

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer: Islands ML Limited Partnership
Address: c/o Haas & Haynie Corporation
395 Oyster Point Boulevard, Suite 309, South San Francisco, California 94080

Project Name(*): The Islands at Mauna Lani
Address: 68-1375 Mauna Lani Drive, Kohala Coast, Hawaii 96743

Registration No. 2237

Effective date: October 18, 1996
Expiration date: November 18, 1997

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.

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
[] 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:
[] Preliminary Public Report dated:
[X] Final Public Report dated: August 3, 1992
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[X] Must be read together with Final Public Report dated August 3, 1992
[] 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

Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the change, 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 price reports have been issued by the developer.

Changes made are as follows:

1. Since the new Developer herein is not the original Developer or affiliated with the original Developer, the new Developer disclaims all responsibility and liability for the establishment and construction of the project itself. The original Developer has sold to the new Developer named herein forty-four (44) apartments identified in the attached Exhibit "1" and covered by this report. Only these forty-four (44) apartments may be offered and sold under this report.
2. The Water Feature described in Paragraph 22 of the Declaration of Condominium Property Regime of The Islands at Mauna Lani dated April 10, 1992, as an approximately 4.7 acre man-made water system including 2.7 million gallons of water, will be abandoned and filled with soils material and replaced with landscape vegetation and smaller, individual waterfalls and ponds. The landscaping and the waterfalls and ponds will be constructed throughout approximately 4.7 acres of the common elements, and shall hereafter be referred to as the Water Feature.
3. The Final Public Report dated August 3, 1992, was prepared on FORM: RECO-30 286/986/189/1190 (hereafter called "FORM 1190"). The following pages of this Supplementary Public Report have been prepared on FORM: RECO-30 286/986/189/1190/892 and the pages prepared on FORM 1190 are hereby deleted in their entirety and the pages included in this Supplementary Public Report are substituted in place thereof:
 - a. Page 1 of this Supplementary Public Report includes the identity of the new Developer.
 - b. Pages 2 and 2a of this Supplementary Public Report describe the changes made to the Final Public Report.
 - c. Page 3 of this Supplementary Public Report has been revised to show that Exhibit A is intentionally omitted.
 - d. Page 5 of this Supplementary Public Report (page 6 of FORM 1190) includes the names and addresses of the persons connected with the Project.
 - e. Page 6 of this Supplementary Public Report (page 7 of FORM 1190) includes the amendments to the Declaration of Condominium Property Regime and Condominium Map filed after August 3, 1992.
 - f. Pages 9 and 10 of this Supplementary Public Report (page 10 of FORM 1190) list the new Developer as fee owner and deletes the statement that the project has not yet been assigned a street address.
 - g. Page 14 of this Supplementary Public Report (page 15 of FORM 1190) refers to the current title report.
 - h. Pages 18 and 19 of this Supplementary Public Report (pages 17 and 19 of FORM 1190) refer to the current escrow agreement and state that the notice to Owner Occupants is not filed with the Real Estate Commission.
 - i. Pages 20 and 20a of this Supplementary Public Report (page 18 of FORM 1190) which describes additional information not otherwise covered in the Final Public Report, deletes reference to original Developer's right to amend the Declaration of Condominium Property Regime in connection with the Declaration of Consolidation and Resubdivision for The Islands at Mauna Lani because such right has been exercised by the original Developer, and includes a description of the rights reserved by the original Developer in the Limited Warranty Deed dated September 26, 1996, but not in the Declaration of Condominium Property Regime.

- j. Page 21 of this Supplementary Public Report (unnumbered page of FORM 1190) contains the signature of the new Developer.
4. The Exhibits A, E, H, I, J, K, L, and N attached to the Final Public Report are hereby deleted in their entirety and the Exhibits A, E, H, I, J, K, L, and N attached hereto are substituted in place thereof.
- a. The attached Exhibit A shows that Exhibit A has been intentionally omitted.
 - b. The attached Exhibit E includes the correct reference to the garage of unit H-2.
 - c. The attached Exhibit H includes updated encumbrances against title as shown in the Title Report dated September 26, 1996, prepared by Title Guaranty of Hawaii, Inc.
 - d. The attached Exhibit I includes an updated estimated maintenance fee budget for calendar year 1996.
 - e. The attached Exhibit J includes a summary of the warranties provided in the revised Reservation Agreement, Sales Contract and Deposit Receipt.
 - f. The attached Exhibit K includes a summary of the terms of the revised Reservation Agreement, Sales Contract and Deposit Receipt.
 - g. The attached Exhibit L includes a summary of the terms of the revised Condominium Escrow Agreement.
 - h. The attached Exhibit N includes a summary of the warranties provided for in the revised Reservation Agreement, Sales Contract and Deposit Receipt, and the New Developer's agreement to pay the actual cost of maintenance until December 31, 1996.
5. Disclosure Abstracts 1, 2, and 3, dated July 29, 1993, November 1, 1993, August 1, 1994, respectively, are hereby deleted in their entirety.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Islands ML Limited Partnership Phone: (415) 588-5600
Name (Business)
c/o Haas & Haynie Corporation
Business Address
395 Oyster Point Boulevard, Suite 309
South San Francisco, California 94080

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

H & H Islands ML Limited Partnership

Real Estate
Broker: Richard B. Rucker, Realtor Phone: (808) 885-5300
Name (Business)
64-1032 Mamalahoa Highway, Suite 204
Business Address
Kamuela, Hawaii 96743

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General
Contractor: N/A Phone: _____
Name (Business)

Business Address

Condominium
Managing
Agent: Classic Resorts, Ltd. Phone: (808) 661-8192
Name (Business)
50 Nohea Kai Drive
Business Address
Lahaina, Hawaii 96761

Attorney for
Developer: Goodsill Anderson Quinn & Stifel Phone: (808) 547-5600
Name (Business)
1099 Alakea Street, 18th Floor
Business Address
Honolulu, Hawaii 96813
Attn: Carl J. Schlack, Jr.

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. 92-069938

Book _____ Page _____

Filed - Land Court:

Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of documents, date and recording/filing information]: First Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated June 24, 1992, recorded in said Bureau as Document No. 92-109390, Second Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated July 21, 1992, recorded in said Bureau as Document No. 92-118881, Third Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated January 21, 1994, recorded in said Bureau as Document No. 94-047251, Fourth Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated July 29, 1994, recorded in said Bureau as Document No. 94-134856, Fifth Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated May 9, 1995, recorded in said Bureau as Document No. 95-068129, Sixth Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated September 30, 1996, recorded in said Bureau on October 2, 1996, as Document No. 96-141772.

- 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. 1661

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]: Sixth Amendment to the Declaration of Condominium Property Regime of the Islands at Mauna Lani, dated September 30, 1996, recorded in said Bureau on October 2, 1996, as Document No. 96-141772.

- 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. 92-069939

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]:

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: 68-1375 Mauna Lani Drive Tax Map Key: (3) 6-8-22-21
Kohala Coast, Hawaii 96743 (TMK)

Address TMK is expected to change because _____

Land Area: 21,931 square feet acre(s) Zoning: RM-3

Lessor
 (Fee Owner): Islands ML Limited Partnership
 Name
c/o Haas & Haynie Corporation
 Address
395 Oyster Point Boulevard, Suite 309
South San Francisco, California 94080

Sublessor: N/A
 Name

 Address

C. Building and Other Improvements:

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

2. Number of Buildings: 15 residential Floors Per Building 2
 1 Recreation Center
 Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other glass, steel

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>			No. of <u>Apts.</u>	User Permitted <u>By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>46</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

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 G .

as follows:

1. **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 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 H described the encumbrances against the title contained in the title report dated September 26, 1996 and issued by Title Guaranty of Hawaii, Inc.

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

Escrow Agreement dated September 26, 1996, with Title Guaranty Escrow Services, Inc.

Exhibit L 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, as amended.
 - 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 Mauna Lani Resort Association Declaration of Covenants and Restrictions

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. 2237 filed with the Real Estate Commission on April 27, 1990.

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yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

The Project shall also be subject to the Mauna Lani Resort Association Declaration of Covenants and Restrictions, as amended, copies of which shall be given to the buyer. A summary of the Mauna Lani Resort Association Declaration of Covenants and Restrictions is contained in Exhibit M.

Each Owner in the Project understands and agrees that golf and other resort-related activities within the Mauna Lani Resort Area may result in nuisances or hazards to persons or property and each Owner and the Association of Owners shall assume all risk associated with such golf and resort-related activities, including, but not limited to, property damage or personal injury, arising from stray golf balls or actions incidental to such resort related activities. Purchasers and prospective purchasers are advised to carefully read Paragraph 20 of the Declaration.

Purchasers of units in the Project are obligated to comply with the Bylaws of the Association of Owners. Among others, the Bylaws provides:

1. No owner or occupant shall erect, place or maintain television or other antennas or satellite dishes of any kind on the Project visible from any point outside of his apartment.
2. Except in the enclosed parking garage, no owner or occupant shall place, store or maintain navigable crafts on the driveway and other areas designated as common or limited common element areas.
3. Except vehicles which comply with state and county regulations and/or owned by the Developer, no golf carts, motor scooters, motorcycles or similar transportation shall be permitted on the interior roadways of the Project.
4. Until such time that all units are developed, sold and recorded, no owner shall enter into any rental pool or income sharing with other unit owners in the Project.

Purchasers and prospective purchasers are advised to read carefully the Bylaws, Section 6.3 Use of Project as it regulates the use of the unit, the common and limited common elements of the Project.

The Project shall also contain a Water Feature, as defined in Paragraph 22 of the Declaration of Condominium Property Regime, as amended. The Water Feature shall be a common element of the Project and each owner shall pay its proportionate share of the common expenses.

The original Developer, Mauna Lani Resort, Inc., has reserved, in the Limited Warranty Deed dated September 26, 1996, between Mauna Lani Resort, Inc., and Islands ML Limited Partnership, *BUT NOT* in the Declaration of Condominium Property Regime, the following rights*:

1. An easement, approximately 400 feet long and fifteen (15) feet wide, for golf cart purposes, over, across and through (but not under) a portion of the Project located along the northern boundary of the Project along Mauna Lani Drive.
2. Easements or licenses for ingress and egress in favor of all other lands owned by Mauna Lani Resort, Inc., its successors and assigns, in the vicinity of the Project, over, under, across and through the Project, subject to the approval of Islands ML Limited Partnership, which shall not be unreasonably withheld; provided, however that such easement rights and licenses must be exercised in such a manner as not to interfere unreasonably with the use of the Project by Islands ML Limited Partnership, its successors and assigns.
3. Easements or licenses for electrical, gas, water, drainage, sewer, slope, telephone, cable television and other utility purposes in favor of all other land owned by Mauna Lani Resort, Inc., its successors and assigns, in the vicinity of the Project, over, under, across and through the Project, and the right as attorney-in-fact of Islands ML Limited Partnership, its successors and assigns, to grant such easements or licenses to any governmental agency or public or private utility, under the usual terms and conditions required by the grantee of such easements or licensee of such licenses, without payment of any compensation to Islands ML Limited Partnership; provided, however, that Mauna Lani Resort, Inc., will give Islands ML Limited Partnership prior notice of any such proposed easement or license, and that such easement rights and licenses must be exercised in such

manner as not to interfere unreasonably with the use of the Project by Islands ML Limited Partnership, its successors and assigns.

4. All rights to underground water under or appurtenant to the Project (except for the brackish water well which may be used by Islands ML Limited Partnership in connection with the Water Feature), with the right to assign and transfer said rights to the State of Hawaii, the County of Hawaii or any public or private utility or other corporation; provided, however, that said rights shall not include any surface right to enter upon the Project and drill for water.

(*The owners of the two (2) units sold by Mauna Lani Resort, Inc., prior to September 26, 1996, acquired units C-2 and F-1 by deeds that did not include the reserved rights set forth above)

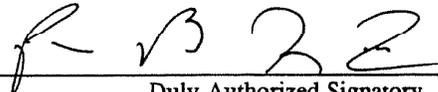
D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information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

Islands ML Limited Partnership

Name of Developer

By: H & H ML Limited Partnership
Its General Partner

By: Haas & Haynie Corporation
Its General Partner

By:  9/25/96
Duly Authorized Signatory Date

Paul B. Fay, III, President

print name & title of person signing above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AND MAUNA LANI

EXHIBIT A

[INTENTIONALLY OMITTED]

CONDOMINIUM PUBLIC REPORT
FOR
THE ISLANDS AT MAUNA LANI
EXHIBIT E
(revised 9/30/96)

UNIT SPECIFICATIONS

Apt. No.	Type	Bedroom/ Bath	Living Area	Lanai Area	Total Area	Courtyard Area	Interest	Common Garage	Parking
A1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
A2	ID2r	3/3.5	2610	640	3250	747	2.45783	2.45783	470/att.
B1	ID2	3/3.5	2610	640	3250	747	2.45783	2.45783	470/att.
B2	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
C1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
C2	ID2r	3/3.5	2610	640	3250	747	2.45783	2.45783	470/att.
D1	ID1	3/3.5	2601	640	3241	491	2.44936	2.44936	475/det.
D2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
D3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
D4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
E1	ID1	3/3.5	2601	640	3241	491	2.44936	2.44936	475/det.
E2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
E3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
E4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
F1	ID1	3/3.5	2601	640	3241	491	2.44936	2.44936	475/det.
F2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
F3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
F4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
G1	ID1	3/3.5	2601	640	3241	491	2.44936	2.44936	475/det.
G2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
G3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
G4	IC1r	3/3.5	2581	610	3191	475	2.43052	2.43052	475/det.
H1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
H2	IC2r	3/3.5	2704	610	3314	751	2.54635	2.54635	470/att.
J1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
J2	IC2r	3/3.5	2704	610	3314	751	2.54635	2.54635	470/att.
K1	ID1	3/3.5	2601	640	3241	491	2.44936	2.44936	475/det.
K2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
K3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
K4	IC1r	3/3.5	2581	610	3191	475	2.43052	2.43052	475/det.
L1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
L2	ID2r	3/3.5	2610	640	3250	747	2.45783	2.45783	470/att.
M1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
M2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
M3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
M4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
N1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
N2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
N3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
N4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
P1	IC2	3/3.5	2704	610	3314	751	2.54635	2.54635	470/att.
P2	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
Q1	IB	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.
Q2	IA	2/2.5	2153	530	2683	520	2.02747	2.02747	511/att.
Q3	IAr	2/2.5	2153	530	2683	520	2.02747	2.02747	480/att.
Q4	IBr	2/2.5	2189	610	2799	475	2.06137	2.06137	475/det.

99.99965

* The remaining 0.00035% shall be equally distributed amongst all units.

** All measurements are in square feet.

*** Total number of rooms of a unit = bedrooms + bathrooms + kitchen + living/dining

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AT MAUNA LANI

EXHIBIT H

ENCUMBRANCES AGAINST TITLE:

The units and common elements, including limited common elements, shall have and be subject to, in addition to the easements listed in the section below entitled "ENCUMBRANCES AGAINST TITLE", the following easements:

(a) Each unit shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes as ingress to, egress from, utility services for and support, maintenance and repair of such unit, and shall also have the right to use the other common elements (subject, however, to the exclusive or limited use of the limited common elements) in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

(b) In the case of minor encroachments of common elements upon any unit or limited common elements, or in the case of minor encroachments of limited common elements upon any unit or limited common elements, a valid easement for such encroachment and maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the property shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the property, minor encroachments upon any part of the common elements or units or limited common elements due to the same shall be permitted, and a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues.

(c) The Association of Owners shall have the irrevocable right, to be exercised by the Board of Directors or the managing agent, to have access to each unit and any limited common element from time to time during reasonable hours as may be necessary for the operation of the property or at any time for making emergency repairs therein necessary to prevent damage to the common elements, limited common elements, to another unit or units.

(d) The Developer, its successors and assigns, shall have the right to conduct extensive sales activities on the property, including the use of model units, sales and management offices, and extensive sales displays and activities until the closing of the sale of the last unsold unit in the project; provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the property by the other owners. Developer's successors and assigns and in the event that the Developer's mortgage lender or any successor to or assignee of the Developer's mortgage lender shall acquire any portion of the property in the course of any foreclosure, such mortgage lender, its successors and assigns, shall have the right to conduct such extensive sales activities on the property until at least ninety-five percent (95%) of all of the units have been sold and recorded, notwithstanding the foregoing.

(e) The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the property as may be reasonably necessary to alter, repair or maintain the Water Feature described in Paragraph 22 of the Declaration of Condominium Property Regime, as amended, and for the maintenance and repair of the condominium units and the common elements. Such easement shall terminate thirty (30) days after the date of the recording in the Bureau of Conveyances of the State of Hawaii of the last Condominium Unit Deed.

(f) Each owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use and for access to the pipes, ducts, cables, wires, conduits, public utilities, and other common element serving such other units and located in such units.

ENCUMBRANCES AGAINST TITLE:

- (a) Reservation in favor of the State of Hawaii of all minerals and metallic mines.
- (b) Mauna Lani Resort Association Declaration of Covenants and Restrictions dated June 3, 1982, effective June 3, 1982, filed as Land Court Document No. 1120889, recorded in Liber 16425 at Page 203. Said Declaration was amended by instruments dated June 3, 1982, effective June 3, 1982, filed as Land Court Document No. 1121081, recorded in Liber 16428 at Page 456, dated August 13, 1982, filed as Land Court Document No. 1129996, recorded in Liber 16545 at Page 345, dated June 23, 1986, filed as Land Court Document No. 1380755, recorded in Liber 19613 at Page 236, dated January 8, 1987, filed as Land Court Document No. 1432988, recorded in Liber 20284 at Page 384, dated October 28, 1987, filed as Land Court Document No. 150724, recorded in Liber 21287 at Page 398, dated June 22, 1988, filed as Land Court Document No. 1560401, recorded in Liber 22084 at Page 131, dated June 25, 1991, filed as Land Court Document No. 1832379, recorded as Document No. 91-089395, dated _____ (acknowledged December 3, 1993), filed as Land Court Document No. 2109682, recorded as Document No. 94-009533, and dated November 7, 1995, filed as Land Court Document No. 2281205, recorded as Document No. 95-168247.
- (c) Unrecorded Golf Course Use Agreement dated September 3, 1986, by and between Mauna Lani Resort, Inc., a Hawaii corporation, and the Ritz-Carlton Hotel Company, a Georgia corporation, as amended by that certain unrecorded Amendment of Purchase Agreement and Golf Course Use Agreement dated June 29, 1988, and by mesne assignments, assigned to Halatel, a Hawaii general partnership, by that certain unrecorded Assignment and Assumption of Purchase Agreement, Golf Course Use Agreement and Collateral Rights dated June 29, 1988, all of which are set forth in Memorandum of Golf Course Use Agreement dated June 29, 1988, filed as Land Court Document No. 1561024, recorded in Liber 22090 at Page 554, as amended by instruments dated November 1, 1988, filed as Land Court Document No. 1592436, recorded in Liber 22558 at Page 18, dated October 4, 1989, recorded in Liber 23735 at Page 35, and dated March 31, 1994, recorded as Document No. 94-063492, and as further amended by unrecorded memorandum dated September 23, 1994.
- (d) Memorandum of Assignment and Assumption of Golf Course Use Agreement dated March 5, 1996, between Halatel, a Hawaii general partnership, and ML Hotel Investors, L.P., a Delaware limited partnership, filed as Land Court Document No. 2293729, and recorded as Document No. 96-030078.
- (e) Real property taxes due and payable, refer to Director of Finance, County of Hawaii.
- (f) Grant, dated October 31, 1991, recorded as Document No. 91-158313, in favor of Hawaii Electric Company, Inc., a Hawaii corporation, granting an easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines and transformer vaults, etc.
- (g) Declaration of Condominium Property Regime of The Islands at Mauna Lani dated April 10, 1992, recorded as Document No. 92-69938 on May 5, 1992 (Condominium Map No. 1661), as amended by instruments dated June 24, 1992, recorded as Document No. 92-109390, dated July 21, 1992, recorded as Document No. 92-118881, dated January 21, 1994, recorded as Document No. 94-047251, dated July 29, 1994, recorded as Document No. 94-134856, dated May 9, 1995, recorded as Document No. 95-068129, dated September 30, 1996, recorded in said Bureau on October 2, 1996, as Document No. 96-141772.
- (h) By-Laws of the Association of Owners of The Islands at Mauna Lani dated April 10, 1992, recorded as Document No. 92-069939 on May 5, 1992.
- (i) Grant dated January 20, 1992, recorded as Document No. 92-099586, in favor of the Water Commission of the County of Hawaii, granting a perpetual easement to maintain, operate, repair, remove and replace any and all pipes or other structures.

(j) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Cable Television Easement and Maintenance Agreement dated July 2, 1992, recorded as Document No. 92-148233, by and between American Cable TV Investors 4 Ltd., a Colorado Limited Partnership, and the Association of the Islands at Mauna Lani, an unincorporated association.

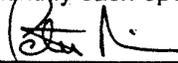
(k) Encroachment Agreement and License dated September 26, 1996, between Islands ML Limited Partnership, a Delaware limited partnership, and Mauna Lani Resort, Inc., a Hawaii corporation, recorded as Document No. 96-138474.

(l) Encroachment of golf cart path and headwall and culvert along northern boundary as shown on map prepared by Robert K. Y. Lee, Licensed Professional Land Surveyor with R. M. Towill Corporation, dated September 10, 1996.

ESTIMATED MAINTENANCE FEE BUDGET
ISLANDS AT MAUNA LANI

RECEIPTS	Monthly	Annually
Maintenance Fees	45210	542520
DISBURSEMENTS		
Utilities		
Refuse	700	8400
Electricity	3800	45600
Cable Television	590	7080
Gas	50	600
Water	4400	52800
Sewer	1265	15180
Telephone	150	1800
Total Utilities	10955	131460
Repairs & Maintenance		
Building Maintenance	2500	30000
Landscape Maintenance	12500	150000
Pest Control	400	4800
Building & Landscaping Supplies	720	8640
Swimming Pool Supplies	270	3240
Total Repairs & Maintenance	16390	196680
Waterways		
Waterway Maintenance Labor	550	6600
Waterway Electricity	1250	15000
Water Replacement Supplies	200	2400
Total Waterways	2000	24000
Administrative		
Resort Maintenance Fee	2440	29280
Audit/Tax	250	3000
Directors Expense	50	600
Insurance	5500	66000
Legal	50	600
Management Fee	500	6000
Managers Salary	1500	18000
Office Supplies	100	1200
Capital Reserves	5475	65700
Total Administrative	15865	190380
Total Disbursements	45210	542520
	=====	=====
Net Disbursements	45210	542520
	=====	=====

This cash operating budget (prorated on a monthly basis) and the estimated monthly cost for each apartment is for one year commencing January, 1996. The information contained herein is based upon data available to us at this time. Please note that the seller is offering, for a limited time, a subsidy on certain costs so as to reduce the monthly costs to buyer. We certify that the monthly maintenance fee and monthly cash operating costs have been based on generally accepted accounting principles.



 Classic Resorts Limited

ESTIMATE OF MONTHLY MAINTENANCE FEE BY UNIT

Unit	Bedrooms	Living Area	Lanai Area	Type	Common %	Monthly Fee	Annual Fee
A1	2	2189	610	IB	2.06137	931.95	11183.34
A2	3	2610	640	ID2	2.45783	1111.18	13334.22
B1	3	2610	640	ID2	2.45783	1111.18	13334.22
B2	2	2189	610	IB	2.06137	931.95	11183.34
C1	2	2189	610	IB	2.06137	931.95	11183.34
C2	3	2610	640	ID2	2.45783	1111.18	13334.22
D1	3	2601	640	ID1	2.44936	1107.36	13288.27
D2	2	2153	530	IA	2.02747	916.62	10999.43
D3	2	2153	530	IA	2.02747	916.62	10999.43
D4	2	2189	610	IB	2.06137	931.95	11183.34
E1	3	2601	640	ID1	2.44936	1107.36	13288.27
E2	2	2153	530	IA	2.02747	916.62	10999.43
E3	2	2153	530	IA	2.02747	916.62	10999.43
E4	2	2189	610	IB	2.06137	931.95	11183.34
F1	3	2601	640	ID1	2.44936	1107.36	13288.27
F2	2	2153	530	IA	2.02747	916.62	10999.43
F3	2	2153	530	IA	2.02747	916.62	10999.43
F4	2	2189	610	IB	2.06137	931.95	11183.34
G1	3	2601	640	ID1	2.44936	1107.36	13288.27
G2	2	2153	530	IA	2.02747	916.62	10999.43
G3	2	2153	530	IA	2.02747	916.62	10999.43
G4	3	2581	610	IC1	2.43052	1098.84	13186.06
H1	2	2189	610	IB	2.06137	931.95	11183.34
H2	3	2704	610	IC2	2.54635	1151.20	13814.46
J1	2	2189	610	IB	2.06137	931.95	11183.34
J2	3	2704	610	IC2	2.54635	1151.20	13814.46
K1	3	2601	640	ID1	2.44936	1107.36	13288.27
K2	2	2153	530	IA	2.02747	916.62	10999.43
K3	2	2153	530	IA	2.02747	916.62	10999.43
K4	3	2581	610	IC1	2.43052	1098.84	13186.06
L1	2	2189	610	IB	2.06137	931.95	11183.34
L2	3	2610	640	ID2	2.45783	1111.18	13334.22
M1	2	2189	610	IB	2.06137	931.95	11183.34
M2	2	2153	530	IA	2.02747	916.62	10999.43
M3	2	2153	530	IA	2.02747	916.62	10999.43
M4	2	2189	610	IB	2.06137	931.95	11183.34
N1	2	2189	610	IB	2.06137	931.95	11183.34
N2	2	2153	530	IA	2.02747	916.62	10999.43
N3	2	2153	530	IA	2.02747	916.62	10999.43
N4	2	2189	610	IB	2.06137	931.95	11183.34
P1	3	2704	610	IC2	2.54635	1151.20	13814.46
P2	2	2189	610	IB	2.06137	931.95	11183.34
Q1	2	2189	610	IB	2.06137	931.95	11183.34
Q2	2	2153	530	IA	2.02747	916.62	10999.43
Q3	2	2153	530	IA	2.02747	916.62	10999.43
Q4	2	2189	610	IB	2.06137	931.95	11183.34
Total					99.99965 *	45210	542518

**Exhibit I
The Islands at Mauna Lani
Condominium Public Report**

* The remaining 0.00035% shall be equally distributed amongst all units.

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AT MAUNA LANI

EXHIBIT J

CONSTRUCTION WARRANTIES

The new Developer is not providing any construction warranties regarding the condominium project. Buyers of units in the condominium project are purchasing on an "AS IS" basis. Paragraph 2 of the Reservation Agreement, Sales Contract and Deposit Receipt ("Sales Contract") states:

The sale of a unit to the buyer shall be "AS IS" without any representation or warranty of the seller except as otherwise expressly set forth in the Sales Contract or in the buyer's deed, and the buyer will accept the unit in "AS IS" condition with all known or unknown defects, if any. In connection with such "AS IS" sale, the buyer will acknowledge that the buyer has inspected the Unit to the buyer's satisfaction prior to signing the Sales Contract, or has been given an opportunity to inspect the unit and has waived said inspection.

APPLIANCE WARRANTIES

Paragraph 17 of the Sales Contract states:

The buyer shall have the direct benefit of any existing and unexpired manufacturer's or dealer's warranties covering the appliances in the unit. The buyer will acknowledge that the seller has made no other warranties, expressed or implied, with respect to the Property or any common element or anything installed therein.

The buyer will agree to close his purchase of the unit despite the existence of any defects or damages to the Property regardless of extent, including but not limited to any defects in appliances and fixtures, but which do not render the Property uninhabitable. The buyer will agree to indemnify the seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to close, and if the buyer makes any such refusal, the buyer shall be deemed to be in default under the Sales Contract and the seller at its option shall be entitled to cancel the Sales Contract and retain all sums paid thereunder, including accrued interest, if any, as liquidated damages as provided in Paragraph 18 thereof. The terms of Paragraph 17 shall survive the final closing and occupancy of the unit by the buyer.

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AT MAUNA LANI

EXHIBIT K

SUMMARY OF CONDOMINIUM SALES CONTRACT

A specimen Reservation Agreement, Sales Contract and Deposit Receipt ("Sales Contract") has been submitted to the Real Estate Commission as part of the registration. The Sales Contract provides in part:

(a) That the buyer is purchasing the unit in "AS IS" condition and the acknowledges that he has inspected the unit, or has been given the opportunity to inspect the unit and has waived said inspection;

(b) That the Sales Contract is not contingent upon the buyer obtaining financing and the buyer's inability to obtain financing for all or a portion of the Total Purchase Price shall not give the buyer the right to cancel the Sales Contract nor shall it negate the buyer's obligation to close his purchase of the Unit. However, if the buyer desires to make the Sales Contract contingent upon his ability to obtain financing, the buyer and the seller must execute a separate addendum to be attached to the Sales Contract;

(c) That if the buyers who have agreed to obtain mortgage loans have not secured commitment therefor within thirty (30) days after application for the same satisfactory to the seller, the seller may elect to terminate at the seller's option, the Sales Contract upon written notice to the buyer and, upon such termination all monies paid by the buyer be refunded with any accrued interest less the cost of any credit report, escrow cancellation fees, if any, and other costs actually incurred by the seller or lending institution in processing such loan application; provided, however, that if the seller ascertains that the buyer has failed to qualify for the mortgage loan due to the failure to use his best efforts to obtain such mortgage loan in good faith or to do or perform all acts necessary to obtain such loan, then such failure shall constitute a default by the buyer entitling the seller to retain all sums paid as liquidated damages;

(d) That the Sales Contract constitutes only a reservation agreement until such time as (i) copies of the Final Public Report and Supplementary Public Report and two (2) copies of the Receipt and Notice of Right to Cancel have been delivered to the buyer, and (ii) Buyer's Right to Cancel lapses or is waived by the buyer. Upon the completion and fulfillment of (i) and (ii) set forth herein, the Sales Contract shall be deemed to be a binding sales contract. Prior to that time, either the seller or the buyer has an unconditional right to cancel the Sales Contract by written notice to the other;

(e) That the seller makes no warranties, expressed or implied, with respect to the units or any common elements or anything installed therein. The buyer shall have the direct benefit of any existing and unexpired manufacturer's or dealer's warranties on appliances installed in the unit;

(f) That the seller shall pay for the cost of drafting the Condominium Unit Deed and the cost of the seller's acknowledgements on all instruments and one-half of the escrow fees and the cost of standard coverage title insurance. The buyer shall pay all other expenses in connection with the sale, including, but not limited to, the State of Hawaii conveyance tax (NOTE: In connection with the conveyance tax, the seller and buyer will appoint Escrow Agent as their agent for the purpose of filing the affidavit in respect thereto); one-half of the escrow fee, the cost of obtaining financing or a financing commitment for any portion of the Total Purchase Price and all expenses incident thereto (such as the Hawaii Hurricane Relief Fund special mortgage recording fee); the expense of credit reports; the drafting of mortgages, etc. (which costs shall be paid directly to buyer's mortgagee and shall in no event be reimbursed by the seller); acknowledgments of the buyer on all instruments; recording fees; and one-half the cost for standard coverage title insurance and all other costs incurred for title insurance;

(g) That buyer may also be required to prepay maintenance fees for a period of up to two (2) months, prepay insurance premiums for up to one (1) year, prepay real property taxes for the remainder of the tax year prorated as of the date of final closing, and pay a nonrefundable start-up fee in an amount equal to two (2) months maintenance fees, which shall be a one-time nontransferable nonrefundable assessment at sale, not as a common expense, shall be in addition to the normal monthly maintenance fees, shall be held, accounted for and expended as funds of the Association for the benefit of all of the owners by the

seller and managing agent, all of which shall be paid at final closing. The buyer further agrees that all maintenance, other taxes, assessments and other expenses shall also be prorated as of final closing. (NOTE: This amount, together with other amounts required, are in addition to and are not part of the total purchase price and shall be paid at final closing);

(h) That the seller has made no representations with respect to the possibility or probability of rental or other income from the unit or other economic benefit to be derived from the rental of the unit, including but not limited to, any representations to the effect that the seller or the managing agent of the project by a third party will provide services relating to the rental or sale of the unit nor representations as to the possible advantages from the rental of the unit under Federal and State tax laws. If the buyer wishes to rent the unit to third persons, the buyer must make his own arrangements. The buyer further agrees and acknowledges that in the event that the offer to sell and the purchase of the unit or the activities of the buyer with respect to the unit are determined to be or alleged to give rise to any violation of any Federal or State securities laws or obligations, the seller may obtain an injunction enjoining such acts of the buyer and the seller may, in addition, pursue any other remedies and the buyer shall pay the seller's costs and attorneys' fees in connection therewith. In the event that the buyer or anyone claiming by or through him alleges that the offer to sell or the purchase of the unit gives rise to any violation of any Federal or State disclosure laws or regulations, the buyer covenants not to sue for any remedy other than to sue for refund of the purchase price and actual closing costs plus interest at ten percent (10%) per annum from the date of closing to the date of repayment. The buyer agrees to absorb any additional charges incurred with respect to the unit as the reasonable use value of the unit. The terms of Paragraph 16 shall survive final closing of the sale and the buyer's occupancy of the unit.

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AT MAUNA LANI

EXHIBIT L

SUMMARY OF ESCROW AGREEMENT

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated September 26, 1996, identified Title Guaranty Escrow Services, Inc., as the escrow agent ("Escrow Agent"). Escrow Agent shall be compensated in the amount of \$600.00, plus applicable Hawaii general excise tax, for each Unit on which a sales contract is received. The seller shall pay to Escrow Agent any monies received by the seller from the buyer under the sales contracts. If the buyer (i) asks the Escrow Agent to establish a separate account for the buyer's deposits, (ii) pays the Escrow Agent a fee in the amount of \$25.00 for each separate account the Escrow Agent opens for the buyer, and (iii) provides the Escrow Agent with the buyer's social security number or federal identification number, any and all interest earned on funds deposited in Escrow shall accrue to the credit of the buyer.

The Escrow Agreement provides that Escrow Agent shall refund to the buyer all of the buyer's funds, with interest, less a cancellation fee of not less than \$25.00 and not more than \$250.00, if the buyer shall request refund of his funds and any one of the following shall have occurred:

- (a) The seller and the buyer have requested Escrow Agent in writing to return to the buyer the funds of the buyer then held under the Escrow Agreement by Escrow Agent; or
- (b) The seller has notified Escrow Agent of the seller's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to the seller; or
- (c) The buyer elects to cancel the sales contract before the earlier of (i) the conveyance of the unit to the buyer or (ii) midnight of the thirtieth day following the date of delivery of the final and supplementary public report to the buyer.

Escrow Agent shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor including the recordation of all documents. If buyer fails to make any payment on or before the due date or fails to perform in any matter which is being handled by Escrow Agent, Escrow Agent shall promptly notify the seller of any failure on the part of buyer. If the seller provides Escrow Agent with written notice that the seller has terminated the sales contract and provides to Escrow Agent copies of all such notices of termination sent to the buyer, Escrow Agent shall thereafter treat all funds of the buyer paid on account of his sales contract as funds of the seller and not as funds of the buyer. Thereafter, such funds shall be free of the escrow established by the Escrow Agreement and shall be held by Escrow Agent for the account of the seller. Upon written request by seller, Escrow Agent shall pay such sums to seller, less any escrow cancellation fee, and shall return to seller the sales contract of such buyer and any other documents theretofore delivered by seller to Escrow Agent; other documents theretofore delivered to Escrow Agent in connection with the purchase of the unit specified in such sales contract shall be returned to the person from whom, or entity from which, such documents were received, Escrow Agent shall thereupon be released from any further duties or liability hereunder with respect to such funds and such buyer.

CONDOMINIUM PUBLIC REPORT
FOR THE ISLANDS AND MAUNA LANI

EXHIBIT N

DISCLOSURE ABSTRACT

Name of Project:

THE ISLANDS AT MAUNA LANI
68-1375 Mauna Lani Drive
Kohala Coast, Hawaii 96743

Developer:

Islands ML Limited Partnership
c/o Haas & Haynie Corporation
395 Oyster Point Boulevard, Suite 309
South San Francisco, California 94080

Managing Agent:

Classic Resorts, Limited
50 Nohea Kai Drive
Lahaina, Hawaii 96761

Annual Maintenance Fees and Monthly Estimated Costs For Each Unit:

See Attachments "1" and "2" attached hereto and made a part hereof. In accordance with Hawaii Revised Statutes Section 514A-61(a)(2), the estimated annual maintenance fees and the estimated monthly cost for each unit shall be revised and updated by the managing agent at least every twelve (12) months from the date of the last estimated annual maintenance fee and estimated monthly cost for each unit. A copy of said updated estimates shall be provided to each owner and each owner shall be obligated to pay his/her/its proportionate share of the updated estimates on the date disclosed in the amended Disclosure Abstract.

Developer to Pay Actual Cost of Maintenance:

Pursuant to Hawaii Revised Statutes Section 514A-15(b), Developer hereby notifies all owners and purchasers that Developer shall assume the actual common expenses for the project and all owners and purchasers shall not be obligated to pay his/her/its respective share of the common expenses until December 31, 1996; PROVIDED THAT, Developer may extend such date by amended Disclosure Abstract delivered by mail or hand delivery to all owners and purchasers; PROVIDED, HOWEVER, that pursuant to Paragraph 9 of the Reservation Agreement, Sales Contract and Deposit Receipt, Escrow Agent shall collect at closing: (i) an amount equivalent to two (2) months maintenance fees which shall be a one-time nontransferable, nonrefundable assessment at sale and not as a common expense, and (ii) two (2) months maintenance fee; PROVIDED, FURTHER, that the monies identified in (i) above may be used by the managing agent for the start-up costs of the association and other costs which benefit all owners, and the monies identified in (ii) above shall be held in an interest bearing account.

Developer shall file an amended Disclosure Abstract with the Real Estate Commission at least thirty (30) days in advance of the date when all apartment owners and purchasers shall become

obligated to commencing paying his/her/its proportionate share of the common expenses of the project and a copy of the amended Disclosure Abstract shall be delivered either by mail or personal delivery to each of the owners whose maintenance expenses were assumed by Developer. The amended Disclosure Abstract shall disclose the date upon which each owner of the project shall be required to pay its proportionate share of the common expenses.

"AS IS" Purchase:

The buyer will inspect the unit and purchase the unit "AS IS".

Description of Warranties:

Paragraph 17 of the Reservation Agreement, Sales Contract and Deposit Receipt states: "Buyer shall have the direct benefit of any existing and unexpired manufacturer's or dealer's warranties covering the appliances in the Unit. Buyer acknowledges that Seller has made no other warranties, expressed or implied, with respect to the Property or any common element or anything installed therein.

Buyer agrees to close his purchase of the Unit despite the existence of any defects or damages to the Property regardless of extent, including but not limited to any defects in appliances and fixtures, but which do not render the Property uninhabitable. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to close, and if Buyer shall make any such refusal, Buyer shall be deemed to be in default under this Agreement and Seller at its option shall be entitled to cancel this Agreement and retain all sums paid hereunder, including accrued interest, if any, as liquidated damages as provided in Paragraph 18 hereof. The terms of this Paragraph 17 shall survive the final closing and occupancy of the Unit by Buyer."

Residential Use:

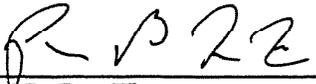
The project contains forty-six (46) residential units, which, with the exception of a mortgagee in possession of a unit following a default under a mortgage encumbering a unit in the project, a foreclosure proceeding or other arrangement in lieu of foreclosure, shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose; provided, however, that such units may be leased or rented for transient accommodations. The respective owner shall have the absolute right to rent or lease such units subject to all provisions of the Declaration of Condominium Property Regime of The Islands at Mauna Lani. There is no other commercial or nonresidential use in the project except for one (1) recreational pavilion.

The estimated annual and monthly maintenance fees were prepared as of January, 1996, and are hereby certified to have been based on generally accepted accounting principles.

ISLANDS ML LIMITED PARTNERSHIP

By H & H ISLANDS ML LIMITED
PARTNERSHIP
Its General Partner

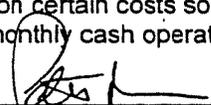
By HAAS & HAYNIE CORPORATION
Its General Partner

By 
Paul B. Fay, III
Its President

ATTACHMENT "I"
ISLANDS AT MAUNA LANI

RECEIPTS	Monthly	Annually
Maintenance Fees	45210	542520
DISBURSEMENTS		
Utilities		
Refuse	700	8400
Electricity	3800	45600
Cable Television	590	7080
Gas	50	600
Water	4400	52800
Sewer	1265	15180
Telephone	150	1800
Total Utilities	10955	131460
Repairs & Maintenance		
Building Maintenance	2500	30000
Landscape Maintenance	12500	150000
Pest Control	400	4800
Building & Landscaping Supplies	720	8640
Swimming Pool Supplies	270	3240
Total Repairs & Maintenance	16390	196680
Waterways		
Waterway Maintenance Labor	550	6600
Waterway Electricity	1250	15000
Water Replacement		0
Supplies	200	2400
Total Waterways	2000	24000
Administrative		
Resort Maintenance Fee	2440	29280
Audit/Tax	250	3000
Directors Expense	50	600
Insurance	5500	66000
Legal	50	600
Management Fee	500	6000
Managers Salary	1500	18000
Office Supplies	100	1200
Capital Reserves	5475	65700
Total Administrative	15865	190380
Total Disbursements	45210	542520
	=====	=====
Net Disbursements	45210	542520
	=====	=====

This cash operating budget (prorated on a monthly basis) and the estimated monthly cost for each apartment is for one year commencing January, 1996. The information contained herein is based upon data available to us at this time. Please note that the seller is offering, for a limited time, a subsidy on certain costs so as to reduce the monthly costs to buyer. We certify that the monthly maintenance fee and monthly cash operating costs have been based on generally accepted accounting principles.



 Classic Resorts Limited

ATTACHMENT "2"
ESTIMATE OF MONTHLY MAINTENANCE FEE BY UNIT

Unit	Bedrooms	Living Area	Lanai Area	Type	Common %	Monthly Fee	Annual Fee
A1	2	2189	610	IB	2.06137	931.95	11183.34
A2	3	2610	640	ID2	2.45783	1111.18	13334.22
B1	3	2610	640	ID2	2.45783	1111.18	13334.22
B2	2	2189	610	IB	2.06137	931.95	11183.34
C1	2	2189	610	IB	2.06137	931.95	11183.34
C2	3	2610	640	ID2	2.45783	1111.18	13334.22
D1	3	2601	640	ID1	2.44936	1107.36	13288.27
D2	2	2153	530	IA	2.02747	916.62	10999.43
D3	2	2153	530	IA	2.02747	916.62	10999.43
D4	2	2189	610	IB	2.06137	931.95	11183.34
E1	3	2601	640	ID1	2.44936	1107.36	13288.27
E2	2	2153	530	IA	2.02747	916.62	10999.43
E3	2	2153	530	IA	2.02747	916.62	10999.43
E4	2	2189	610	IB	2.06137	931.95	11183.34
F1	3	2601	640	ID1	2.44936	1107.36	13288.27
F2	2	2153	530	IA	2.02747	916.62	10999.43
F3	2	2153	530	IA	2.02747	916.62	10999.43
F4	2	2189	610	IB	2.06137	931.95	11183.34
G1	3	2601	640	ID1	2.44936	1107.36	13288.27
G2	2	2153	530	IA	2.02747	916.62	10999.43
G3	2	2153	530	IA	2.02747	916.62	10999.43
G4	3	2581	610	IC1	2.43052	1098.84	13186.06
H1	2	2189	610	IB	2.06137	931.95	11183.34
H2	3	2704	610	IC2	2.54635	1151.20	13814.46
J1	2	2189	610	IB	2.06137	931.95	11183.34
J2	3	2704	610	IC2	2.54635	1151.20	13814.46
K1	3	2601	640	ID1	2.44936	1107.36	13288.27
K2	2	2153	530	IA	2.02747	916.62	10999.43
K3	2	2153	530	IA	2.02747	916.62	10999.43
K4	3	2581	610	IC1	2.43052	1098.84	13186.06
L1	2	2189	610	IB	2.06137	931.95	11183.34
L2	3	2610	640	ID2	2.45783	1111.18	13334.22
M1	2	2189	610	IB	2.06137	931.95	11183.34
M2	2	2153	530	IA	2.02747	916.62	10999.43
M3	2	2153	530	IA	2.02747	916.62	10999.43
M4	2	2189	610	IB	2.06137	931.95	11183.34
N1	2	2189	610	IB	2.06137	931.95	11183.34
N2	2	2153	530	IA	2.02747	916.62	10999.43
N3	2	2153	530	IA	2.02747	916.62	10999.43
N4	2	2189	610	IB	2.06137	931.95	11183.34
P1	3	2704	610	IC2	2.54635	1151.20	13814.46
P2	2	2189	610	IB	2.06137	931.95	11183.34
Q1	2	2189	610	IB	2.06137	931.95	11183.34
Q2	2	2153	530	IA	2.02747	916.62	10999.43
Q3	2	2153	530	IA	2.02747	916.62	10999.43
Q4	2	2189	610	IB	2.06137	931.95	11183.34
Total					99.99965 *	45210	542518

* The remaining 0.00035% shall be equally distributed amongst all units.

THE ISLANDS AT MAUNA LANI

EXHIBIT "1"

APARTMENTS OFFERED FOR SALE UNDER SUPPLEMENTARY PUBLIC REPORT

The new Developer has purchased and is offering for sale under this Supplementary Public Report the following forty-four (44) apartments:

<u>Apt. No.</u>	<u>Common Interest</u>
A1	2.06137%
A2	2.45783%
B1	2.45783%
B2	2.06137%
C1	2.06137%
D1	2.44936%
D2	2.02747%
D3	2.02747%
D4	2.06137%
E1	2.44936%
E2	2.02747%
E3	2.02747%
E4	2.06137%
F2	2.02747%
F3	2.02747%
F4	2.06137%
G1	2.44936%
G2	2.02747%
G3	2.02747%
G4	2.43052%
H1	2.06137%
H2	2.54635%
J1	2.06137%
J2	2.54635%
K1	2.44936%
K2	2.02747%
K3	2.02747%
K4	2.43052%
L1	2.06137%
L2	2.45783%
M1	2.06137%
M2	2.02747%
M3	2.02747%
M4	2.06137%
N1	2.06137%
N2	2.02747%
N3	2.02747%
N4	2.06137%
P1	2.54635%
P2	2.06137%
Q1	2.06137%
Q2	2.02747%
Q3	2.02747%
Q4	2.06137%