

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Royal Lunalilo, Inc.
Address 1907 Young Street, Honolulu, Hawaii 96826

Project Name(*): ROYAL LUNALILO
Address: 926 Lunalilo Street, Honolulu, Hawaii 96822

Registration No. 3366

Effective date: August 4, 1995

Expiration date: September 4, 1996

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: 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 by the developer when complete information is filed.
(yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required and attached to this report [X] 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.

[X] No prior reports have been issued by the developer.

[] Changes made are as follows:

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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 Lunalilo, Inc. Phone: (808)946-8033
Name (Business)
1907 Young Street
Business Address
Honolulu, Hawaii 96826

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

<u>Kenneth Nobuta</u>	<u>President</u>
<u>Dick S. Clack</u>	<u>Vice President</u>
<u>D. Zane Schlemmer</u>	<u>Vice President/Secretary</u>

Real Estate Broker: Wayne Tani Phone: (808) 536-0440
Blue Ribbon Realty (Business)
Name
800 S. Beretania St., #260
Business Address
Honolulu, Hawaii 96813

Additional Project Real Estate Brokers are listed on Part V (pg.20) of this report
Escrow: Title Guaranty Escrow Services, Inc Phone: (808) 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

General Contractor: To be determined Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: PAR Management Inc. Phone: (808) 591-8870
Name (Business)
1210 Auahi St., #105
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: John P. Gillmor, Attoreny at Law Phone: (808)523-6161 or (808)536-0002
Name (Business)
1164 Bishop St., # 1415
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 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. _____
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):

- 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. _____
 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. _____
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>Simple Majority</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:

Developer has reserved the right to grant utility easements (but only at the direction of the Association) and the right to conduct extensive sales activities and to complete the Project. Developer has reserved the right to file the "as built" condominium map after the conveyance of Apartments. Until a sufficient number of Apartments have been conveyed the Developer, as owner of Apartments, is entitled to exercise powers reserved to the Board of Directors and the Apartment Owners under the Declaration, Bylaws and House Rules. Developer has reserved the right in the Sales Contract to make certain changes to the condominium documents.

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: 926 Lunalilo Street, Honolulu, Hawaii 96822 First Division
Tax Map Key: 2-4-14:5,6,7,8,14
(TMK)

[] Address [X] TMK is expected to change because of consolidation by common ownership.

Land Area: 37,370 [X] square feet [] acre(s) Zoning: A-2, Punchbowl
Special Design District

Fee Owner : Sanrex Company, Ltd.
 Name
Sudacho Sanvo Bldg.
 Address
2-8 Kauda Sudacho
Chiyoda-Ku, Tokyo 101, Japan
 Sublessor: Not Applicable
 Name
 Address

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion
 2. Number of Buildings: One Floors Per Building Six *

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Steel, Glass and Allied Building Materials

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>113</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

* This facility contains a "basement" level which is not counted as floor area (per Land Use Ordinance) but is counted as a floor in item C.2 above.

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: One dog or one cat may be kept in apartments, subject to By-laws and House Rules.
- Number of Occupants: Not Applicable
- Other: Not Applicable
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: Two Stairways: Two Trash Chutes: One

Two main stairways, one additional stairway for parking access and emergency exit

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	24	2/1	554	--
A.1	23	2/1	554	53
B	6	2/1	554	--
B.1	12	2/1	554	53
C	24	1/1	471	--
D	24	2/1	557	--

Total Apartments: 113

*See Exhibit "E" for other details.

*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:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

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	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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 "C" .

as follows:

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 use them, as described in the Declaration, are:

[X] described in Exhibit "D".

[] 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:

[X] described in Exhibit "E".

[] as follows:

E. Encumbrances 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 "F" describes the encumbrances against the title contained in the title report updated May 30, 19 and issued by First American Title Insurance Co., Security Title Corporation.

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.

[] 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. 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>
Construction Mortgages	Buyer's interest may be terminated on foreclosure but Buyer will be entitled to a refund of deposit remaining in escrow. Construction Lender has right to elect to complete the project and to enforce the terms of the Sales Contract.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows: The warranty period is one year from the date of substantial completion of the apartment building. See page 16, section G for estimated completion date of construction.

1. Building and Other Improvements:

The Developer makes no warranties of materials or workmanship as to the construction, but does agree to assign all warranties given by the contractor, subcontractors and materialmen along with the conveyance of the apartment. Such warranties include a one-year warranty by the contractor against defective materials and workmanship. Developer agrees to cooperate with and to assist Buyer in having any legitimate claims of defective materials or workmanship remedied under the one year warranty; Buyer, however must comply with the inspection procedures set forth in the Sales Contract.

2. Appliances: The Developer makes no warranties regarding appliances, furnishings or fixtures, but does agree to assign all manufacturer's warranties along with the conveyance of the apartment. Developer agrees to cooperate with and to assist Buyer in having legitimate claims of defective appliances or furnishings remedied under the respective manufacturers' warranties. EXCEPT AS PROVIDED ABOVE, DEVELOPER DISCLAIMS ANY AND ALL WARRANTIES AS TO MATERIALS, WORKMANSHIP, FURNISHINGS AND APPLIANCES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

G. Status of Construction and Estimated Completion Date:

Commencement of construction is estimated within 30 days after construction financing is concluded and completion is estimated to be 14 months after commencement. Financing of construction is expected to be concluded not later than January 31, 1996. Accordingly, substantial completion of construction by the general contractor is expected to occur not later than April 20, 1997, which is 30 days and 14 months after the projected date for completion of arrangements for construction financing. As the construction financing process and the actual construction of improvements involve lenders, contractors, sub-contractors and material suppliers who are independent of the developer, the actual start and completion dates cannot be established at this time, other than by estimates.

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

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 G 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:

- None
- Sewer
- (Common elements only)
- Electricity
- Gas
- Water
- Television Cable*
- Other Telephones for Manager's Office
- *Satelite TV-Basic Channels
- and Elevator

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 H contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated February 16, 1995

Exhibit I 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.
- 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 The project is subject to a Private Park Declaration.

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. 3366 filed with the Real Estate Commission on 5/22/95.

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C. Additional Information Not Covered Above

Other project Real Estate Brokers are as follows:

Wayne Masuda (R)
Wayne Masuda dba
Wayne Masuda Realtor
711 Keeaumoku St.
Suite 213 & 214
Honolulu, HI 96814
Telephone: (808) 927-2372

Herbert K. Horita Realty, Inc.
Horita Square
2024 N. King, Room 200
Honolulu, HI 96819
Telephone: (808) 847-4241

Virginia A. Epley-Sprinkle (R)
CENTURY 21 Kahala Hale, Inc.
independently owned and operated
4400 Kalaniana'ole Hwy.
Suite C-21
Honolulu, HI 96821
Telephone: (808) 735-7888

Edward L. Lim (B)
dba E & L Realty Edward L. Lim
Principal Broker
535 Ward Avenue, Suite 201
Honolulu, HI 96814
Telephone: (808) 591-1900

Ronald M. Okubo (R)
Ron Corporation
1221 Kapiolani Blvd.,
Suite 230
Honolulu, HI 96814
Telephone: (808) 591-8998

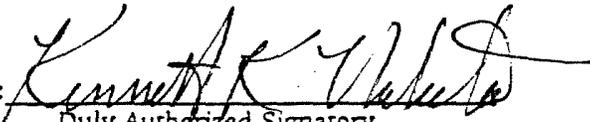
Patrick H. Ayers (R)
The Ayers Corporation
1580 Makaloa Street
Suite 880
Honolulu, HI 96814
Telephone: (808) 946-8033

McCormack Real Estate, Inc.
dba Coldwell Bank McCormack
Real Estate
841 Bishop Street, Suite 2301
Honolulu, HI 96813
Telephone: (808) 539-9600

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 Lunalilo, Inc.

Name of Developer

By: 
Duly Authorized Signatory

4/23/45

Date

Kenneth K. Nobuta, President

print name & title of person signing above

Distribution:

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

EXHIBIT "A"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO.

BOUNDARIES OF APARTMENTS

The respective Apartments shall not be deemed to include: (i) the undecorated or unfinished surfaces of the perimeter (including party) walls or interior load bearing walls, (ii) the undecorated or unfinished surface of the floors and ceilings surrounding each Apartment, (iii) any pipes, shafts, wires, conduits, equipment or apparatus or other utility or service lines which are utilized for or serve more than one Apartment, the same being deemed Common Elements as hereinafter provided, or (iv) any windows including any film or other coating thereon. Each apartment shall be deemed to include (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) all pipes, shafts, ducts, conduits, wires or other utility or service lines running through such Apartment which are utilized for and serve only that Apartment, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors or panels along the perimeters, (v) all cranks, frames and other window or sliding door hardware, and (vi) all appliances and fixtures installed therein and replacements thereof.

exhibita.rlc

EXHIBIT "B"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO

PERMITTED ALTERATIONS TO APARTMENTS

The declaration provides as follows with respect to the permitted alterations of Apartments:

General Provisions. Except as otherwise expressly provided in article M of the Declaration to the contrary, construction of any additional building or structural alteration addition to any building, different in any material respect from Condominium Map of the Project, shall be undertaken by the Association or any Apartment Owner only pursuant to an amendment of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all liens affecting any of the Apartments involved, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such construction, the Association or Apartment Owner, as the case shall be, shall duly record an amendment in the Bureau, together with a complete set of floor plans of the Project as so altered, certified as built.

Additions or Alterations Solely Within an Apartment. Notwithstanding anything to the contrary contained herein, each Owner of an Apartment shall have the right at any time and from time to time at his sole cost and expense, and without the necessity of the consent or joinder of any Apartment Owner or the amendment of the Declaration, but with the prior approval of the Board and upon the prior presentation of such plans and specifications and other materials as the Board may require as is more fully set forth in Article X, Section 6 of the Bylaws, to make any of the following alterations solely within the Apartment space: to install, maintain, remove, and rearrange partitions and other structures from time to time within such Apartments, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such Apartment and to finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such Apartment by such Owner or the tenants or lessees thereof; provided, however, that nothing contained in this section shall authorize any work or alteration which would

jeopardize the soundness or safety of any part of the Project, reduce the face value therefor, adversely affect any other Apartment, alter the uniform external appearance of the Project, or affect or impair any easement or right of any other Apartment Owner.

Prohibition of Unauthorized Alteration or Decoration to the Exterior and Common Areas of the Building. No Owner of an Apartment shall, without the written approval and consent of the Board, place or permit the attachment, hanging, projection or protrusion of any object, garments or materials of any kind from the roofs, exterior walls, windows, or doors of the Apartments, or the placement of any other matter or decoration within or without the Apartment which shall be visible from the exterior of the building, nor shall any Owner change or alter any of the glass including tinting, if any, in any way, nor shall any Owner change the exterior appearance of the building in any manner; provided, that the Board shall establish uniform regulations permitting the placement and maintenance by each Owner of signs and insignia of such sizes and material and in such locations at or about the Project as shall be aesthetically suitable and appropriate to the design and function of the Project.

C:exhibitB.rlc

EXHIBIT "C"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO

COMMON ELEMENTS

The declaration defines the Common Elements as follows:

- a. The Land in Fee simple.
- b. All unfinished, undecorated portions of all perimeter (including party) and interior load-bearing walls, the undecorated or unfinished surfaces of floors and ceilings, all structural components, foundations, floor slabs, columns, girders, beams, supports, ceilings and spaces between the ceiling and the floor slab or roof above, decks, windows and any tinted film or other coating on glass windows, and roofs.
- c. All yards, grounds, planters, trellises and landscaping and all refuse facilities, if any whether within or appurtenant to the Project.
- d. All roads, parking areas, driveways, ramps, loading areas and walkways which are rationally of common use by Owners of more than one Apartment.
- e. All ducts, sewer lines, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
- f. Storage areas, hallways, corridors, interior and exterior stairs, stairways, and other similar areas which are not part of an Apartment.
- g. parking stalls as shown on the Condominium Map.
- h. Any and all other apparatus and installations or common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

exhibitB.rlc

EXHIBIT "D"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO

LIMITED COMMON ELEMENTS

The declaration defines the Limited Common elements of the Project as follows:

Certain parts of the Common Elements, herein called the "Limited Common Elements", are hereby designated, 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 as set forth herein. Each lanai and each parking space which is a appurtenant to an Apartment as set for in Exhibit "B" to the Declaration is hereby designated a Limited Common Element of such Apartment. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements shall be charged to the Owner of the Apartment to which the Limited Common Element shall be appurtenant.

exhibitd.rlc

EXHIBIT "E"
TO CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO
COMMON INTEREST

UNIT NO.	UNIT TYPE	UNIT DESCRIPTION	UNIT NET LIVING SQ. FT.	LANAI SQ. FT.	TOTAL AREA	UNIT % COMMON INTEREST	PARKING STALL NUMBER	PARKING STALL TYPE
001	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	34	C
002	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	86	R
003	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	38	C
004	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	31	C
005	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	84	R
007	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	29	C
008	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	21	C
009	D	2 Bdrm., 1 Bath	557		557	0.917900%	27	C
010	D	2 Bdrm., 1 Bath	557		557	0.917900%	62	R
011	D	2 Bdrm., 1 Bath	557		557	0.917900%	25	C
012	D	2 Bdrm., 1 Bath	557		557	0.917900%	64	R
013	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	23	C
014	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	66	R
015	A	2 Bdrm., 1 Bath	554		554	0.912956%	40	C
016	A	2 Bdrm., 1 Bath	554		554	0.912956%	82	R
017	A	2 Bdrm., 1 Bath	554		554	0.912956%	71	R, H
018	B	2 Bdrm., 1 Bath	554		554	0.912956%	68	R
020	A	2 Bdrm., 1 Bath	554		554	0.912956%	88	R
101	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	33	C
102	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	35	C
103	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	36	C
104	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	98	C
105	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	24	C
106	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	78	C
107	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	22	C
108	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	14	R
109	D	2 Bdrm., 1 Bath	557		557	0.917900%	60	C
110	D	2 Bdrm., 1 Bath	557		557	0.917900%	12	R
111	D	2 Bdrm., 1 Bath	557		557	0.917900%	76	R
112	D	2 Bdrm., 1 Bath	557		557	0.917900%	10	R
113	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	74	R
114	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	90	R
115	A	2 Bdrm., 1 Bath	554		554	0.912956%	37	C
116	A	2 Bdrm., 1 Bath	554		554	0.912956%	80	R
117	A	2 Bdrm., 1 Bath	554		554	0.912956%	70	R, H
118	B	2 Bdrm., 1 Bath	554		554	0.912956%	61	C
120	A	2 Bdrm., 1 Bath	554		554	0.912956%	41	C
201	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	42	C
202	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	19	C
203	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	32	C
204	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	73	R
205	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	30	C
206	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	57	R
207	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	59	C
208	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	72	R
209	D	2 Bdrm., 1 Bath	557		557	0.917900%	28	C
210	D	2 Bdrm., 1 Bath	557		557	0.917900%	16	C
211	D	2 Bdrm., 1 Bath	557		557	0.917900%	58	C
212	D	2 Bdrm., 1 Bath	557		557	0.917900%	18	C
213	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	79	C
214	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	63	R
215	A	2 Bdrm., 1 Bath	554		554	0.912956%	26	C
216	A	2 Bdrm., 1 Bath	554		554	0.912956%	77	R
217	A	2 Bdrm., 1 Bath	554		554	0.912956%	96	C, H
218	B	2 Bdrm., 1 Bath	554		554	0.912956%	75	R
220	A	2 Bdrm., 1 Bath	554		554	0.912956%	20	C

301	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	43	C
302	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	83	R
303	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	39	C
304	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	13	R
305	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	17	C
306	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	11	R
307	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	55	R
308	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	87	R
309	D	2 Bdrm., 1 Bath	557		557	0.917900%	67	R
310	D	2 Bdrm., 1 Bath	557		557	0.917900%	85	R
311	D	2 Bdrm., 1 Bath	557		557	0.917900%	69	R
312	D	2 Bdrm., 1 Bath	557		557	0.917900%	89	R
313	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	121	R
314	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	8	R, Opn.
315	A	2 Bdrm., 1 Bath	554		554	0.912956%	15	R
316	A	2 Bdrm., 1 Bath	554		554	0.912956%	9	R
317	A	2 Bdrm., 1 Bath	554		554	0.912956%	97	C, H
318	B	2 Bdrm., 1 Bath	554		554	0.912956%	7	R, Opn
320	A	2 Bdrm., 1 Bath	554		554	0.912956%	81	R
401	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	108	C
402	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	102	R
403	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	109	C
404	B.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	119	C
405	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	93	C
406	A.1	2 Bdrm., 1 Bath, Lani	554	53	607	0.912956%	120	C
407	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	115	C
408	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	99	C
409	D	2 Bdrm., 1 Bath	557		557	0.917900%	104	R
410	D	2 Bdrm., 1 Bath	557		557	0.917900%	118	C
411	D	2 Bdrm., 1 Bath	557		557	0.917900%	105	C
412	D	2 Bdrm., 1 Bath	557		557	0.917900%	95	C
413	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	106	C
414	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	94	C
415	A	2 Bdrm., 1 Bath	554		554	0.912956%	107	C
416	A	2 Bdrm., 1 Bath	554		554	0.912956%	100	R
417	A	2 Bdrm., 1 Bath	554		554	0.912956%	117	C, H
418	B	2 Bdrm., 1 Bath	554		554	0.912956%	101	R
420	A	2 Bdrm., 1 Bath	554		554	0.912956%	103	R
501	A.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	110	R
502	A.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	47	R
503	B.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	111	R
\$504	B.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	52	R
\$505	A.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	55	R
\$506	A.1	2 Bdrm., 1 Bath	554	53	607	0.912956%	53	R
507	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	45	R
\$508	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	49	R
509	D	2 Bdrm., 1 Bath	557		557	0.917900%	44	R
510	D	2 Bdrm., 1 Bath	557		557	0.917900%	48	R
511	D	2 Bdrm., 1 Bath	557		557	0.917900%	112	R
512	D	2 Bdrm., 1 Bath	557		557	0.917900%	51	R
513	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	54	R
514	C	1 Bdrm., 1 Bath, Corner	471		471	0.776177%	50	R
515	A	2 Bdrm., 1 Bath	554		554	0.912956%	56	R
516	A	2 Bdrm., 1 Bath	554		554	0.912956%	114	R
517	A	2 Bdrm., 1 Bath	554		554	0.912956%	116	C, H
518	B	2 Bdrm., 1 Bath	554		554	0.912956%	113	R
520	A	2 Bdrm., 1 Bath	554		554	0.912956%	46	R
TOTAL			60,682	1,855	62,537	100.000000%		

All compact stalls and regular stalls are of the size as specified in the Condominium Map.

Stalls designated with a "C" following the stall number is a compact parking stall.
 Stalls designated with a "H" following the stall number is a handicap parking stall.
 Stalls designated with a "R" following the stall number is a regular parking stall.
 Stalls designated with a "Opn." following the stall number is an open parking stall.

The guest stalls are 1 C, Opn.; 2 C, Opn.; 3 C, Opn.; 4 C, Opn.; 5 R, Opn.;
 6 R, Opn; 91 R; 92 C; 122 C, Opn.; 123 C; 124 C, Opn. and 125 C, Opn.

server/exhibit "E"
 RLM02/15/95

EXHIBIT "F"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO

ENCUMBRANCES ON TITLE

1. Real Property Taxes as may be due and owing. Refer to Real Property Tax Collection Unit, Division of Tresuary, City and County of Honolulu, State of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and matalic mines.

EXHIBIT "G"
TO CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO
SCHEDULE OF MAINTENANCE FEES AND
MAINTENANCE FEE DISBURSEMENTS AND
DISCLOSURE ABSTRACT AS OF FEBRUARY 14, 1995

In compliance with Hawaii Revised Statutes, Section 514A-61, Developer submits the following:

1. Name and Address of Project: Royal Lunaliilo at 926 Lunaliilo Street, Honolulu, Hawaii 96822
2. Name, Address and Telephone number of Developer: Royal Lunaliilo, Inc., 1907 Young Street, Honolulu, Hawaii 96826
3. Managing Agent of Project: PAR Management, Inc., Suite 105, 1210 Auahi Street, Honolulu, Hawaii 96817
4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Appendix "I" attached hereto and made a part hereof.
5. Warranties: The apartments and the common elements of the Project shall have the benefit of the general contractor's one year warranty against defects to materials and workmanship. Page 15 of this report and paragraph D.22 of the Sales Contract contain a more complete statement of warranties and disclaimers of warranties.
6. Use: The Project shall consist of one hundred thirteen (113) apartment dwellings which shall be utilized for apartment, residential or for such other uses as is permitted under the Declaration, Bylaws and the zoning ordinances.
7. Statement of Non-Residential Development: No part of the Project is intended for commercial or hotel use or mixed use involving commercial or hotel use.

DATED: Honolulu, Hawaii, this 23rd day of February 1995.

Royal Lunaliilo, Inc.

By Kenneth K. White
Its President

Subscribed and sworn to before me
this 23rd day of February, 1995.

D. Lynn Submitter
NOTARY PUBLIC STATE OF HAWAII
My commission expires:



MY COMMISSION EXPIRES APRIL 7, 1995

APPENDIX "I" TO EXHIBIT "G"

Budget Projections for: ROYAL LUNALILO

No. of Units in Project: 113

1995

		Monthly Budget	Annual Budget
RECEIPTS			
Maintenance Fees		\$22,000	\$264,000
Late Fees		\$0	\$0
Interest Income		\$250	\$3,000
Other		\$0	\$0
Miscellaneous Receipts	Laundry	\$200	\$2,400
TOTAL OPERATING RECEIPTS		\$22,450	\$269,400

DISBURSEMENTS

COMMENTS

Administration

Management Fee		\$1,020	\$12,240
Administrative Expenses		\$0	\$0
Clerical Expenses		\$150	\$1,800
Accounting Services		\$100	\$1,200
Professional Services		\$0	\$0
Other Services		\$0	\$0
Insurance, multi-peril		\$500	\$6,000
Insurance, Umbrella		\$50	\$600
Insurance, Fidelity Bond		\$75	\$900

PAYROLL

Gross Wages		Mgr/Maintenance/Securit	\$6,000	\$72,000
FICA, Employer	6.20%		\$372	\$4,464
FUTA	0.80%	Max. \$56 ea.	\$19	\$228
MEDICARE	1.45%		\$87	\$1,044
SUI	0.50%		\$30	\$360
TDI	0.70%		\$42	\$504
Worker's Comp	8.73%		\$523	\$6,276
Medical/Dental			\$435	\$5,220

INCOME TAXES

Hawaii General Excise	Interest Income	\$10	\$120
Hawaii Income	Interest Income	\$20	\$240
Federal Income	Interest Income	\$25	\$300

UTILITIES

Satellite TV	Basic Channels \$10.45	\$1,170	\$14,040
Electricity, Common Elements & Water	Indiv unit Mtrs	\$2,400	\$28,800
Gas	Heat & Ranges	\$1,500	\$18,000
Sewer		\$2,000	\$24,000
Water		\$2,400	\$28,800
Telephone	Mgr. & Elev.	\$100	\$1,200

CONTRACT SERVICES			\$0
Elevator		\$500	\$6,000
Janitorial		\$600	\$7,200
Bldg. Maintenance	Mgr.	\$0	\$0
Grounds Maintenance	Mgr.	\$0	\$0
Refuse Disposal		\$600	\$7,200
Mortgage - Managers unit & Office		\$1,325	\$15,900

REPAIRS & MAINTENANCE			
Electrical		\$0	\$0
Fire Ext. Insp/Mtnc		\$0	\$0
Landscape Improvements		\$0	\$0
Sprinklers		\$0	\$0
Lighting		\$20	\$240
Materials & Supplies		\$150	\$1,800
Carpentry Repairs		\$0	\$0
Plumbing		\$0	\$0
Refuse Containers		\$0	\$0
Roof, Maint.	High Sierra	\$0	\$0
Roof, Other	None	\$0	\$0
Vents & Fans		\$0	\$0
Security System	None	\$0	\$0
Pest Treatment		\$116	\$1,392

TOTAL OPERATING EXPENSES		\$22,339	\$268,068
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Net Operating Income (Loss)		\$111	\$1,332
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RESERVE EXPENDITURE/ALLOCATION			\$1,332
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Deferred until the Fiscal Year which begins after the first annual meeting
of the Association of Apartment Owners (Chapter 514A, Hawaii Revised Statutes 514A-83.4(b)

c:\124R4\munalilo\budgproj.WK4
RLM12/08/94

ATTACHMENT "I"

UNIT NO.	UNIT TYPE	EST. UNIT PRICE	PARKING STALL NUMBER	PARKING STALL TYPE	EST. UNIT % COMMON INTEREST	EST. UNIT MAINT. FEE PER MONTH	EST. MAINT. FEE TIMES 12 MONTHS
001	A.1	\$197,000	34	C	0.912956%	\$200.85	\$2,410.20
002	A.1	\$197,000	36	R	0.912956%	\$200.85	\$2,410.20
003	B.1	\$195,000	38	C	0.912956%	\$200.85	\$2,410.20
004	B.1	\$195,000	31	C	0.912956%	\$200.85	\$2,410.20
005	A.1	\$197,000	84	R	0.912956%	\$200.85	\$2,410.20
007	C	\$179,000	29	C	0.776177%	\$170.76	\$2,049.11
008	C	\$179,000	21	C	0.776177%	\$170.76	\$2,049.11
009	D	\$192,000	27	C	0.917900%	\$201.94	\$2,423.26
010	D	\$192,000	62	R	0.917900%	\$201.94	\$2,423.26
011	D	\$190,000	25	C	0.917900%	\$201.94	\$2,423.26
012	D	\$190,000	64	R	0.917900%	\$201.94	\$2,423.26
013	C	\$172,000	23	C	0.776177%	\$170.76	\$2,049.11
014	C	\$172,000	66	R	0.776177%	\$170.76	\$2,049.11
015	A	\$195,000	40	C	0.912956%	\$200.85	\$2,410.20
016	A	\$195,000	82	R	0.912956%	\$200.85	\$2,410.20
017	A	\$195,000	71	R, H	0.912956%	\$200.85	\$2,410.20
018	B	\$193,000	68	R	0.912956%	\$200.85	\$2,410.20
020	A	\$195,000	88	R	0.912956%	\$200.85	\$2,410.20
101	A.1	\$202,000	33	C	0.912956%	\$200.85	\$2,410.20
102	A.1	\$202,000	35	C	0.912956%	\$200.85	\$2,410.20
103	B.1	\$200,000	36	C	0.912956%	\$200.85	\$2,410.20
104	B.1	\$200,000	98	C	0.912956%	\$200.85	\$2,410.20
105	A.1	\$200,000	24	C	0.912956%	\$200.85	\$2,410.20
106	A.1	\$200,000	78	C	0.912956%	\$200.85	\$2,410.20
107	C	\$184,000	22	C	0.776177%	\$170.76	\$2,049.11
108	C	\$184,000	14	R	0.776177%	\$170.76	\$2,049.11
109	D	\$197,000	60	C	0.917900%	\$201.94	\$2,423.26
110	D	\$197,000	12	R	0.917900%	\$201.94	\$2,423.26
111	D	\$195,000	76	R	0.917900%	\$201.94	\$2,423.26
112	D	\$195,000	10	R	0.917900%	\$201.94	\$2,423.26
113	C	\$177,000	74	R	0.776177%	\$170.76	\$2,049.11
114	C	\$177,000	90	R	0.776177%	\$170.76	\$2,049.11
115	A	\$187,000	37	C	0.912956%	\$200.85	\$2,410.20
116	A	\$187,000	80	R	0.912956%	\$200.85	\$2,410.20
117	A	\$187,000	70	R, H	0.912956%	\$200.85	\$2,410.20
118	B	\$185,000	61	C	0.912956%	\$200.85	\$2,410.20
120	A	\$187,000	41	C	0.912956%	\$200.85	\$2,410.20
201	A.1	\$207,000	42	C	0.912956%	\$200.85	\$2,410.20
202	A.1	\$207,000	19	C	0.912956%	\$200.85	\$2,410.20
203	B.1	\$205,000	32	C	0.912956%	\$200.85	\$2,410.20
204	B.1	\$205,000	73	R	0.912956%	\$200.85	\$2,410.20
205	A.1	\$207,000	30	C	0.912956%	\$200.85	\$2,410.20
206	A.1	\$207,000	57	R	0.912956%	\$200.85	\$2,410.20
207	C	\$189,000	59	C	0.776177%	\$170.76	\$2,049.11
208	C	\$189,000	72	R	0.776177%	\$170.76	\$2,049.11
209	D	\$202,000	28	C	0.917900%	\$201.94	\$2,423.26
210	D	\$202,000	16	C	0.917900%	\$201.94	\$2,423.26
211	D	\$200,000	58	C	0.917900%	\$201.94	\$2,423.26
212	D	\$200,000	18	C	0.917900%	\$201.94	\$2,423.26
213	C	\$182,000	79	C	0.776177%	\$170.76	\$2,049.11
214	C	\$182,000	63	R	0.776177%	\$170.76	\$2,049.11
215	A	\$192,000	26	C	0.912956%	\$200.85	\$2,410.20
216	A	\$192,000	77	R	0.912956%	\$200.85	\$2,410.20
217	A	\$192,000	96	C, H	0.912956%	\$200.85	\$2,410.20
218	B	\$190,000	75	R	0.912956%	\$200.85	\$2,410.20
220	A	\$192,000	20	C	0.912956%	\$200.85	\$2,410.20

301	A.1	\$212,000	43	C	0.912956%	\$200.85	\$2,410.20
302	A.1	\$212,000	83	R	0.912956%	\$200.85	\$2,410.20
303	B.1	\$210,000	39	C	0.912956%	\$200.85	\$2,410.20
304	B.1	\$210,000	13	R	0.912956%	\$200.85	\$2,410.20
305	A.1	\$212,000	17	C	0.912956%	\$200.85	\$2,410.20
306	A.1	\$212,000	11	R	0.912956%	\$200.85	\$2,410.20
307	C	\$194,000	65	R	0.776177%	\$170.76	\$2,049.11
308	C	\$194,000	87	R	0.776177%	\$170.76	\$2,049.11
309	D	\$207,000	67	R	0.917900%	\$201.94	\$2,423.26
310	D	\$207,000	85	R	0.917900%	\$201.94	\$2,423.26
311	D	\$205,000	69	R	0.917900%	\$201.94	\$2,423.26
312	D	\$205,000	89	R	0.917900%	\$201.94	\$2,423.26
313	C	\$197,000	121	R	0.776177%	\$170.76	\$2,049.11
314	C	\$197,000	8	R, Opn.	0.776177%	\$170.76	\$2,049.11
315	A	\$197,000	15	R	0.912956%	\$200.85	\$2,410.20
316	A	\$197,000	9	R	0.912956%	\$200.85	\$2,410.20
317	A	\$197,000	97	C, H	0.912956%	\$200.85	\$2,410.20
318	B	\$195,000	7	R, Opn	0.912956%	\$200.85	\$2,410.20
320	A	\$197,000	81	R	0.912956%	\$200.85	\$2,410.20
401	A.1	\$217,000	108	C	0.912956%	\$200.85	\$2,410.20
402	A.1	\$217,000	102	R	0.912956%	\$200.85	\$2,410.20
403	B.1	\$215,000	109	C	0.912956%	\$200.85	\$2,410.20
404	B.1	\$215,000	119	C	0.912956%	\$200.85	\$2,410.20
405	A.1	\$222,000	93	C	0.912956%	\$200.85	\$2,410.20
406	A.1	\$217,000	120	C	0.912956%	\$200.85	\$2,410.20
407	C	\$199,000	115	C	0.776177%	\$170.76	\$2,049.11
408	C	\$199,000	99	C	0.776177%	\$170.76	\$2,049.11
409	D	\$212,000	104	R	0.917900%	\$201.94	\$2,423.26
410	D	\$212,000	118	C	0.917900%	\$201.94	\$2,423.26
411	D	\$210,000	105	C	0.917900%	\$201.94	\$2,423.26
412	D	\$210,000	95	C	0.917900%	\$201.94	\$2,423.26
413	C	\$192,000	106	C	0.776177%	\$170.76	\$2,049.11
414	C	\$192,000	94	C	0.776177%	\$170.76	\$2,049.11
415	A	\$202,000	107	C	0.912956%	\$200.85	\$2,410.20
416	A	\$202,000	100	R	0.912956%	\$200.85	\$2,410.20
417	A	\$202,000	117	C, H	0.912956%	\$200.85	\$2,410.20
418	B	\$200,000	101	R	0.912956%	\$200.85	\$2,410.20
420	A	\$202,000	103	R	0.912956%	\$200.85	\$2,410.20
501	A.1	\$222,000	110	R	0.912956%	\$200.85	\$2,410.20
502	A.1	\$222,000	47	R	0.912956%	\$200.85	\$2,410.20
503	B.1	\$220,000	111	R	0.912956%	\$200.85	\$2,410.20
504	B.1	\$220,000	52	R	0.912956%	\$200.85	\$2,410.20
505	A.1	\$222,000	55	R	0.912956%	\$200.85	\$2,410.20
506	A.1	\$222,000	53	R	0.912956%	\$200.85	\$2,410.20
507	C	\$204,000	45	R	0.776177%	\$170.76	\$2,049.11
508	C	\$204,000	49	R	0.776177%	\$170.76	\$2,049.11
509	D	\$217,000	44	R	0.917900%	\$201.94	\$2,423.26
510	D	\$217,000	48	R	0.917900%	\$201.94	\$2,423.26
511	D	\$215,000	112	R	0.917900%	\$201.94	\$2,423.26
512	D	\$215,000	51	R	0.917900%	\$201.94	\$2,423.26
513	C	\$197,000	54	R	0.776177%	\$170.76	\$2,049.11
514	C	\$197,000	50	R	0.776177%	\$170.76	\$2,049.11
515	A	\$207,000	56	R	0.912956%	\$200.85	\$2,410.20
516	A	\$207,000	114	R	0.912956%	\$200.85	\$2,410.20
517	A	\$207,000	116	C, H	0.912956%	\$200.85	\$2,410.20
518	B	\$205,000	113	R	0.912956%	\$200.85	\$2,410.20
520	A	\$207,000	46	R	0.912956%	\$200.85	\$2,410.20

100.000000% \$22,000.00 \$264,000.00

GUEST	STALLS
1	C, Opn.
2	C, Opn.
3	C, Opn.
4	C, Opn.
5	R, Opn.
6	R, Opn.
91	R
92	C
122	C, Opn.
123	C
124	C, Opn.
125	C, Opn.

ATTACHMENT "I"
RLM02/15/05

EXHIBIT "H"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO
SUMMARY OF SALES CONTRACT

The unexecuted Sales Contract, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, closing costs, prorations, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract and Deposit provides:

1. That said Sales Contract is only a reservation agreement until (i) a true copy of the Final Public Report and Supplementary Public Report (with all then issued Additional Supplementary Public Reports, if any) are delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's Apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have receipted for the report(s) and waived his right to cancel. If (and only if) there is a material change affecting (i) Purchaser's apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to the Developer the written approval or acceptance of material change, or Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance of if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract becomes binding and effective as described above, and in accordance with Chapter 514-A, Hawaii Revised Statutes, the Sales Contract may be unconditionally canceled at any time by either the Developer or the Purchaser. Upon such cancellation by Developer, Developer shall direct Escrow Agent to refund to Purchaser, together with interest earned (but only if Purchaser has paid a fee of \$25.00 to Escrow to set up a separate Purchaser's Escrow account), all deposits paid by Purchaser; upon cancellation by Purchaser, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, a full refund of all deposits paid, less any escrow

cancellation fee and other costs associated with the purchase of Purchaser's Apartment, up to a maximum of \$250.00.

2. The Sales Contract contains restrictions on selling or assigning the Sales Contract.

3. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's Apartment.

4. The Sales Contract is subject to the provisions of the Declaration of Condominium Property Regime, By-laws, and other condominium documents.

5. The Sales Contract provides that Purchaser's deposits may be disbursed from Escrow to Finance the construction of the project. Such Disbursements can be made only after the issuance of a Final Public Report and only in accordance with law.

6. All interest on Purchaser's deposits belongs to Developer, except that a Purchaser may pay a \$25.00 fee to Escrow, in which case Purchaser will be entitled to all interest on Purchaser's deposits from the date of the opening of Purchaser's separate escrow account until the date of Purchaser's receipt of the Final Public Report; after such date all interest will accrue to the interest of the Developer.

7. Purchaser's Sales Contract will be assigned to the project lender as security for the construction loan. If the Construction Lender takes on the project, the Purchaser will be bound under the sales contract to the Construction Lender.

8. The Sales Contract provides for liquidated damages. If the Developer fails to deliver occupancy of an apartment within two (2) years of the effective date of the sales contract (see paragraph 1 above), the Developer is obligated to pay liquidated damages of \$20.00 per day. If the Developer breaches the sales contract and fails to deliver the apartments and the remedy of specific performance is not available, the Developer agrees to pay liquidated damages of \$1,000.00. If the Purchaser breaches the sales contract, liquidated damages are equal to the amount of Purchaser's deposits under the sales contract.

9. Seller has reserved the right to modify the condominium map and any of the condominium documents as required by any law or by any government agency, mortgage lender, or title insurer, but no such change shall (a) increase the Purchaser's share of the common interest, (b) increase the total purchase price, (c) constitute a material change in the project, or (d) render a Purchaser's loan commitment unenforceable.

10. If the Purchaser is an owner-occupant, Purchaser is required to reaffirm the owner-occupant affidavit prior to closing. Developer has the right to require Purchaser to execute a reaffirmation of the owner-occupant affidavit within ten (10) days of Developer's request. Developer may request reaffirmation at any time from and after delivery of the Final Public Report up to ten (10) days prior to closing. Failure to execute the reaffirmation upon said request by Developer shall constitute grounds for the Developer to cancel the Sales Contract. If such refusal to execute the reaffirmation occurs after the effective date (see paragraph 1 above), Purchaser may be liable for liquidated damages (see paragraph 8 above).

11. Purchaser acknowledges that escrow fees and other associated closing costs along with certain prepaid items are to be paid by the Purchaser at closing.

12. Any dispute under the Sales Contract is subject to Arbitration.

It is incumbent on the Purchaser that he read the full text of the Sales Contract.

EXHIBIT "I"
CONDOMINIUM PUBLIC REPORT
ROYAL LUNALILO
SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated February 16, 1995 between Title Guaranty Escrow Services, Inc., as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs (per the terms of the Sales Contract) to the Developer, unless the Purchaser elects to pay a fee of \$25.00 to Escrow to set up a separate escrow account for Purchaser. In such case Purchaser shall be entitled to interest on Purchaser's deposits until the date of Purchaser's receipt of the Final Public Report. After said date, per the provisions of the Sales Contract, all interest shall accrue to Developer. In the event that the Sales Contract and HRS Chapter 514A entitles a Purchaser to a refund of Purchaser's deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, with interest earned (but only if Purchaser has paid a fee of \$25.00 to set up a separate escrow fund) and less certain cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such escrow cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

The Escrow Agreement provides that Purchaser's deposits may be disbursed (but only after the issuance of the Final Public Report and only in accordance with law) to finance the construction of the project.

If the Purchaser obtains a mortgage or mortgages from an out of state lender, escrow may charge the Purchaser an additional fee of \$500.00 for each out of state lender mortgage.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

exh. 1