

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

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.

No prior reports have been issued by the developer.

Changes made are as follows:

1. The contractor has been retained, a construction contract executed and a materialmens' construction bond issued.
2. A managing agent has been retained.
3. The measurements of the living areas of the apartments have changed.
4. The common interests appurtenant to the apartments have changed in accordance with the changes in the living areas of the apartments.
5. The estimated maintenance fees have changed.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the 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 owners/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: ROYAL GARDEN MAKIKI PARTNERSHIP Phone: (808) 522-0322
Name (Business)
928 Nuuanu Avenue, Suite 002
Business Address
Honolulu, Hawaii 96817

Names of officers or general partners of developers who are corporations or partnerships:

METRO WORLD ENTERPRISES, a Hong Kong corporation
ROYAL CAPITAL HOLDINGS, LIMITED, a Hawaii corporation

Real Estate Broker: ESTATES ROYAL LIMITED Phone: (808) 522-0322
Name (Business)
928 Nuuanu Avenue, Suite 002
Business Address
Honolulu, Hawaii 96817

Escrow: BANK OF HAWAII Escrow Services Phone: (808) 537-8750
Name (Business)
111 S. King Street
Business Address
Honolulu, Hawaii 96813

General Contractor: Lite Builders, Incorporated Phone: (808) 488-8454
Name (Business)
99-1135 Iwaena Street, Unit 4
Business Address
Aiea, Hawaii

Condominium Managing Agent: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
Name (Business)
1270 Ala Moana Blvd.
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: Nancy N. Grekin, Esq.
GERSON, GREKIN & WYNHOFF Phone: (808) 524-4800
Name (Business)
1001 Bishop Street
Business Address
Suite 780, Pacific Tower
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- A. Declaration of Condominium 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
 Recorded - Bureau of Conveyances: Document No. 95-098014
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments (state name of document, date and recording/filing information):

First Amendment of Declaration of Condominium Property Regime of Royal Garden-Makiki Condominium, dated August 3, 1995, recorded in the Bureau as Document No. 95-101487

- 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
 Recorded - Bureau of Conveyances Condo Map No. 2263
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments (state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 95-098015
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments (state name of document, date and recording/filing information):

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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 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 common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	--	<u>Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

1. At any time prior to the recording of the first conveyance of an apartment (or any interest time therein) to a party other than Developer, the Developer may amend the Declaration (including all exhibits) and the By-Laws and Condominium Map in any manner.
2. Notwithstanding the lease, sale or conveyance of any of the apartments, the Developer may amend the Declaration, if necessary (and when applicable, the Condominium Map) to file the "As-built Certificate" required by §514A-12 of the Condominium Property Act, provided that such certificate contains a verified statement of a registered architect or professional engineer certifying that the final recorded Condominium Map fully and accurately depicts layout, location, apartment numbers, and the dimensions of the apartments as built; or any revised plans filed with such certificate involve only immaterial changes to the layout, location, or dimensions of the apartment as built or any changes in apartment numbers.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 - Canceled Foreclosed
- 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 canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 1711 Makiki Street Tax Map Key: (1) 2-4-23:76
Honolulu, Hawaii 96822 (TMK)

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

Land Area: 7,612 [X] square feet [] acre(s) Zoning: A-2

Fee Owner ROYAL GARDEN MAKIKI PARTNERSHIP
 Name
928 Nuuanu Avenue, Suite 002
 Address
Honolulu, Hawaii 96817

Sublessor:
 Name
 Address

Buildings and Other Improvements:

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

2. Number of Buildings: 4 Floors Per Building 2

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>8</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

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

Pets: Owners may not keep pets in Apartments. See By-laws §5.3.g.

Number of Occupants: _____

Other: See Exhibit B

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Exterior Stairways: 5 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (s.f.*)</u>	<u>Lanai (s.f.)</u>	<u>Balcony (s.f.)</u>
<u>A</u>	<u>1</u>	<u>2/1½</u>	<u>819.82</u>	<u>10.68</u>	<u>12.90</u>
<u>A-R</u>	<u>1</u>	<u>2/1½</u>	<u>819.82</u>	<u>10.68</u>	<u>12.90</u>
<u>B</u>	<u>2</u>	<u>2/1½</u>	<u>789.09</u>	<u>n/a</u>	<u>12.90</u>
<u>B-R</u>	<u>2</u>	<u>2/1½</u>	<u>789.09</u>	<u>n/a</u>	<u>12.90</u>
<u>C</u>	<u>1</u>	<u>2/1½</u>	<u>790.93</u>	<u>n/a</u>	<u>12.90</u>
<u>C-R</u>	<u>1</u>	<u>2/1½</u>	<u>790.93</u>	<u>n/a</u>	<u>12.90</u>

Total Apartments: 8

*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.

Boundaries of Each Apartment: Each apartment shall be deemed to include: (i) any adjacent lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) all pipes, shafts, ducts, pumps, conduits, wires and other utility or services lines running through such apartment which are utilized for and serve only that apartment, (iv) the space enclosed by and measured horizontally and vertically from the inner decorated or finished surfaces of all walls, floors and ceilings, (v) any doors, windows or panels along the perimeters, and (vi) all fixtures installed therein.

Permitted Alterations to Apartments: An apartment owner may make additions, alterations or improvements solely within his or her apartment or within a limited common element appurtenant to his or her apartment at his or her sole cost and expense, provided that all such work shall be performed by a licensed contractor pursuant to a building permit if required by the City and County of Honolulu.

11. Conformance to Present Zoning Code

a. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit _____.

as follows: The land in fee simple, yards, grounds, landscaping, fences and refuse areas and facilities, all sidewalks, pathways and roads within the condominium; all ducts, electrical equipment, transformers, wiring and other central and appurtenant installations for power, light, water, sewer, cable television, telephone, and all pipes, plumbing, wires, conduits or other utility or service lines which are utilized by or serve more than one apartment, including any such lines which run through any apartment.

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.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit C.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

E. Encumbrance Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated August 22, 1995 and issued by Title Guaranty of Hawaii Incorporated.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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.

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

[] 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. 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:** Developer will allow Buyer to inspect the Apartment. Developer will choose the date and time for the inspection. Developer promises to Buyer that if Buyer inspects the Apartment at the proper time and if Buyer lists on Developer's inspection sheet all of the defects or damages in Buyer's Apartment, then Developer will use its best efforts to have the defects or damages corrected by the contractor within a reasonable time. Developer does not guarantee that the contractor will do it. This promise by Developer is called "Developer's Limited Warranty" and will continue after the closing. Even if there are defects or damages to the Property, as long as the Property can be used, Buyer will take ownership and possession of the Property. If Buyer does not make the inspection or is Buyer does not sign the inspection sheet or accept possession of the Property, then Developer can cancel the Purchase and Sale Agreement and keep all of Buyer's deposits. If Buyer does not inspect the Property on the date and time that Buyer is supposed to, then Buyer will have lost Developer's Limited Warranty. However, Buyer will still have to keep all of its promises.

2. **Appliances:** Developer will not give any warranties regarding appliances, but will assign manufacturer's warranties covering appliances installed in the Apartments.

G. Status of Construction and Estimated Completion Date:

Construction commenced on June 5, 1995. It is estimated that construction will be completed by December 31, 1995.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. 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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- other _____

B. 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.

Exhibit E contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. 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:

- (common elements only)
- None
- Electricity
- Gas
- Water
- Sewer
- Television Cable
- Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated 1/18/95

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

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) 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:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii. mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3320 filed with the Real Estate Commission on April 6, 1995

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C. Additional Information Not Covered Above

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules (“HAR”), prospective purchasers are hereby advised that Dave Y. Arakawa (RB-9602), assistant secretary of Royal Capital Holdings, Limited, the managing partner of the Developer Royal Garden Makiki Partnership, is a current and active Hawaii-licensed real estate broker and principal broker of Estates Royal Limited, the project sales agent.

The developer has elected to use a material house bond to meet the requirements of Section 514A-40(a)(5). The prospective purchasers should be aware of the following:

1. The purchasers’ funds in escrow shall not be disbursed to pay for construction costs or other expenses of the development of the condominium project until both the completion of the apartment to be conveyed and the closing of the sale;

2. If closing is to occur prior to the expiration of the applicable mechanics’ lien period, then the developer shall be required to:

(a) provide the purchaser with an owner’s title insurance policy with a mechanics’ lien endorsement, protecting the purchaser against all future mechanics’ and materialmens’ liens, and

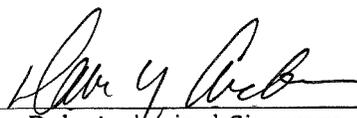
(b) provide the Commission with a release by the general contractor of the contractor’s lien rights.

3. The material house is not disapproved by the Commission.

- D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

ROYAL GARDEN MAKIKI PARTNERSHIP

Name of Developer

By: 
Duly Authorized Signatory

8/17/95
Date

DAVE Y. ARAKAWA, Assistant Secretary of ROYAL CAPITAL HOLDINGS, LIMITED,
print name & title of person signing above Its Managing Partner

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

EXHIBIT A

<u>UNIT</u>	<u>TYPE</u>	<u>DESCRIPTION</u>
101	A	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 843.40 square feet of living area, which area includes a 10.68 square-foot lanai and a 12.90 square-foot balcony.
201	AR	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 843.40 square feet of living area, which area includes a 10.68 square-foot lanai and a 12.90 square-foot balcony.
102 301	B	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 801.99 square feet of living area, which area includes a 12.90 square-foot balcony.
202 401	BR	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 801.99 square feet of living area, which area includes a 12.90 square-foot balcony.
402	C	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 803.83 square feet of living area, which area includes a 12.90 square-foot balcony.
302	CR	A 2-bedroom, 1½ bath 2-story apartment including kitchen and living/dining room, containing 803.83 square feet of living area, which area includes a 12.90 square-foot balcony.

END OF EXHIBIT A

EXHIBIT B

SPECIAL USE RESTRICTIONS

1. An apartment shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. An apartment may be rented but not in any manner by which the occupants of the apartment are provided customary hotel or like services, such as room service for food and beverage, maid service, laundry and linen service, or bellboy service. Every lease or rental agreement with respect to an apartment must be made and shall be subject to the provisions of this Declaration and the By-laws.

2. Neither the apartments in the Project, nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership", or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

END OF EXHIBIT B

EXHIBIT C

<u>UNIT</u>	<u>PARKING STALLS</u>	<u>COMMON INTEREST</u>
101	10 and 11*	12.970%
102	12* and 13	12.334%
201	1 and 2*	12.970%
202	3* and 4	12.334%
301	6 and 7*	12.334%
302	8* and 9	12.362%
401	14 and 15*	12.334%
402	16* and 17	12.362%
Guest	5	----

*Compact Stalls

Note: Each unit shall have two parking stalls set aside as limited common elements reserved for its exclusive use.

END OF EXHIBIT C

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

1. For information regarding real property taxes due and owing, reference is made to The Director of Finance, City and County of Honolulu.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. Easement in favor of the State of Hawaii for a drainage ditch, along the southwest boundary of said land.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct boundary and improvement survey would disclose.

5. The terms and provisions, including failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for "ROYAL GARDEN-MAKIKI CONDOMINIUM" Condominium Project dated July 12, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-09814, as the same may hereafter be amended in accordance with law or with said Declaraion. (Project covered by Condominium Map No. 2263, and any amendments thereto.) Said Declaration was amended by instrument dated August 3, 1995, recorded in said Bureau as Document No. 95-101487.

6. The terms and provisions, including failure to comply with any of the covenants, conditons and reservations, contained in the By-Laws of the Association of Apartment Owners of said Condominium Project dated July 12, 1995, recorded in said Bureau as Document No. 95-09815, as the same may hereafter be amended.

TAX MAP KEY: (1) 2-4-23:76

END OF EXHIBIT D

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
101	\$ 181.59 \$ 2,179.08
102	172.67 2,072.04
201	181.59 2,179.08
202	172.67 2,072.04
301	172.67 2,072.04
302	173.07 2,076.84
401	172.67 2,072.04
402	173.07 2,076.84

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		
<input checked="" type="checkbox"/> common elements only	\$ 50.00	\$ 600.00
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
Refuse Collection		
Telephone		
Water and Sewer	233.00	2,796.00

Maintenance, Repairs and Supplies

Building (pest control)	16.67	200.00
Grounds	40.00	480.00

Management

Management Fee	400.00	4,800.00
Payroll and Payroll Taxes		
Office Expenses	20.00	240.00

Insurance 320.00 3,840.00

Reserves (*) 25.00 300.00

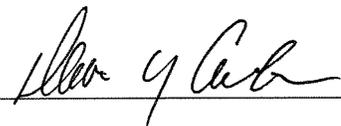
Taxes and Government Assessments

Audit Fees 30.00 360.00

Other

TOTAL	\$ 1,134.67	\$ 13,616.00
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I, Dave Y. Arakawa, as agent and employed by _____, the condominium managing agent or the developer, for the condominium project Royal Garden-Makiki, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principals.



(*) Mandatory reserves in effect January 1, 1993

Date: 8/23/95

EXHIBIT F

SUMMARY OF PROVISIONS OF
RESERVATION AGREEMENT
SALES CONTRACT AND RECEIPT

1. The Reservation Agreement provides that the Buyer is to make two deposits, one with execution of the Agreement, and the second within 60 days of Seller's acceptance of the Reservation Agreement. Buyers will receive interest on their deposits if they close on time, at the same rate earned by Seller on such deposits.

2. If Buyer requires a loan, Buyer must apply for that loan within 5 days of executing the Reservation Agreement, and must provide Seller with evidence that they are qualified for the loan within 30 days, but if a Buyer is an owner-occupant who has reserved his unit following publication of, and pursuant to the owner-occupant pre-sale notice, then such buyer shall have 50 days in which to obtain financing. If any such Buyer who is a prospective owner-occupant cannot obtain financing within said period, then such Buyer can cancel the Reservation Agreement and obtain a refund of their deposit.

3. If Buyer does not make deposits on time, or does not apply for a loan on time, obtains a loan commitment but fails to do something required to keep the commitment in existence or does not close on time, then Seller is entitled to retain Buyer's deposit(s) as liquidated damages.

4. The Reservation Agreement will not become a binding sales contract until issuance of a Final Public Report by the Real Estate Commission. Seller will send Buyer a copy of the Final Public Report when it is issued, and Buyer will have 30 days in which to decide whether to accept the Final Public Report or cancel the Reservation Agreement. Buyer has the right to cancel the Reservation Agreement, and get his or her deposits returned, minus Escrow's, the Seller's and his or her Lender's cancellation fees, but if Buyer does not return the receipt for the Final Public Report (which will include a right to cancel) within 30 days of receipt, Buyer will be deemed to have accepted it, and the Reservation Agreement will automatically become a binding sales contract.

END OF EXHIBIT F

EXHIBIT G

SUMMARY OF PROVISIONS OF ESCROW AGREEMENT

1. The Escrow Agreement dated January 18, 1995, identified BANK OF HAWAII, a Hawaii banking corporation, as the escrow agent and was executed by ROYAL GARDEN MAKIKI PARTNERSHIP, a Hawaii registered general partnership, as Seller.

2. All payments and deposits made under the Escrow Agreement are to be made to and held by the escrow agent.

3. No disbursements made by a purchaser are to be made by the escrow agent unless the Real Estate Commission of the State of Hawaii has issued a Final Public Report for the Project, a copy of the Final Public Report has been provided to the purchaser, and the purchaser has acknowledged receipt of the Final Public Report or been deemed to have acknowledged receipt of the Final Public Report, and all requirements of §514A-40, 62 and 63, Hawaii Revised Statutes have been met.

4. A purchaser shall be entitled to a refund of his or her deposit in escrow if the purchaser so requests in writing, and if

a. the Seller has requested the escrow agent to return the deposit; or

b. with respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his or her right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

c. a purchaser has exercised his or her right to rescind the contract pursuant to §514A-63, Hawaii Revised Statutes, as amended; or

d. the Final Public Report is not issued within one (1) year of the effective date of the Preliminary Public Report.

5. If a purchaser should default, his or her deposits will be treated as liquidated damages. Purchaser's deposits cannot be used to pay construction costs until completion and closing.

6. The escrow agent may deduct a cancellation fee from any refund made to a purchaser.

END OF EXHIBIT G