

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

SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

HIDDEN VALLEY ESTATES (Increments 3A and 3B)
2069 California Avenue
Wahiawa, Hawaii

Registration No. 1576-B

Issued: April 25, 1986
Expires: May 25, 1987

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

It was prepared as a supplement to an earlier Report dated _____ issued by the Real Estate Commission on the above 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.

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 APRIL 21, 1986. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL AND REPORTING CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's First Supplementary Public Report on HIDDEN VALLEY ESTATES, (Increments 3A and 3B), Registration No. 1576-B dated November 8, 1985, the Developer has prepared, assembled and forwarded additional information relating to the Project. Such information discloses that Building 12 will be included in Increment 3A rather than Increment 3B. Thus, Increment 3A will consist of thirty six (36) apartments and Increment 3B will contain twenty eight (28) units.

2. This Second Supplementary Public Report amends the Commission's First Supplementary Public Report on Increments 3A and 3B dated November 8, 1985, and is made a part of the registration on the HIDDEN VALLEY ESTATES (Increments 3A and 3B) condominium project. The Developer is responsible for placing this Second Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report (yellow paper stock), Final Public Report (white paper stock) First Supplementary Public Report (pink paper stock) and the Amended Disclosure Abstract dated April, 1986. 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 with respect to Increments 3A and 3B which would otherwise be necessary for the the issuance of a Final Public Report for said increments if it were a separate condominium project.

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 floor 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. Said Declaration was amended by instruments dated November 29, 1984 and October 3, 1985, recorded in Bureau of Conveyances, State of Hawaii, in Liber 18363, page 270 and in Liber 19147, page 361, respectively. By Amendment to the Declaration, dated March 31, 1986, recorded as aforesaid in Liber 19398 at Page 405, Developer has created and described the apartments and common elements comprising Increments 3A and 3B of the Project.

6. A purchaser or prospective purchasers 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 Second Supplementary Public Report automatically expires thirteen (13) months after the date of issuance, April 25, 1986, unless a further 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 First Supplementary Public Report on Increments 3A and 3B, dated November 8, 1985, remains unchanged.

DEVELOPER: The address and telephone number of the Developer, Hidden Valley Investments is: 2069 California Avenue, The Hopper House, Wahiawa, Hawaii; Tel: 621-0532

DESCRIPTION OF PROJECT: The recorded Third Amendment of Declaration of Horizontal Property Regime described the Project as follows:

(a) General Description: Upon the completion and merger of Increments 3A and 3B, the project status of Hidden Valley Estates, currently will consist of twenty-one (21) residential buildings (designated herein and on the Condominium File Plan as Buildings "1" through "21", inclusive) containing one hundred twenty-four (124) residential apartments (hereinafter referred to as the "Apartments"). A total of two hundred eighty-two (282) parking stalls will be provided in the parking areas of the Project. All of such stalls are uncovered and standard size parking spaces. Said buildings and improvements are more particularly described as follows:

(b) Increments 1 and 2: Increments 1 and 2 consist of eleven (11) buildings (designated herein and on said Condominium File Plan as Buildings 1 through 11, inclusive), containing a total of fifty-six (56) apartments, parking areas containing one hundred thirty-one (131) parking stalls, trash receptacles, common mailbox facilities, and a landscaped private park area with picnic and barbeque facilities and playground equipment. The buildings comprising Increments 1 and 2 are more particularly described as follows:

(i) Buildings 1, 2, 3, 5, 6, 7, 8, and 9 are one-story structures, without basements, each containing four (4) Apartments.

(ii) Buildings 4, 10 and 11 are two-story structures, without basements, each containing a total of eight (8) Apartments, with four (4) Apartments on each floor.

(c) Increment 3A. The new improvements constructed as part of Increment 3A consist of thirty six (36) apartments located in six (6) residential buildings, designated herein and on the Condominium File Plan as Building 12 and Buildings 17 through 21, inclusive. Increment 3A will also include parking areas containing ninety six (96) parking stalls, trash receptacles and common mailbox facilities and one additional private park area. Picnic and barbecue facilities and

playground equipment will be provided in such park area. The buildings comprising Increment 3A are more particularly described as follows:

(i) Buildings 17, 20 and 21 are one-story structures, without basements, each containing four (4) Apartments; and

(ii) Buildings 12, 18 and 19 are two-story structures, without basements, containing a total of eight (8) Apartments each, with four (4) Apartments on each floor.

(d) Increment 3B. The new improvements constructed as part of Increment 3B consists of thirty two (32) apartments located in four (4) residential buildings, designated herein and on the Condominium File Plan as Buildings 13 through 16, inclusive. Increment 3B will also include parking areas containing fifty five (55) parking stalls, trash receptacles and common mailbox facilities and one additional private park area. Picnic and barbeque facilities and playground equipment will be provided in such park area. Each of said buildings is a two-story structure, without a basement, and contains a total of eight (8) Apartments, with four (4) Apartments on each floor.

(e) Merger of Increments 3A and 3B. Upon the completion of Increments 3A and 3B, and any future increment, said increment shall be merged with the preceding increment or increments, as provided in paragraph 11 of the Declaration, and the increments so merged shall be controlled and administered as a single condominium Project.

NOTE: BECAUSE CERTIFICATES OF OCCUPANCY FOR INCREMENTS 3A AND 3B WILL BE ISSUED AT DIFFERENT TIMES, IT IS ANTICIPATED THAT INCREMENT 3A WILL BE MERGED INTO THE PROJECT, AND THE SALES OF APARTMENTS IN SAID INCREMENT CLOSED, PRIOR TO THE MERGER OF INCREMENT 3B AND THE CLOSING OF APARTMENT SALES IN INCREMENT 3B.

Until the completion and merger of Increment 3A, Developer shall be responsible for the payment of 69.6% of all real property taxes and other expenses allocable to the land of the Project (but excluding any such taxes assessed against improvements comprising Increments 1 and 2). From and after the date of merger of Increment 3A, Developer's proportionate share of the real property taxes and other expenses allocable to the land of the Project shall be reduced to 48.7%. Upon the merger of Increment 3B, Developer's proportionate share of such taxes shall be reduced to 36.3%. The foregoing allocations are based on the approximate ratio which the area set aside for future development and/or withdrawal by Developer bears to the total land area of the Project. The foregoing provisions are not intended to relieve Developer of its responsibility for real property taxes and other expenses attributable to Apartment in any increment which are unsold or owned by the Developer.

(f) Future Increments. The Developer is presently planning the future construction, in one or more phases or increments, of at least seven (7) additional residential buildings which will contain a minimum of thirty-six (36) Apartment units, together with appurtenant driveways, parking areas, utility installations, and recreational areas adequate to service such Apartments. As presently contemplated, the buildings included in such future development are those identified as the "Hopper Residence" and Building Nos. 22 through 27, inclusive, as shown on the Condominium File Plan; provided, that Developer shall have the right to construct one or more buildings in addition to those specified above, subject to the limitation that the Project, when fully completed, shall contain not more than one hundred eighty (180) Apartments. If all of said buildings are constructed, at least eighty (80) additional parking stalls will be added to the Project, together with one (1) more additional private park area. The buildings and Apartments to be constructed as part of any future increment(s) will be substantially equivalent to the buildings and Apartments in Increments 1, 2 3A and 3B in terms of design, building materials, quality of construction, layout and dimensions. Thus, upon the completion and merger of all increments which are presently planned, the Project will consist of not less than one hundred sixty-one (161) Apartments. Any of the foregoing provisions to the contrary notwithstanding, the Developer is under no obligation to construct any future increments and is making no warranties or representations that any increments after Increments 3A and 3B will be developed.

(g) Withdrawal of Land. Pursuant to the rights reserved in the Declaration, the Developer presently intends to withdraw from the land of the Project a lot containing 7,560 square feet which is located along the northerly boundary of the Project abutting on California Avenue. No improvements of any kind have been made to said lot, and following its withdrawal the Developer proposes to construct thereon a single family residence which will not be part of the Hidden Valley Estates Project. To effect such a withdrawal, the Developer must give at least thirty (30) days prior written notice to each apartment owner and lien holder and must execute and record an amendment to the Declaration.

(h) Construction Materials. The buildings are constructed principally of wood, concrete, aluminum, glass and allied building materials.

2. Division of Property.

(a) Apartments. The numbering, type, approximate net area in square feet, number of rooms, and assigned parking stalls of the Apartments in Increments 3A and 3B are as follows:

INCREMENT 3A

<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>Bldg 12</u>					
12A	A	782	44.36	6	141, 153
12B	A	782	44.36	6	143, 158
12C	A	782	44.36	6	139, 157
12D	A	782	44.36	6	138, 155
12E	B	811.61	36.07	6	142, 152
12F	B	811.61	36.07	6	144, 159
12G	B	811.61	36.07	6	140, 156
12H	B	811.61	36.07	6	137, 154
<u>Bldg 17</u>					
17A	A	782	44.36	6	221, 225
17B	A	782	44.36	6	222, 226
17C	A	782	44.36	6	224, 228
17D	A	782	44.36	6	223, 227
<u>Bldg 18</u>					
18A	A	782	44.36	6	235, 239
18B	A	782	44.36	6	237, 243
18C	A	782	44.36	6	244, 256
18D	A	782	44.36	6	241, 258
18E	B	811.61	36.07	6	236, 240
18F	B	811.61	36.07	6	238, 245
18G	B	811.61	36.07	6	246, 255
18H	B	811.61	36.07	6	242, 257
<u>Bldg 19</u>					
19A	A	782	44.36	6	229, 249
19B	A	782	44.36	6	231, 248
19C	A	782	44.36	6	253, 262
19D	A	782	44.36	6	251, 264
19E	B	811.61	36.07	6	230, 250
19F	B	811.61	36.07	6	232, 247
19G	B	811.61	36.07	6	254, 261
19H	B	811.61	36.07	6	252, 263
<u>Bldg 20</u>					
20A	A	782	44.36	6	266, 270
20B	A	782	44.36	6	265, 269
20C	A	782	44.36	6	267, 271
20D	A	782	44.36	6	268, 272
<u>Bldg 21</u>					
21A	A	782	44.36	6	274, 278
21B	A	782	44.36	6	273, 277
21C	A	782	44.36	6	276, 280
21D	A	782	44.36	6	275, 279

INCREMENT 3B

<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>Bldg 13</u>					
13A	A	782	44.36	6	147, 176
13B	A	782	44.36	6	145, 174
13C	A	782	44.36	6	151, 179
13D	A	782	44.36	6	149, 177
13E	B	811.61	36.07	6	146, 175
13F	B	811.61	36.07	6	160, 173
13G	B	811.61	36.07	6	150, 180
13H	B	811.61	36.07	6	148, 178
<u>Bldg 14</u>					
14A	A	782	44.36	6	181, 204
14B	A	782	44.36	6	183, 203
14C	A	782	44.36	6	186, 201
14D	A	782	44.36	6	188, 202
14E	B	811.61	36.07	6	182, 199
14F	B	811.61	36.07	6	184, 197
14G	B	811.61	36.07	6	185, 198
14H	B	811.61	36.07	6	187, 200
<u>Bldg 15</u>					
15A	A	782	44.36	6	162, 192
15B	A	782	44.36	6	164, 190
15C	A	782	44.36	6	163, 193
15D	A	782	44.36	6	161, 195
15E	B	811.61	36.07	6	170, 191
15F	B	811.61	36.07	6	172, 189
15G	B	811.61	36.07	6	171, 194
15H	B	811.61	36.07	6	169, 196
<u>Bldg 16</u>					
16A	A	782	44.36	6	208, 212
16B	A	782	44.36	6	206, 210
16C	A	782	44.36	6	213, 217
16D	A	782	44.36	6	216, 220
16E	B	811.61	36.07	6	207, 211
16F	B	811.61	36.07	6	205, 209
16G	B	811.61	36.07	6	214, 218
16H	B	811.61	36.07	6	215, 219

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.

(b) Types of Apartments (Increments 3A and 3B).

(i) Each of the forty (40) Apartments in Increments 3A and 3B designated as being a Type A unit contains two bedrooms, a kitchen, living-dining room, bathroom and laundry. The total approximate gross area (including lanai) of each Type A Apartment is 826.36 square feet.

(ii) Each of the twenty-eight (28) Apartments in Increments 3A and 3B 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.

(c) 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.

(d) 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, louvres, 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."

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 interest appurtenant to each Apartment prior to the merger of Increment 3A, after the completion and merger of Increment 3A and after the merger of Increment 3B shall be as follows:

<u>Prior to Merger of Increment 3A</u>			
<u>Unit Type</u>	<u>No. of Units</u>	<u>Percentage Common Interest Each</u>	<u>Totals</u>
A	44	1.7756%	78.1264%
B	12	1.8228%	<u>21.8736</u>
			100.0000%

After Merger of Increment 3A

<u>Unit Type</u>	<u>No. of Units</u>	<u>Percentage Common Interest Each</u>	<u>Totals</u>
A	68	1.07618%	73.18024%
B	24	1.11749%	26.81976
			100.0000%

After Merger of Increments 3A and 3B

<u>Unit Type</u>	<u>No. of Units</u>	<u>Percentage Common Interest Each</u>	<u>Totals</u>
A	84	.796590%	66.91356%
B	40	.827161%	33.08644%
			100.00000%

A condominium conveyance document incorporating a ground sublease will initially be issued to purchasers at closing. 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: A Preliminary Title Report, dated March 5, 1986, issued by Founder's Title and Escrow of Hawaii, reflects 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 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 a portion of said parcel.

3. 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:

4. 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. Said easement created to service Improvement District Mo. 222.

AS TO PARCELS FIRST AND THIRD ONLY:

5. 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.

6. 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 a portion of said parcel.

AS TO ALL PARCELS:

7. 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.

8. 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, and an Amended Short Form Lease, dated October 3, 1985, was recorded in Liber 19147 at Page 367. Said Master Lease has been amended by unrecorded instruments dated January 7, 1982, June 15, 1984 and October 3, 1985.

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.

9. 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, recorded as aforesaid in Liber 17356 at Page 165.

10. That certain Mortgage, dated September 24, 1985, made by HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, Mortgager, in favor of MIDPAC LUMBER CO., LTD, a Hawaii corporation, Mortgagee, recorded as aforesaid in Liber 18965 at Page 567. By instrument dated December 30, 1985, recorded as aforesaid in Liber 19193 at Page 317, said Mortgage and the Mortgage noted as item 9 were subordinated to the Mortgage described in item 11 below.

11. That certain Mortgage dated December 27, 1985 and recorded as aforesaid in Liber 19192 at Page 777, in favor of ISL CAPITAL CORPORATION, a California corporation. By instrument dated December 27, 1985, recorded as aforesaid in Liber 19192 at Page 799, said Mortgage was assigned to International Savings and Loan Association Limited, a Hawaii corporation.

12. That certain Mortgage dated February 5, 1986 and recorded as aforesaid in Liber 19301 at Page 776, in favor of MIDPAC LUMBER CO., LTD., a Hawaii corporation.

13. Declaration of Horizontal Property Regime, dated June 19, 1984, recorded as aforesaid in Liber 17961 at Page 15, as amended by instrument dated November 29, 1984 recorded as aforesaid in Liber 18363 at Page 270, and by instrument dated October 3, 1985, and recorded as aforesaid in Liber 18363 at Page 270, and by instrument dated March 31, 1986, recorded as aforesaid in Liber 19398 at Page 405, and the Bylaws of the Association of Apartment Owners, dated June 19, 1984, recorded as aforesaid in Liber 17961 at Page 47. (Project covered by Condominium Map No. 908).

14. Declaration of Restrictive Covenants for Private Park, dated July 5, 1984, by HAWAIIAN TRUST COMPANY, LIMITED, a Hawaii corporation, and HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, recorded as aforesaid in Liber 18009 at Page 304.

15. For any taxes that are due and owing, reference is made to the Department of Finance, City and County of Honolulu.

16. Title to all minerals and metallic mines reserved to the State of Hawaii.

17. Terms, provisions and conditions as contained on Land Trust Agreement No. 89724.

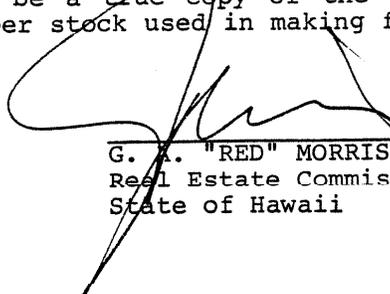
PURCHASE MONEY HANDLING: The NOTE on page 2 and 3 of the First Supplementary Public Report provides that any reservation agreements or sales contracts for the sale of apartments in Increments 3A and 3B shall not be binding until the issuance of another Supplementary Report reflecting Developer's compliance

with all of the requirements of Section 514A-40 of the Hawaii Revised Statutes. WITH THE ISSUANCE OF THIS SECOND SUPPLEMENTARY REPORT, THE COMMISSION IS SATISFIED THAT THE DEVELOPER HAS COMPLIED WITH ALL OF THE REQUIREMENTS OF SECTION 514A-40 WITH REGARD TO INCREMENTS 3A AND 3B. ACCORDINGLY, PURCHASERS AND PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT AGREEMENTS OR CONTRACTS FOR THE PURCHASE OF UNITS IN INCREMENTS 3A AND 3B MAY BECOME BINDING UPON A PURCHASER'S EXECUTION OF THE RECEIPT AND NOTICE REQUIRED UNDER SECTION 514A-62 OF THE HAWAII REVISED STATUTES, SUBJECT, HOWEVER, TO ANY OTHER CANCELLATION OR RESCISSION RIGHTS PROVIDED BY LAW. PURCHASERS SHOULD EXAMINE THE ESCROW AGREEMENT, SALES CONTRACT FOR INCREMENTS 3A AND 3B AND THE FIRST SUPPLEMENTARY PUBLIC REPORT TO DETERMINE THEIR RIGHTS WITH RESPECT TO SUCH A CANCELLATION OR RESCISSION.

STATUS OF PROJECT. Increment 1, consisting of twenty-four apartments, was completed on or about January 15, 1984, and Increment 2, containing thirty-two (32) apartments was completed on or about October 1, 1985. Construction of Increments 3A and 3B was commenced in November, 1985 and it is anticipated that Certificates of Occupancy for Increment 3A will be issued on or about April 15, 1986 and that Certificates of Occupancy for Increment B will be issued approximately four (4) months thereafter. The Developer's Notice of Completion was filed in the First Circuit Court of the State of Hawaii on February 28, 1986 and the statutory lien period will expire on or after April 15, 1986. Pursuant to the procedures established in the Declaration of Horizontal Property Regime, as amended, the merger of each of Increments 3A and 3B with the prior increments shall take effect upon the recordation by the Developer of an amendment to the Declaration which shall certify that Increment 3A and/or 3B has been completed and that the merger has been consummated. The consequences of such merger shall be as more particularly set forth in the Declaration, as amended, and without limiting the generality of the foregoing, from and after the effective date of any such merger, the percentage interest appurtenant to each of the units then comprising the Project shall be as set forth under the topical heading "Interest to Be Conveyed to Purchasers" above.

A purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted October 17, 1983, and information subsequently filed as of April 21, 1986.

This is a SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT, which is made a part of HIDDEN VALLEY ESTATES, (Increments 3A and 3B) REGISTRATION NO. 1576-B, 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 pink.



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

Distribution:

Department of Finance,
City and County of Honolulu
Bureau of Conveyances
Planning Commission,
City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1576-B

Dated: April 25, 1986

Date: April 1, 1986

HIDDEN VALLEY ESTATES - INCREMENTS 1, 2, 3A and 3B

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, 2069 California Avenue, The "Hopper House", Wahiawa, Hawaii 96786 (Telephone No. 621-0532).
3. Manager of Project: The 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 after the merger of Increment 3A and after the merger of Increment 3B, as determined by generally accepted accounting principles, is more particularly set forth in Exhibits "A" and "B" attached hereto and made a part hereof. Purchasers should be aware that the figures shown in said Exhibits 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. The warranty period is one (1) year other than with respect to the common elements for which the term of the warranty is two (2) years. 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 apartments in the Project are limited to residential use only.

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

PROPOSED OPERATING BUDGET
1986 - 1987

HIDDEN VALLEY ESTATES
PHASES I, II, IIIA

<u>RECEIPTS</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
Maintenance Fees	\$ 6,559.00	\$ 78,708.00
TOTAL RECEIPTS	\$ 6,559.00	\$ 78,708.00
 <u>DISBURSEMENTS</u>		
Audit and Taxes	\$ 150.00	\$ 1,800.00
Insurance - Package	514.00	6,168.00
Insurance - Liability	60.00	720.00
Insurance - Other	14.00	168.00
Management & Accounting Services	961.00	11,532.00
Misc. & Project Office Expense	45.00	540.00
Refuse Service	600.00	7,200.00
Maintenance and Repairs - Building	35.00	420.00
Maintenance and Repairs - Grounds	2,100.00	25,200.00
Supplies, Electric & Lighting	35.00	420.00
Supplies, Building & Other	35.00	420.00
Taxes, Corporate Income	25.00	300.00
Electricity	275.00	3,300.00
Water/Sewer	<u>1,114.00</u>	<u>13,368.00</u>
SUB-TOTAL	\$ 5,963.00	\$ 71,556.00
Transfer to General Operating Reserve	179.00	2,148.00
Transfer to Replacement Reserve	417.00	5,004.00
TOTAL	<u>\$ 6,559.00</u>	<u>\$ 78,708.00</u>

The monthly maintenance fees will be as follows:

<u>Unit Type</u>	<u>Number of Units</u>	<u>Common Interest</u>	<u>Amount</u>
Ground Level (A,B,C, & D)	68	1.07618	\$ 70.59
Second Level (E,F,G, & H)	24	1.11749	\$ 73.30

The cash operating budget (pro-rated on a monthly basis) is for one year commencing April 1986. 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.

April 2, 1986

By: *Gordon Heinicke*
Gordon Heinicke
Property Manager

PROPOSED OPERATING BUDGET
1986 - 1987

HIDDEN VALLEY ESTATES
PHASES I, II, IIIA, IIIB

<u>RECEIPTS</u>	<u>MONTHLY</u>	<u>ANNUALLY</u>
Maintenance Fees	\$ 8,065.00	\$ 96,780.00
TOTAL RECEIPTS	\$ 8,065.00	\$ 96,780.00
 <u>DISBURSEMENTS</u>		
Audit and Taxes	\$ 150.00	\$ 1,800.00
Insurance - Package	693.00	8,316.00
Insurance - Liability	60.00	720.00
Insurance - Other	14.00	168.00
Management & Accounting Services	1,177.00	14,124.00
Misc. & Project Office Expense	60.00	720.00
Refuse Service	840.00	10,080.00
Maintenance and Repairs - Building	50.00	600.00
Maintenance and Repairs - Grounds	2,600.00	31,200.00
Supplies, Electric & Lighting	35.00	420.00
Supplies, Building & Other	35.00	420.00
Taxes, Corporate Income	25.00	300.00
Electricity	325.00	3,900.00
Water/Sewer	<u>1,268.00</u>	<u>15,216.00</u>
SUB-TOTAL	\$ 7,332.00	\$ 87,984.00
Transfer to General Operating Reserve	220.00	2,640.00
Transfer to Replacement Reserve	513.00	6,156.00
TOTAL	<u>\$ 8,065.00</u>	<u>\$ 96,780.00</u>

The monthly maintenance fees will be as follows:

<u>Unit Type</u>	<u>Number of Units</u>	<u>Common Interest</u>	<u>Amount</u>
Ground Level (A,B,C, & D)	84	.00796590	\$ 64.24
Second Level (E,F,G, & H)	40	.00827161	\$ 66.71

The cash operating budget (pro-rated on a monthly basis) is for one year commencing April 1986. 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.

April 2, 1986

By: *Gordon Heinicke*
Gordon Heinicke
Property Manager
Chaney, Brooks and Company