REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

HIDDEN VALLEY ESTATES (INCREMENT 4)
2069 California Avenue
Wahiawa, Hawaii 96786

Registration No. 1576-C

Issued: April 7, 1987
Expires: May 7, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 30, 19 87 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

____ PRELIMINARY: (yellow) — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

____ FINAL: (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

SECOND

X SUPPLEMENTARY: (pink) — Updates information contained in the
[X] Prelim. Public Report dated January 13, 1984
[X] Final Public Report dated July 5, 1984
[X] Supp. Public Report dated 3/6/85;11/8/85/1/10/86; 4/25/86;10/14/86

And [ ] Supersedes all prior public reports
[X] Must be read together with all prior public reports

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [X] Not Required -- disclosures covered in this report.

FORM: RECO-30 286/986-350W, 150Y, 50P

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

Since the issuance of the Commission's First Supplementary Public Report on Increment 4, dated October 14, 1986, the Developer reports that changes have been made to said Increment. Specifically, the "Hopper Residence" will no longer be a common element, but will be constituted as a separate condominium unit which will be added to the project in the future as a fifth and final increment.

THE FIRST SUPPLEMENTARY PUBLIC REPORT FOR INCREMENT 4 SPECIFIED THAT ANY RESERVATION AGREEMENTS OR SALES CONTRACTS FOR THE SALE OF APARTMENTS IN SAID INCREMENT 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 INCREMENT 4 ACCORDINGLY, PURCHASERS AND PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT AGREEMENTS OR CONTRACTS FOR THE PURCHASE OF UNITS IN INCREMENT 4 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 INCREMENT 4 AND THE FIRST SUPPLEMENTARY PUBLIC REPORT TO DETERMINE THEIR RIGHTS WITH RESPECT TO SUCH A CANCELLATION OR RESCISSION.

A Sixth Amendment of HPR creating and describing the apartments of Increment 4, dated November 28, 1986, was recorded in the Bureau of Conveyances in Liber 20105 at Page 226.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer: Subleasehold (by way of Condominium Conveyance Document). Upon completion of all increments, the Master Lease between Developer and the Fee Owner will be cancelled, thereby converting the Ground Subleases to direct leases between the Fee Owner and Apartment Owners.

Type of Project:

1. [X] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion
2. [X] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____
3. [ ] High Rise (5 stories or more) [X] Low Rise
4. [ ] Single or [X] Multiple Buildings
5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A	24	2/1	782	44.36
B	12	2/1	811.61	36.07

Total Apartments: 36

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	Number of Stalls	
Assigned Stalls (Individual Units)	72	*There are 31 guest stalls in the prior increments of the Project.
Guest Stalls	9*	
Unassigned Stalls		
Extra Stalls Available for Purchase		
Other: _____		**There are 281 parking stalls in the prior increments.
Total Parking Stalls	81**	

7. Recreational amenities: Private park area containing picnic and barbecue facilities and playground equipment. There are three similar private parks constructed as part of the earlier increments.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer:

Hidden Valley Investments
Name

563 Pakala Street
Business Address

Honolulu, Hawaii 96825

Phone: 395-4152 (Business)

Names of officers or general partners of developers who are corporations or partnerships:
See Exhibit "A"

Real Estate Sales Agent:

Dave Lewis Realtors
Name

1154 Fort St. Mall, Rm. 301
Business Address

Honolulu, Hawaii 96813

Phone: 537-4567 (Business)

Escrow:

Founders Title & Escrow of Hawaii
Name

98-211 Pali Momi St., Suite 535
Business Address

Aiea, Hawaii 96701

Phone: 487-7202 (Business)

Managing Agent:

Chaney Brooks & Co.
Name

606 Coral Street
Business Address

Honolulu, Hawaii 96813

Phone: 544-1600 (Business)

Attorney for Developer:

Richard G. MacMillan
Name

820 Mililani Street, Suite 703
Business Address

Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded – Bureau of Conveyances – Book 17961 Page 15
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information: 11/29/84 - Book 18363 Page 270; 10/3/85 - Book 19147 Page 361; 3/31/86 - Book 19398 Page 405; 4/24/86 - Book 19470 Page 84; 7/3/86 - Book 19659 Page 334 and 11/28/86 - Book 20105 Page 226.

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded – Bureau of Conveyance Condo Map No. 908
[ ] Filed – Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded – Bureau of Conveyances – Book 17961 Page 47
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:
N/A

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:
[ ] Proposed [X] Adopted

[ ] Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of apartment owners who must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	80%
House Rules	–	-0-

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules: The Declaration as amended, permits the Developer to amend the Declaration, ByLaws and Condominium Map as necessary in furtherance of Developer's rights to construct one or more additional increments (up to a maximum of 180 apartments) and/or to withdraw a portion of the land of the Project. There will be one final increment after Increment 4. See Item K on page 17.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[ ] Fee Simple: Individual apartments and the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[X] Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit B contains further explanations.

Lease Term Expires: December 31, 2040
Rent Renegotiation Date(s): January 1 of 1995, 2005, 2015, 2025, and 2035

Lease Rent Payable: [x] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[X] Other: The rent reserved for each apartment is as follows:
a. Through 12/31/94 - $45.00/month
b. Next 10 year period - $65.00/month
c. Next 10 year period - $100.00/month

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[ ] Cancelled [ ] Foreclosed.

[X] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 2069 California Avenue
Wahiawa, Hawaii 96786

Tax Map Key: 7-5-27-001 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 22.691 [ ] square feet [X] acre(s)

Zoning: R-4 (Residential)

Fee Owner: Hawaiian Trust Company Ltd., Trustee of Land Trust No. 89724
name
111 South King Street
address
Honolulu, Hawaii 96813

Sublessor: Hidden Valley Investments
name
563 Pakala Street
address
Honolulu, Hawaii 96825

C. Buildings and Other Improvements:

1. [X] New Building(s) [ ] Conversion of Existing Building(s)
[ ] Both New Building(s) and Conversion

2. Buildings: 6 Floors Per Building: 3-1 story; 3-2 story

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [x] Wood

[ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	36	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] Other: _____			

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: No pets without approval of the Board (House Rules)

[ ] Number of Occupants: _____

[X] Other: No transient rental or hotel use (rental for 30 days or less)

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 36

Elevators -- Stairways -- Trash Chutes --

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A	24	2/1	782	44.36
B	12	2/1	811.61	36.07

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment: Each Type A and Type B 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 perimter; (iii) the inner decorated or finished surfaces of the perimter 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.

Permitted Alterations to Apartments: Alterations within an apartment require the consent of the Board of Directors.

7. Parking Stalls:

Total Parking Stalls: 81

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		72					72
Guest		9					9
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		81					

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit C contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[X] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: _____

_____

9. Present Condition of Improvements
(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

N/A

10. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   Exhibit D describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

   [ ] There are no limited common elements in this project.

   [X] The limited common elements and the apartments which may use them are:

   [X] described in Exhibit E

   [ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

   [X] Exhibit F describes the common interests for each apartment.

   [ ] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit G describes the encumbrances against the title contained in the title report dated _____.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage	Buyer's interest may be terminated if Developer defaults prior to conveying unit to Buyer.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[X] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ ] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit H contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity [ ] Television Cable

[ ] Gas [X] Water & Sewer

[ ] Other _____

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: Warranty against defects in materials or workmanship for one year from date of substantial completion. Warrant period of two years for common elements.

2. Appliances: Original manufacturers' warranties

J. **Status of Construction and Estimated Completion Date:**

Construction was completed on or about February 1, 1987.

K. **Project Phases:**

The developer [X] has [ ] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:
The Declaration, as amended, reserves to the Developer the right to construc additional increments and/or to withdraw certain land from the Project, subject to the limitation that the Project, when fully completed, shall contain not more than 180 apartments. Pursuant to said reserved rights, the Developer has previously constructed 124 Apartments in the four preceding increments, and has withdrawn a lot containing 7,560 square feet from the land originally comprising the Project. Although the Developer does not plan any further construction, it intends to add a fifth increment to the project which will consist solely of the 'Hopper Residence (see page 18b for a description of said residence).

L. **Sales Documents Filed with the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit I contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated _____

Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Following the completion and merger of Increment 4, the Project will be as follows:

(a) 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 barbecue 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.

(b) Increment 3A. Increment 3A consists of thirty-six (36) Apartments located in six (6) residential buildings, designated herein and on said Condominium File Plan as Building 12 and Buildings 17 through 21, inclusive. Increment 3A also includes 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 are 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.

(c) Increment 3B. Increment 3B consists of thirty-two (32) apartments located in four (4) residential buildings, designated herein and on said Condominium File Plan as Buildings 13 through 16, inclusive. Increment 3B also includes parking areas containing fifty-five (55) parking stalls, trash receptacles and common mailbox facilities and one additional private park area. Picnic and barbecue facilities and playground equipment are 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. See Exhibit "K" for continuation of Additional Information.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
   a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;
      AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1576-C filed with the Real Estate Commission on October 17, 1983.

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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.

G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT "A"

The names and addresses of the partners of the Developer are as follows:

Town and Country Development Company, Inc.	General Partner 563 Pakala Street Honolulu, Hawaii 96825
Darline M. Bjerke	General Partner 1034 Kaimoku Place Honolulu, Hawaii 96821
Alzada P. Anderson	General Partner 1068 Laukahi Street Honolulu, Hawaii 96821
Martin and Rosemary Zais	Limited Partner 1580 Makaloa Street Suite 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

EXHIBIT "B"

RIGHTS ON TERMINATION
OF GROUND LEASE

The Apartment Owners shall have the right upon the termination or expiration of the ground leases to remove or dispose of the buildings of the Project. If the buildings are not removed, the Fee Owner will pay each Apartment Owner his proportionate share of $10,000.00 as consideration for the improvements.

EXHIBIT "C"

The numbering, type, approximate net area in square feet, number of rooms, and assigned parking stalls of the Apartments in Increment 4 are as follows:

INCREMENT 4

Apt. No.	Floor Plan Type	Approx. Living Area in Sq. Ft.	Approx. Lanai Area in Sq. Ft.	No. of Rooms	Parking Stall No.
Bldg 22					
22A	A	782	44.36	6	288, 289
22B	A	782	44.36	6	286, 287
22C	A	782	44.36	6	293, 294
22D	A	782	44.36	6	291, 292
Bldg 23					
23A	A	782	44.36	6	297, 309
23B	A	782	44.36	6	298, 310
23C	A	782	44.36	6	295, 307
23D	A	782	44.36	6	296, 308
Bldg 24					
24A	A	782	44.36	6	315, 319
24B	A	782	44.36	6	318, 322
24C	A	782	44.36	6	300, 312
24D	A	782	44.36	6	301, 313
24E	B	811.61	36.07	6	316, 320
24F	B	811.61	36.07	6	317, 321
24G	B	811.61	36.07	6	299, 311
24H	B	811.61	36.07	6	302, 314
Bldg 25					
25A	A	782	44.36	6	328, 327, 131, 132, 133, 134
25B	A	782	44.36	6	329, 330
25C	A	782	44.36	6	323, 324
25D	A	782	44.36	6	325, 326
Bldg 26					
26A	A	782	44.36	6	335, 362
26B	A	782	44.36	6	336, 361
26C	A	782	44.36	6	333, 364
26D	A	782	44.36	6	334, 363
26E	B	811.61	36.07	6	337, 360
26F	B	811.61	36.07	6	338, 359
26G	B	811.61	36.07	6	331, 366
26H	B	811.61	36.07	6	332, 365

EXHIBIT "C" continued

INCREMENT 4 continued

Apt. No.	Floor Plan Type	Approx. Living Area in Sq. Ft.	Approx. Lanai Area in Sq. Ft.	No. of Rooms	Parking Stall No.
Bldg 27					
27A	A	782	44.36	6	342, 350
27B	A	782	44.36	6	343, 351
27C	A	782	44.36	6	340, 348
27D	A	782	44.36	6	341, 349
27E	B	811.61	36.07	6	344, 352
27F	B	811.61	36.07	6	345, 353
27G	B	811.61	36.07	6	339, 346
27H	B	811.61	36.07	6	347, 354, 133, 134

EXHIBIT "D"

The Sixth Amendment of Declaration states that the common elements shall include the limited common elements described below and all other portions of the land and improvements other than the apartments, including the buildings, and land on which they are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein. Said common elements shall include but shall not be limited to:

(a) All the land in fee simple.

(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 and parking areas.

(e) The nine (9) guest parking stalls in Increment 4 designated on said Condominium File Plan as Parking Stall Nos. 290, 303, 304, 305, 306, 355, 356, 357, and 358. (There are 31 additional guest stalls contained in the prior increments).

(f) All pedestrian walkways, yards, grounds and landscaped areas.

(g) All private parks and other recreational areas and all equipment and fixtures installed therein including, without limitation, barbecues, picnic tables and playground equipment.

(h) 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.

(i) 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.

Exhibit "E"

The Sixth Amendment of 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 to set aside and reserve 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 costs.

(a) At least two (2) parking stalls shall be appurtenant to and for the exclusive use of each Apartment, as more particularly designated in Exhibit C.

(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.

EXHIBIT "F"

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 4, and after the merger of Increment 4 shall be as follows:

Prior to Merger of Increment 4

Unit Type	No. of Units	Percentage Common Interest Each	Totals
A	84	.796590%	66.91356%
B	40	.827161%	83.08644%
			100.00000%

After Merger of Increment 4

Unit Type	No. of Units	Percentage Common Interest Each	Totals
A	108	.61746%	66.68568%
B	52	.64066%	33.31432%
			100.00000%

Exhibit "G"

A Preliminary Title Report, dated February 17, 1987, issued by Founder's Escrow and Title 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 19323 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, mandholes, transformer vaults and underground power lines, etc. under, upon, across and through said parcel; Consent and Joinder of Hidden Valley Investments.

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 patrol of an underground water pipeline, etc., in, over and across a portion of said parcel.

AS TO PARCEL SECOND ONLY:

6. 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, location 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.

Exhibit "G"

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 Liver 19147 at Page 367. Said Master Lease has been amended by unrecorded instruments dated January 7, 1982, June 15, 1984 October 3, 1985 and July 16, 1986.

Said 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. 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, by instrument dated October 3, 1985, recorded as aforesaid in Liber 19147 at Page 361, by instrument dated March 31, 1986, recorded as aforesaid in Liber 193968 at Page 405, by instrument dated April 24, 1986, recorded as aforesaid in Liber 19470 at Page 84, by instrument dated July 3, 1986, recorded as aforesaid in Liber 19659 at Page 334, by instrument dated November 28, 1986, recorded as aforesaid in Liber 20105 at Page 226, 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).

10. That certain Mortgage and Financing Statement, dated December 29, 1986, made by HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, Mortgagor, in favor of HONOLULU FEDERAL SAVINGS AND LOAN ASSOCIATION, a federal Association, Mortgagee, recorded as aforesaid in Liber 20228 at Page 225.

Exhibit "G"

11. Those certain Mortgages, dated August 24, 1983, September 24, 1985, and February 19, 1986, and that certain Additional Charge Mortgage dated February 5, 1986, made by HIDDEN VALLEY INVESTMENTS, a Hawaii limited partnership, Mortgagor, in favor of MIDPAC LUMBER CO., LTD., a Hawaii corporation, Mortgagee, recorded respectively in Liber 17356, Page 165; Liber 18965, Page 567; Liber 19301, Page 776 and Liber 19419, Page 17. All of said mortgages were subordinated to the mortgage described in 10 above by instrument dated December 29, 1986 recorded in Liber 20228 at Page 296.

12. 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, as amended on August 13, 1986, recorded in Liber 19787 at Page 212.

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

14. For real property taxes due and payable, reference is made to Director of Finance, City and County of Honolulu.

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
TYPE A (108)	65.56		$786.72
TYPE B (52)	68.03		$816.36

[ ] Revised on _____

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Monthly	x 12 months =	Yearly Total
Utilities and Services			
Air Conditioning	—		
Electricity			
[X] common elements only	425.00		5,100.00
[ ] common elements and apartments			
Gas	—		
Refuse Collection	1,200.00		14,400.00
Telephone	—		
Water and Sewer	1,650.00		19,800.00
Maintenance, Repairs and Supplies			
Building	125.00		1,500.00
Grounds	3,450.00		41,400.00
Management			
Management Fee	1,427.00		17,124.00
Payroll and Payroll Taxes	—		
Office Expenses	85.00		1,020.00
Insurance	1,045.00		12,540.00
Reserves	966.00		11,592.00
Taxes and Government Assessments	45.00		540.00
Other Audit and Taxes	200.00		2,400.00
	$10,618.00		$127,416.00

TOTAL

I/We, CHANEY, BROOKS & CO., as managing agents for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Date: 9/17/86

EXHIBIT "I"

The relevant provisions of the Deposit Receipt and Sales Contract ("Sales Contract") are as follows:

1. Financing. If a Purchaser requires financing, he must make a good faith application for the necessary mortgage loans within ten (10) days after the Seller's execution of the Sales Contract. If the loan is not approved within sixty (60) days after application, the Seller has the right to cancel the Sales Contract and refund all deposits paid by Purchaser, less certain escrow cancellation fees.

2. Condominium Documents. Purchasers acknowledge receipt of and approve all of the condominium documents including the Unit Deed, Declaration of Horizontal Property Regime, Bylaws, Developer's Disclosure Abstract, House Rules, and Escrow Agreement.

3. Subordination. Purchaser's rights under the sales contract are subordinated to the rights of the Lender under the construction mortgage obtained by the Seller. Purchasers further agree that if the property ever acquired by said Lender through foreclosure or otherwise, that the Lender may, at its option, require Purchasers to pay the purchase price and perform their obligations under the Sales Contract.

4. Binding Effect. The Sales Contract shall only become binding on Purchaser and Seller after:

(i) A true copy of the final Public Report has been delivered to Purchaser either personally or by registered or certified mail with return receipt required, together with a true copy of all other public reports thereon, if any, issued prior to the date of such delivery and not previously delivered to Purchaser;

(ii) Purchaser has been given an opportunity to read the reports; and

(iii) Purchaser has executed the form of the receipt and notice required under Section 514A-62 of the Hawaii Revised Statutes, and waived his right to cancel; provided that if Purchaser does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the apartment is conveyed to Purchaser prior to the expiration of such thirty (30) day period, Purchaser shall be deemed to have receipted for the reports and to have waived his right to cancel.

EXHIBIT "J"

The relevant provisions of the Escrow Agreement are as follows:

1. Payments to Escrow. All deposits and other sums received from Purchasers or from other persons on account of the Project shall be paid to the Escrow agent and deposited in a federally insured banking or savings and loan institution.

2. Disbursement of Funds. No disbursements shall be made from the Escrow funds unless and until: (a) the Sales Contract has become binding in the manner provided in paragraph 3 of Exhibit D to this Final Report; (b) Seller's attorney shall have given escrow a written opinion that all of the requirements of Section 514A-39, 514A-63 of the Hawaii Revised Statutes have been met; (c) Seller shall have waived all other options to cancel the Sales Contract; (d) Escrow has received a Unit Deed in recordable form in favor of Purchaser; and (e) Escrow has received releases of partial releases of any encumbrance affecting the apartment to be conveyed to Purchaser.

3. Return of Purchaser's Funds. A Purchaser shall be entitled to the return of this funds if Purchaser has requested such a refund and Escrow shall have received from Seller notice that any of the following has occurred:

(a) Seller shall have requested Escrow to refund said monies; or

(b) Seller shall have exercised any option in its favor to cancel the Sales Contract; or

(c) Purchaser is an owner-occupant and it entitled by law to cancel the Sales Contract.

In any of the foregoing events, Escrow shall refund all deposits to Purchaser, less a cancellation fee to Escrow of $25 per unit and any other cancellation charges.

4. Buyer's Default. If a Purchaser shall not make any payment required under the Sales Contract on or before the due date thereof, Escrow shall notify Purchaser and Seller of such fact. If Seller shall determine that Purchaser has committed an event of default under the Sales Contract, then Seller has the right to terminate the Sales Contract upon written notice to Escrow and Purchaser and Escrow shall, after the expiration of ten (10) days from receipt of such notification and upon written "request by seller", pay all deposits to Seller, less any Escrow cancellation fees and out of pocket expenses.

EXHIBIT "K"

IV. ADDITIONAL INFORMATION (CONTINUED)

(d) Increment 4. The new improvements to be constructed as part of Increment 4 consists of thirty-six (36) Apartments located in six (6) residential buildings, designated herein and on said Condominium File Plan as Buildings 22 through 27, inclusive. Increment 4 also contains parking areas containing eight-one (81) 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 4 are more particularly described as follows:

(i) The "Hopper Residence" is a one-story structure without a basement, which will be utilized as an office and general purpose facility, containing ten (10) rooms and approximately 2,642 square feet under roof.

(ii) Buildings 22, 23 and 25 are one-story structures without basements, each containing four (4) Apartments; and

(iii) Buildings 24, 26 and 27 are two-story structures, without basement, containing a total of eight (8) Apartments each, with four (4) Apartments on each floor.

(e) Merger of Increment 4. Increment 4 is scheduled for completion on or about February 1, 1987, provided, that the foregoing completion date is an estimate only, and if the completion of said increment, as herein provided, shall be delayed by war, earthquake, fire, flood, or similar disaster, or by strikes, labor disputes or any other cause beyond the control of the Developer, the completion thereof shall be extended according to the duration and nature of such delay; provided, further, that said increment shall, in any event, be completed not later than June 21, 1991, or the termination date of the Master Lease with the Fee Owner, whichever shall first occur. Subject to the limitations provided in paragraph 11 of the Declaration, neither the construction and completion by Developer of Increment 4 nor the failure to complete and construct said increment shall prejudice or affect the right of Developer to construct and complete additional Apartments in the Project as part of any future increment or increments, and Developer shall have the right to complete, obtain Certificates of Occupancy for and convey title to the Apartments comprising Increment 4 or any future increment prior to the completion of any other increment to be constructed later in time. Upon the completion of Increment 4, 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.

EXHIBIT "K"

IV. ADDITIONAL INFORMATION (CONTINUED)

Until the completion and merger of Increment 4, Developer shall be responsible for the payment of 36.3% of all real property taxes and other expenses allocable to the land of the Project (but excluding any such taxes assessed against the improvements comprising Increments 1, 2, 3A, and 3B). Upon the completion and merger of Increment 4, the Developer's share of such taxes shall be reduced to .5%. The foregoing allocation is based on the approximate ratio which the area occupied by Increment 4 and the area reserved for future development 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 Apartments in any increment which are unsold or owned by the Developer.

Developer is presently planning to add to the Project one final increment (Increment 5) which will contain a single condominium unit. As presently contemplated, the only building included in Increment 5 is the "Hopper Residence" which is an existing one-story structure without a basement, containing ten (10) rooms and approximately 2,642 square feet under roof. Thus, upon the completion and merger of all increments which are presently planned, the Project will consist of one hundred sixty-one (161) Apartments. Any of the foregoing provisions to the contrary notwithstanding, the Developer is under no obligation to add any future increments and is making no warranties or representations that any increments after Increment 4 have been developed.