center, 190 South King Street, Honolulu, Hawaii; telephone number: 531-3777. The managing partner is Pendar, Inc., and its principal executive officer is Robert Bjerke. The names and addresses of the partners are as follows:

Pendar, Inc.	General Partner Suite 1816, Pacific Trade Center 190 South King Street Honolulu, Hawaii 96813
Darline M. Bjerke	General Partner 1034 Kaimoku Place Honolulu, Hawaii 96821
Edward P. Anderson	General Partner 1608 Laukahi Street Honolulu, Hawaii 96821
Alzada P. Anderson	General Partner 1608 Laukahi Street Honolulu, Hawaii 96821
Town and Country Development Company, Inc.	General Partner 563 Pakala Street Honolulu, Hawaii 96825
Martin and Rosemary Zais	Limited Partner 1580 Makaloa Street, Ste. 535 Honolulu, Hawaii 96814
Frank and Jeanne Gregory	Limited Partner 44-372 Kaneohe Bay Drive Kaneohe, Hawaii 96744
Walter and Margaret Mensching	Limited Partner 169 Kuukama Street Kailua, Hawaii 96734

ATTORNEY REPRESENTING DEVELOPER: MUKAI, ICHIKI, RAFFETTO & MACMILLAN (Richard G. MacMillan and Wesley Y. S. Chang), 345 Queen Street, Suite 800, Honolulu, Hawaii 96813. Telephone Number: (808) 531-6277.

DESCRIPTION OF THE PROJECT:

A. Incremental Development. The Developer is considering the development of the property in separate increments. HOWEVER, THE DEVELOPER DOES NOT REPRESENT THAT ANY INCREMENT AFTER THE INITIAL INCREMENT WILL BE DEVELOPED. The present plan of incremental development is as follows:

(1) Initial Increment. The initial increment shall consist of five (5) apartment buildings, being those buildings numbered 1, 2, 3, 4 and 5, as shown on the Condominium Map and as described hereinbelow. A total of twenty-four (24) apartments shall be included within the five (5) apartment buildings.

(2) Subsequent Increments. Subsequent increments, if constructed, are presently planned to add approximately twenty-two (22) apartment buildings, being those buildings numbered 6 through 27 as shown on the Condominium Map and as described hereinbelow, containing approximately one hundred fifty-two (152) apartments, and three hundred seven

(307) parking stalls. The terms and conditions pursuant to which the Developer may construct additional increments are set forth under the topical heading "Additional Increments" hereinbelow.

B. Description of Buildings. Subject to the rights reserved to construct additional increments, the Project will initially consist of five (5) apartment buildings, constructed principally of wood, glass, concrete, hollow tile and related building materials. There shall be two (2) different and distinct building types, designated as 1-level and 2-level. The 1-level building type shall contain four (4) apartments and the 2-level building type shall contain eight (8) apartments.

C. Description of Apartments. The apartments are described as follows:

(1) Ground Floor. Each of the ground floor apartments is a two-bedroom apartment, with kitchen, dining-living room, laundry and bathroom, and having a net floor area of approximately 782 square feet. Each apartment has a lanai with a net floor area of 44.36 square feet. The total floor area, including lanai, of each ground floor apartment is approximately 826.36 square feet.

(2) Second Floor. Each of the second floor apartments is a two-bedroom apartment, with kitchen, dining-living room, laundry and bathroom, and having a net floor area of approximately 811.61 square feet. Each apartment has a lanai with a net floor area of 36.07 square feet. The total floor area, including lanai, of each second floor apartment is approximately 847.68 square feet.

The square footage areas for the respective apartment types are computed from and to the interior surfaces of apartment perimeter walls. Each apartment has been given a designation consisting of a letter preceded by a digit (ie. 1A). The digit designates the building of the Project wherein the apartment is situate and the letter denotes the location of said apartment within the building. The location and numbering of the apartments is more particularly shown on the Condominium Map referred to hereinabove.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the unfinished surfaces of the floors and ceilings which surround each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all doors and door frames serving the apartment and all fixtures and appliances originally installed in such apartment for its exclusive use.

Each apartment has immediate access to the grounds of the Project or to a stairways which connect the apartment to

the grounds, walkways and driveways of the Project and the adjacent public street.

COMMON ELEMENTS: The proposed Declaration identifies the following as common elements:

- (a) The land described herein in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, corridors, fire escapes, roofs, stairs, walkways and entrances and exists of said buildings;
- (c) The yards and grounds, fences, driveways, pavement and refuse facilities;
- (d) Ten (10) visitor parking stalls designated on the Condominium Map as parking stalls 1, 2, 3, 4, 27, 28, 29, 56, 57 and 58;
- (e) Central facilities and appurtenant installations for utility and other common services such as power, light, gas and water;
- (f) All other apparatus and installations existing for common use;
- (g) All other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

Each apartment shall have appurtenant thereto an exclusive right to use the parking stalls assigned to such apartment. The specific stalls appurtenant to each apartment are set forth in Exhibit "A" attached hereto.

INTEREST CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest, as set forth in Exhibit "A" attached hereto, in all common elements of the Project, and the same proportionate share in the common profits and expenses of the Project and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration states that each of the apartment units shall be used and occupied as dwellings by their respective owners, their tenants, families, domestic servants and guests.

The House Rules provide, among others, that no livestock, poultry or other animals or pets whatsoever shall be allowed or kept in any part of the project without prior written consent of the Board of Directors. If any such animals

or pets are allowed in the project by the Board, they shall not be kept, bred or used therein for any commercial purpose nor allowed on any common elements in the building except in transit when physically carried nor, in any case, allowed on any part of the recreation deck, or parking decks.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 9, 1983, between Title Guaranty Escrow Services, Inc., as "Escrow", and Hidden Valley Investment, as "Seller", has been filed with the Commission.

It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing since the Escrow Agreement prescribes the procedure for receiving and disbursing purchasers' funds. The specimen sales agreement shall provide that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

Among other provisions, the Escrow Agreement provides that no refund is to be made to any Buyer who asks for it unless Escrow gets written approval from seller and mortgagee; the return of such funds shall be without interest, together with such sales contract marked "cancelled", and the seller and buyer shall be deemed no longer held thereunder.

Among other provisions, the specimen Condominium Reservation Agreement Deposit, Receipt and Contract provides that:

(1) The seller may cancel the contract and hold the buyer in default if any material discrepancies are discovered between the financial information furnished by the buyer and the buyer's actual financial status. Seller may also cancel if the buyer's application or eligibility for a mortgage loan is rejected or not given unqualified approval within sixty (60) days after application. Seller may also cancel this contract if the buyer should die.

(2) The seller's mortgage loan (interim, renewals, extensions, used for acquiring the land, constructing the project, and associated costs) shall be and remain at all time a lien or charge on the property, including the individual apartments prior to and superior to any and all other liens or charges on the project, and buyers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the contract in favor of the lien or charge on the project of the security interest of the lender. The buyers also consent to the assignment for security of seller's interest in the contract and buyer's escrow deposits to lender. The buyers also irrevocably appoint the Managing Agent to receive and accept service of process on behalf of the buyers.

(3) The seller makes no representations with respect to the possibility or probability of rental or managing of the apartment on buyer's behalf.

(4) Buyer shall not assign this contract without the prior written consent of Seller.

(5) Seller reserves the right to modify the Declaration, Bylaws and Apartment Lease as may be required by law, any title insurance company or any institutional mortgagee, provided, that no such modification shall (1) increase the buyer's share of common expenses, (2) reduce the obligations of seller from common expenses on unsold apartments, or (3) reduce the size of the apartments.

(6) Seller reserves the right, at its sole discretion, to construct additional units in the Project, and to reduce and reallocate buyer's proportionate share of the common elements of the Project. In connection with such reservation, seller has the right to remove, amend, or add to the common elements of the Project, to grant easements over, under and across the common elements for the purposes of such construction, and to conduct the sale and marketing of such newly constructed units. (See Topical Heading "Additional Increments" below).

(7) All taxes, assessments and charges of any kind assessable against the apartment to be purchased hereunder will be prorated as of the date of closing. Seller shall pay for abstract of title, certificate of title or lien letter and conveyance tax. Buyer shall pay the costs of the conveyance documents, and all finance fees and costs and recording fees. Each party shall pay for his own acknowledgment fees and shall share equally the escrow fees.

OWNERSHIP OF TITLE: A Preliminary Report dated December 20, 1983 issued by Title Guaranty of Hawaii, Incorporated, states that the fee simple title to the land is held by Hawaiian Trust Company, Ltd., a Hawaii corporation, as Trustee under an unrecorded Land Trust Agreement, dated January 14, 1982. By way of an unrecorded Master Lease, dated July 1, 1980, a short form of which is dated January 7, 1982 and recorded in Liber 17115 at page 499, said property was leased to Redeveco Properties, Inc., a Hawaii corporation, who in turn assigned its interest to Hidden Valley Investments, the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report, dated December 20, 1983 states that title to the property is subject to the following encumbrances:

1. Real Property Taxes that are due and owing; reference is made to the Office of the Tax Assessor, City and County of Honolulu.

2. 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.

3. Unrecorded Master Lease, dated July 1, 1980, entered into by and between William H. Livingston, husband of mary R. Livingston, et al., as "Lessors", and Redeveco Properties, Inc., a Hawaii corporation, as "Lessee", a short

form of which is dated January 7, 1982, and recorded in Liber 17115 at Page 499. Said unrecorded Master Lease was amended by unrecorded instrument dated January 7, 1982. Said Master Lease, as amended, was assigned to Hidden Valley Investments, a Hawaii limited partnership, by instrument dated January 8, 1982, recorded in Liber 17282 at Page 509; consent thereto given by William H. Livingston, et al.

4. Mortgage, Security Agreement and Financing Statement by Hidden Valley Investments, a Hawaii limited partnership, as Mortgagor, and GECC Financial Corporation, a Hawaii corporation, as Mortgagee, dated September 29, 1983, and recorded in Liber 17356 at Page 165.

5. Mortgage, Security Agreement and Financing Statement by Hidden Valley Investments, a Hawaii limited partnership, as Mortgagor, and Midpac Lumber Co., Ltd., a Hawaii corporation, as Mortgagee, dated August 24, 1983, and recorded in Liber 17356 at Page 165.

AS TO PARCEL FIRST (Tax Map Key No.: 7-5-27-01) and PARCEL THIRD (Tax Map Key No.: 7-5-27-03) only:

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

7. 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 patrol of an underground water pipeline, etc., in, over and across the easement area.

AS TO PARCEL FIRST AND PARCEL SECOND (Tax Map Key No.: 7-5-15-01) only:

8. Easement in favor of the City and County of Honolulu for sanitary sewer purposes, situate over, under, through and across that certain parcel of land, said easement having been acquired by Final Order of Condemnation filed December 29, 1971 in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 31981, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8045 at Page 400.

ADDITIONAL INCREMENTS:

(a) Notwithstanding the conveyance of any apartment or anything to the contrary in the proposed Declaration, Developer 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 eighty (180) 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 Map 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 Lessor; 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 apartment leases 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 Lessor 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 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 to construct and complete the Additional Increment(s), and without limiting the generality of the foregoing, Developer may amend the 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 in the Declaration and 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 therewith.

MANAGEMENT OF PROJECT: The Bylaws which are incorporated in the Declaration provides that the operation of the project shall be conducted for the Association of Apartment Owners in the direction of the Board of Directors by a responsible managing agent. The initial managing agent as set forth in the Management Agreement is Chaney, Brooks and Company, whose principal place of business and mailing address is 606 Coral Street, Honolulu, Hawaii 96813. Telephone Number: 544-1600.

DEVELOPER'S OPTION TO WITHDRAW AREAS. The proposed Declaration further provides that notwithstanding the conveyance of any Apartment, Developer, or its assigns, shall have the right, at its option, up to but not later than December 31, 1993, to 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 Map as "Future Increments." Such withdrawal and reconveyance 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;

(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 an amendment to the Declaration and the Condominium File Plan to withdraw all or any portion of the common element area or areas designated as being subject to withdrawal; 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 Unit or its appurtenant common interest in the common elements; (iii) execute and file a deed reconveying to Developer 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 consolidation, subdivision, withdrawal or reconveyance of the withdrawn land. 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 the Declaration;

(d) The withdrawal shall become effective upon the filing with the Office of the Assistant Registrar of the Land Court of the State of Hawaii of an amendment to the Declaration noting such withdrawal and setting forth a description of the land withdrawn from the Project as a common element, and the remaining land;

(e) No withdrawal shall be permitted which requires the alteration or destruction of any existing apartment or the limited common elements appurtenant thereto; and

(f) Following any such withdrawal, Developer shall have the right to cause any condominium project constructed on the land so withdrawn to be merged with and into the Hidden Valley Estates project so as to permit the joint use and administration of the common elements of the two (2) projects. In furtherance of the aforesaid reservation of rights, Developer may, at its option, and without being required to obtain the consent or joinder of any apartment owner, lien holder or other person, execute and file any amendments to the Declaration which are necessary or appropriate in connection with the merger of the two (2) projects including, without limitation, provision for a single association of apartment owners and board of directors for the merged projects and for the sharing of the common expenses of the projects.

The area of "Future Increments" as shown on the Condominium Map are part of the common elements of the Project. Purchasers and prospective purchasers should be cognizant of the fact that the administrative expense of the condominium project includes expenses pertaining to the care and maintenance of the projected phases.

NOTE: Developer agrees to be financially responsible for any and all costs and expenses attributable to those land areas reserved for future condominium units.

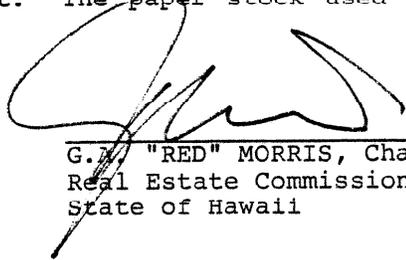
POWER OF ATTORNEY. In furtherance of the rights and powers reserved to Developer to construct additional increments and/or to withdraw portions of the land of the Project, the proposed Declaration provides that each apartment owner shall designate Developer as its attorney-in-fact, with power of substitution, to execute any applications for consolidation or subdivision amendments to the Declaration, reconveyance deeds, easement agreements and any other documents of whatsoever nature necessary or appropriate to effect the construction and sale of any Additional Increment(s), the withdrawal of said land and the reconveyance thereof to Developer, and/or the merger of any project constructed on the land so withdrawn. The acceptance of ownership of a Unit in the Project shall constitute a grant of such power and such grant, being coupled with the interest of the Developer as herein reserved, shall be irrevocable so long as the rights reserved to Developer shall remain in existence pursuant to the terms of the Declaration.

STATUS OF PROJECT: The Developer has advised the Commission that the initial increment has been completed pursuant to the construction contract submitted to the Commission.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on October 17, 1983 and information subsequently filed as of January 5, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1576 filed with the Commission on October 17, 1983.

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



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 Housing Administration
Escrow Agent

Registration No. 1576

Date: January 13, 1984

The following is a list of all apartments specifying the percentage interest in the common elements and the parking stalls which are appurtenant to each apartment.

<u>BUILDING</u>	<u>APARTMENT UNIT</u>	<u>% INTEREST</u>	<u>PARKING STALL</u>
1	1A	.04166	9, 14
	1B	.04166	10, 13
	1C	.04166	12, 15
	1D	.04166	11, 16
2	2A	.04166	8, 18
	2B	.04166	7, 17
	2C	.04166	6, 24
	2D	.04166	5, 23
3	3A	.04166	26, 51
	3B	.04166	25, 50
	3C	.04166	31, 49
	3D	.04166	30, 48
4	4A	.04166	19, 35
	4B	.04166	33, 42
	4C	.04166	37, 40
	4D	.04166	21, 39
	4E	.04170	20, 34
	4F	.04170	32, 43
	4G	.04170	36, 41
	4H	.04170	22, 38
5	5A	.04166	45, 47
	5B	.04166	44, 46
	5C	.04166	55, 59
	5D	.04166	53, 52

Abstract
for

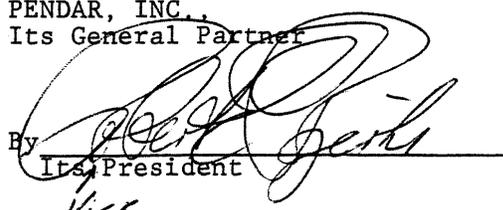
HIDDEN VALLEY ESTATES

1. Name of Project: HIDDEN VALLEY ESTATES
2. Address of Project: 2069 California Avenue
Wahiawa, Hawaii
3. Developer Information: HIDDEN VALLEY INVESTMENTS
Suite 1816, Pacific Trade Center
190 South King Street
Honolulu, Hawaii 96813
Tel. (808) 531-3777
4. Initial Managing Agent: Chaney, Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
5. Maintenance Fees: The schedule of the estimated
annual maintenance fees and the monthly maintenance
fees for the project is set forth in the Schedule
attached hereto.
6. Warranties: This project consisting of the buildings,
apartments and common elements are being sold in "as is"
condition without warranties, except for the warranties
on new appliances, if any, in which case, the warranties
will run in favor of the apartment purchaser directly
from the manufacturer. These warranties will expire at
different times, depending on the date of the installa-
tion of the appliances.
7. The project will not be used for hotel purposes because
it is not in a mixed use zone.
8. There are no commercial apartments in the project.

DATED: Honolulu, Hawaii, October 13, 1983.

HIDDEN VALLEY INVESTMENTS

By PENDAR, INC.,
Its General Partner

By 
Its President

Vice

PROPOSED OPERATING BUDGET
1983

HIDDEN VALLEY

<u>RECEIPTS</u>	<u>Monthly</u>	<u>Annually</u>	<u>Remarks</u>
Maintenance Fees	\$ 1,641	\$ 26,692	
TOTAL RECEIPTS	\$ 1,641	\$ 26,692	
 <u>DISBURSEMENTS</u>			
Audit & Taxes	\$ 11	\$ 132	
Insurance - Package	---	---	Paid by Dev.
Insurance - Other (TDI)	3	36	
Insurance - Workman's Comp	39	468	
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	300	
Supplies, Electric & Lighting	25	300	
Supplies, Building & Other	25	300	
TV Signal	113	1,356	
Taxes, Payroll	45	540	
Electricity	65	780	
Water/Sewer	290	3,480	
TOTAL	<u>\$ 1,641</u>	<u>\$ 26,692</u>	

The monthly maintenance fees will be \$68.38 .

The cash operating budget (Pro-rated on a monthly basis) is for one year commencing June 1983. 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.

June 9, 1983

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