CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Nihilani Group, LLC

Address: c/o Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000, Honolulu, Hawaii 96813

Project Name (*): NIHILANI AT PRINCEVILLE RESORT, PHASE I

Address: 4919 Pepelani Loop
Princeville, Hawaii 96722

Registration No. 5496

Effective date: December 7, 2005
Expiration date: October 12, 2006

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: (yellow)**

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

_____ **CONTINGENT FINAL: (green)**

The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.

[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.

_____ **FINAL: (white)**

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 _____

__X__ **SUPPLEMENTARY: (pink)**

This report updates information contained in the:

[ ] Preliminary Public Report dated: _____
[X] Final Public Report dated: September 12, 2005
[ ] Supplementary Public Report dated:

And

[ ] Supersedes all prior public reports.
[X] Must be read together with Final Public Report dated September 12, 2005
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 1297 / 0298 / 0800 / 0203 / 0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [ ] Not Required - Disclosures covered in this report.

[X] There are no changes to the Disclosure Abstract contained in the Final Public Report

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. The Contingent Final Public Report (Registration No. 5496) with an effective date of January 12, 2005 covered both Phase I and Phase II of the Nihilani at Princeville Resort Condominium Project. The Final Public Report (Registration No. 5496) with an effective date of September 12, 2005 (the"Final Public Report") covers only Phase I of the Project (not Phase II); accordingly, this Supplementary Public Report covers only Phase I of the Project.

2. The common interest appurtenant to Apartment 12C in Phase II of the Project has been revised to apply a minor upward adjustment of .0031 percent in order to account for one hundred percent of the total common interests in the Project. The common interests appurtenant to all other apartments has not changed.

3. The following items have been recorded as encumbrances against the Project since the August 3, 2005 Preliminary Title Report used in connection with the Final Public Report:

   a. Real Property Mortgage;Security Agreement; Assignment of Rents; Fixture Filing; and Financing Statement dated September 14, 2005, recorded as Document No. 2005-189191, executed by Nihilani Group, LLC, a Delaware limited liability company, as Mortgagor, and Central Pacific Bank, a Hawaii corporation, as Mortgagee.

   b. Financing Statement recorded on September 20, 2005, recorded as Document No. 2005-189192, identifying Nihilani Group, LLC as Debtor, and Central Pacific Bank, as Secured Party.

   c. Assignment of Net Sales Proceeds dated September 14, 2005, recorded as Document No. 2005-189193, executed by Nihilani Group, LLC, a Delaware limited liability company, as Assignor, and Central Pacific Bank, a Hawaii corporation, as Assignee.

   d. Third Amendment to the Declaration of Condominium Property Regime of Nihilani at Princeville Resort dated November 28, 2005, recorded as Document No. 2005-242736, executed by Nihilani Group, LLC, a Delaware limited liability company, as Declarant.

   e. Fourth Amendment to the Declaration of Condominium Property Regime of Nihilani at Princeville Resort dated November 30, 2005, recorded as Document No. 2005-244600, executed by Nihilani Group, LLC, a Delaware limited liability company, as Declarant.

4. Exhibit "J" attached to the Final Public Report has been revised to include the encumbrances disclosed in paragraph 3 immediately above.

5. All other exhibits, though referenced herein, are unchanged and are included in the Final Public Report.

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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		
[X]	Recorded -	Bureau of Conveyances:	Document No. 2004-208236
			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]: (1) the First Amendment to the Declaration of Condominium Property Regime of Nihilani at Princeville Resort, dated December 22, 2004, recorded in the Bureau of Conveyances of the State of Hawaii on December 23, 2004 as Document No. 2004-259971; (2) the Second Amendment to the Declaration of Condominium Property Regime of Nihilani at Princeville Resort, dated May 26, 2005, recorded in said Bureau of Conveyances on May 26, 2005 as Document No. 2005-105468; and (3) the Third Amendment to the Declaration of Condominium Property Regime of Nihilani at Princeville Resort, dated November 28, 2005, recorded in said Bureau of Conveyances on November 29, 2005 as Document No. 2005-242736.

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

The Condominium Map for this condominium project is:

[ ]	Proposed	
[X]	Recorded -	Bureau of Conveyances Condo Map No. 3859
[ ]	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]:

Amended and Restated Condominium Map No. 3859 dated December 20, 2004, filed in the Bureau of Conveyances of the State of Hawaii on December 23,2004.

Amended and Restated Condominium Map No. 3859 dated May 24, 2005, filed in the Bureau of Conveyances of the State of Hawaii on May 27, 2005.

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		
[X]	Recorded -	Bureau of Conveyances	Document No. 2004-208237
			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]:

The Bylaws were amended by instrument dated October 29, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-208237.

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 "H".

[ ] 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 "I".

[ ] 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 "J" describes the encumbrances against the title contained in the Preliminary Title Report dated December 1, 2005 and issued by Title Guaranty of Hawaii, Inc..

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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Construction Real Property Mortgage, Security Agreement, Assignment of Rents, Fixture Filing, and Financing Statement recorded on June 1, 2005 as Document No. 2005-108497.	Buyer's sales contract will be subject to termination. If sales contract is terminated, all monies held in escrow will be returned to Buyer, less escrow cancellation fee.
Real Property Mortgage; Security Agreement; Assignment of Rents; Fixture Filing; and Financing Statement executed and Recorded on September 14, 2005 as Document No. 2005-189191.	Buyer's sales contract will be subject to termination. If sales contract is terminated, all monies held in escrow will be returned to Buyer, less escrow cancellation fee.

F. **Construction Warranties:**

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

1. Building and Other Improvements:

   See Exhibit "K".

2. Appliances:

   See Exhibit "K".

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 issued 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, as amended.
D) House Rules, if any.
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 Declaration of Restrictions, Covenants and Conditions and any amendments and supplements thereto; Community Design Committee Rules of the Princeville at Hanalei Community Association; and Specimen Apartment Deed.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5496 filed with the Real Estate Commission on October 14, 2004.

Reproduction of Report. When reproduced, this report must be on:

[ ] YELLOW paper stock [ ] WHITE paper stock [X] PINK paper stock [ ] GREEN paper stock

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] The developer is required to make this declaration for issuance for an effective date for a final public report.)

E. 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.

NIHILANI GROUP, LLC
Printed Name of Developer

By: _____
Duly Authorized Signatory*

November 30, 2005
Date

Jeffrey J. Prostor, President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual

EXHIBIT "J"

Nihilani at Princeville Resort, Phase I

Encumbrances Against Title

1. Any and all real property taxes that may be due and owing to the County of Kauai, Department of Finance, Real Property Assessment Office.

2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation dated March 1, 1971, recorded at Liber 7444, Page 93, as amended from time to time, including, but not limited to, matters relating to height limitations of buildings.

   Said Declaration was amended by instrument, dated May 16, 1985, recorded at Liber 18662, Page 485, designating Princeville Development Corporation as the Declarant.

   Said interest of Princeville Development Corporation was assigned to Princeville at Hanalei Community Association, a Hawaii nonprofit corporation, by Notice of Transfer and Assignments dated May 1, 1990, recorded as Document No. 90-120777, and dated - - - - (acknowledged January 7, 1994 and January 11, 1994), recorded as Document No. 94-009984.

   The interest was further assigned to Princeville Development Company, LLC, a Delaware limited liability company by Quitclaim Assignment of Reservations, Rights and Privileges dated March 7, 2005, recorded as Document No. 2005-053757.

3. Easement "D-1" (10 feet wide), for drainage purposes, as shown on Consolidation Map prepared by Wesley M. Thomas, Registered Professional Land Surveyor, dated March 14, 1979.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Deed dated October 22, 1979, recorded at Liber 14088, Page 181.

5. Grant, dated November 12, 1987, recorded at Liber 21516, Page 321, in favor of Princeville at Hanalei Community Association, granting an easement over said Easement "D-1", said easement being more particularly described therein.

6. Encroachments or any other matters as shown on survey map prepared by Ronald J. Wagner, Land Surveyor, with Wagner Engineering Services, Inc., dated April 15, 2003, as follows:

   (a) Electric Transformer inside the northeastern boundary along Pepelani Loop.

   (b) Landscape area (including Irrigation Box) at the southwest corner.

   (c) Concrete Retaining Wall at the southwest corner within Ka Haku Road.

7. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Condominium Property Regime of Nihilani at Princeville Resort, dated October 11, 2004, recorded as Document No. 2004-208236, as the same may be amended from time to time.

   Said Declaration was amended by instruments dated December 22, 2004, recorded as Document No. 2004-259971, dated May 26, 2005, recorded as Document No. 2005-105468, dated November 28, 2005, recorded as Document No. 2005-242736, and dated November 30, 2005, recorded as Document No. 2005-244600.

8. Condominium Map No. 3859, as the same may be amended from time to time.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Bylaws of the Association of Apartment Owners dated October 11, 2004, recorded as Document No. 2004-208237, as the same may be amended from time to time.

   Said Bylaws were amended by instrument dated October 29, 2004, recorded as Document No. 2004-221508.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Road Use Agreement by and between Princeville at Hanalei Community Association, a Hawaii non-profit corporation, and Brookfield Homes Hawaii, Inc., a Hawaii corporation, and Nihilani Group, LLC, a Delaware limited liability company, dated November 12, 2004, recorded as Document No. 2005-022252, as the same may be amended from time to time.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Waiver and Release Agreement by Nihilani Group LLC, a Delaware limited liability company, dated March 10, 2005, recorded as Document No. 2005-069571, as the same may be amended from time to time.

12. Construction Real Property Mortgage, Security Agreement, Assignment of Rents, Fixture Filing, and Financing Statement executed by Nihilani Group, LLC, a Delaware limited liability company, as Mortgagor, in favor of Bank Midwest N.A., a national banking association, as Mortgagee, dated May 24, 2005, recorded as Document No. 2005-108497, as the same may be amended from time to time.

13. Real Property Mortgage;Security Agreement; Assignment of Rents; Fixture Filing; and Financing Statement dated September 14, 2005, recorded as Document No. 2005-189191, executed by Nihilani Group, LLC, a Delaware limited liability company, as Mortgagor, and Central Pacific Bank, a Hawaii corporation, as Mortgagee.

14. Financing Statement recorded on September 20, 2005, recorded as Document No. 2005-189192, identifying Nihilani Group, LLC as Debtor, and Central Pacific Bank, as Secured Party

15. Assignment of Net Sales Proceeds dated September 14, 2005, recorded as Document No. 2005-189193, executed by Nihilani Group, LLC, a Delaware limited liability company, as Assignor, and Central Pacific Bank, a Hawaii corporation, as Assignee.

16. Any unrecorded leases and matters arising from or affecting the same.

17. Any lien or claim for services, labor or material arising from an improvement or work related to the property.