

CONDOMINIUM PUBLIC REPORT

Prepared & Developer Nihilani Group, LLC
 Issued by: Address c/o Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000, Honolulu, Hawaii 96813
 Project Name (*): NIHILANI AT PRINCEVILLE RESORT, PHASE II
 Address: 4919 Peipelani Loop
Princeville, Hawaii 96722

Registration No. 5705

Effective date: December 7, 2005
 Expiration date: April 14, 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.
 - SUPPLEMENTARY:**
(pink)
This report updates information contained in the: _____
 Preliminary Public Report dated: _____
 Contingent Final Public Report dated: July 14, 2005
 Supplementary Public Report dated: _____
- And
- Supersedes all prior public reports.
 - Must be read together with Contingent Final Public Report dated July 14, 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.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. The 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 Contingent Final Public Report (Registration No. 5705) with an effective date of July 14, 2005 (the "Contingent Final Public Report") covers only Phase II of the Project (not Phase I); accordingly, this Supplementary Public Report covers only Phase II of the Project.
2. The common interest appurtenant to Apartment 12C in Phase II of the Project (see Exhibit "I" attached hereto) 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. Accordingly, the estimated initial maintenance fee for Apartment 12C in Phase II of the Project will slightly increase, such that the monthly fee will be \$539.46, rather than \$535.36 (see Exhibit "K" attached hereto). 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 May 27, 2005 Preliminary Title Report used in connection with the Contingent Final Public Report:
 - a. 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.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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.
 - f. 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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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 "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:

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.

<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 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 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. 5705, filed with the Real Estate Commission on June 9, 2005.

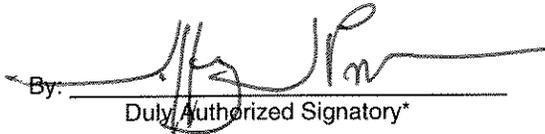
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YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

- 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 "I"

Nihilani at Princeville Resort, Phase II

Apartment Common Interests

The Common Interest appurtenant to each apartment is as follows:

APARTMENT NUMBER	COMMON INTEREST OF PROJECT (PHASE II)
1A	0.7832%
1B	1.0439%
1C	1.0985%
2A	0.7832%
2B	1.0439%
2C	1.0985%
3A	1.0439%
3B	0.8729%
3C	1.0439%
4A	1.0439%
4B	0.8729%
4C	1.0439%
5A	1.0439%
5B	0.7832%
5C	1.0985%
6A	1.0439%
6B	0.8729%
6C	1.0439%
7A	1.0439%
7B	0.7832%
7C	1.0985%
8A	1.0439%
8B	0.8729%

APARTMENT NUMBER	COMMON INTEREST OF PROJECT (PHASE II)
8C	1.0439%
9A	0.7832%
9B	1.0439%
9C	1.0985%
10A	1.0439%
10B	0.8729%
10C	1.0439%
11A	0.7832%
11B	1.0439%
11C	1.0985%
12A	0.7832%
12B	1.0439%
12C	1.1016%
23A	1.0439%
23B	0.7832%
23C	1.0985%
24A	1.0439%
24B	0.7832%
24C	1.0985%
25A	1.0439%
25B	0.8729%
25C	1.0439%
33A	1.0439%
33B	0.7832%
33C	1.0985%
34A	1.0439%
34B	0.7832%
34C	1.0985%

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.

(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 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 executed by Nihilani Group, LLC, a Delaware limited liability company, as Mortgagor, in favor of Central Pacific Bank, a Hawaii corporation, as Mortgagee, dated September 14, 2005, recorded as Document No. 20050-189191, as the same may be amended from time to time.

14. Financing Statement recorded on September 20, 2005 as Document No. 2005-189192, as the same may be amended from time to time.
15. Assignment of Net Sales Proceeds executed by Nihilani Group, LLC, a Delaware limited liability company and Central Pacific Bank, a Hawaii corporation, dated September 14, 2005, recorded as Document No. 2005-189193, as the same may be amended from time to time.
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.

Exhibit "K"
Nihilani at Princeville Resort, Phase II

Amended Disclosure Abstract

Date: November 30, 2005

Name and Address of Project: Nihilani at Princeville Resort
4919 Pepelani Loop
Princeville, Hawaii 96722

Developer: Nihilani Group, LLC
c/o Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813
Phone No.: (808) 676-3300

Real Estate Broker: Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813
Phone No.: (808) 676-3300

Managing Agent: Hawaii First, Inc.
900 Bethel Street, Suite 501
Honolulu, Hawaii 96813
Phone No.: (808) 531-5566

Monthly Common Expenses and Monthly Estimated Costs for Each Apartment: Exhibit "1" sets out the estimated monthly common expenses and estimated costs for the year

AMENDMENT: This Amended Disclosure Abstract supersedes and replaces in its entirety the Disclosure Abstract dated May 26, 2005, which was attached as Exhibit "K" to the Contingent Final Public Report for the Project (Registration No. 5705, Effective Date: July 14, 2005), and the Amended Disclosure Abstract Dated October 20, 2005 (collectively, the "Disclosure Abstract"). This Amended Disclosure Abstract adds notification that a different percentage common interest applies to Apartment 12C only of Phase II of the Project, as more particularly described in Exhibit "1" attached hereto.

DESCRIPTION OF LIMITED WARRANTIES: Upon the Closing of the purchase of the Apartment, Seller shall issue to Buyer a limited warranty relating to the construction of the Apartment as more particularly set forth in the Limited Warranty Section of the Brookfield Homes Homeowner Manual (the "Homeowner Manual"). The following is a brief summary of the Developer's limited warranty:

The Apartment will be covered under a transferable one (1) year LIMITED WARRANTY (the "Limited Warranty"). The Limited Warranty provides coverage for construction defects that occur during the Warranty Period and includes provisions limiting the responsibility and conditions under which it is valid or applicable. The Limited

Warranty are expressly conditioned on prompt notification by Purchaser of any construction defects as set forth in the Limited Warranty. In addition, the Limited Warranty does not cover certain construction defects that result, either directly or indirectly from certain excluded causes or occurrences as set forth in the Limited Warranty. None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the Limited Warranty, nor can they extend or in any way alter the Limited Warranty.

- (a) Warranty Period. The coverage of the Limited Warranty begins on the date escrow closes, and except for any exceptions expressly stated in the Homeowner Manual, the coverage of the Limited Warranty expires one (1) year from the Date of Closing. Work done to correct warranty items does not extend coverage beyond the one year period.
- (b) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Apartment, for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Appliances or consumer products are excluded from the Limited Warranty, unless they constitute a construction defect. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.
- (c) Limitations of Warranty and Seller Liability. Except for the Limited Warranty, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENT, OR THE PROJECT. EXCEPT FOR THE OBLIGATIONS OF SELLER SPECIFICALLY SET FORTH IN THE LIMITED WARRANTY, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).
- (d) Claim Procedure. Purchaser will be given three (3) Request for Service forms, one thirty (30) day, one fourth (4th) month and one eleventh (11th) month. Throughout the twelve month warranty period, Purchaser will be limited to only these three Requests for Service forms. If any defect appears which Purchaser believes should be covered by this Limited Warranty, Purchaser shall complete a Request for Service form describing the defect in detail, and mail it to: Service Assurance Department, Brookfield Homes Hawaii Inc., 55 Merchant Street, Suite 3000, Honolulu, Hawaii 96813. Seller will not reimburse Purchaser for any repair or other action taken by Purchaser without Seller's prior written consent

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE LIMITED WARRANTY FOR THE CONVENIENCE OF THE PURCHASER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE LIMITED WARRANTY. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THE ABOVE SUMMARY.

NIHILANI GROUP, LLC

By 
Name: Jeffrey Proctor
Its President

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
FOR
NIHILANI AT PRINCEVILLE RESORT CONDOMINIUM
PHASE I & II****

Estimate of Initial Maintenance Fees:

Apartment Type	PCI %	Monthly Fee	X 12 Months	= Yearly Total
Plan A	1.0439	\$ 508.76		\$ 6,105.12
Plan B	1.7832	\$ 381.70		\$ 4,580.40
Plan C*	1.0985	\$ 535.36		\$ 6,424.32
Plan D	0.8729	\$ 425.42		\$ 5,105.04

An apartment owner shall become obligated for the payment of the share of the common expenses allocated to his apartment at the time the certificate of occupancy relating to his apartment is issued by the appropriate county agency.

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

* The percentage common interest (PCI) appurtenant to Apartment 12C only of Phase II of the Project, which is an Apartment Type Plan C, has been revised with a minor upward adjustment of .0031% for a PCI of 1.1016% in order to account for one hundred percent of the total common interests in the Project. Accordingly, the estimated initial maintenance fee for Apartment 12C only is a monthly fee of \$539.46 for a yearly total of \$6,473.52.

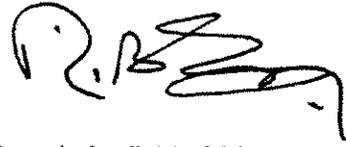
** Developer has elected to expand the size of the Project by constructing Phase II, which contains an additional 51 apartments. While Phase II is registered under a separate public report, because maintenance fee assessments and disbursements are based on the common interest percentages of all apartments in the Project, this estimate of initial maintenance fees is based on both Phase I and Phase II being constructed.

Estimate of Maintenance Fee Disbursements: For maintenance and service of the Common Elements only.

	Monthly Fee	X 12 Months	= Yearly Total
Utilities and Services			
Electricity	\$ 1,350.00		\$ 16,200.00
Gas	\$ 450.00		\$ 5,400.00
Refuse	\$ 2,100.00		\$ 25,200.00
Water/Sewer	\$ 5,900.00		\$ 70,800.00
Mobile Telephone	\$ 55.00		\$ 660.00
TV Cable Service	\$ 2,550.00		\$ 30,600.00
Pest Control	\$ 1,000.00		\$ 12,000.00
Maintenance, Repairs and Supplies			
Building	\$ 353.00		\$ 4,236.00
Electrical	\$ 20.00		\$ 240.00
Grounds Contract ***	\$ 10,000.00		\$ 120,000.00
Pool Service	\$ 900.00		\$ 10,800.00
Tree Trimming	\$ 900.00		\$ 10,800.00
Pool Supplies	\$ 300.00		\$ 3,600.00
Other Supplies	\$ 500.00		\$ 6,000.00
Management			
Administrative Supplies	\$ 100.00		\$ 1,200.00
Audit/Tax Fees	\$ 175.00		\$ 2,100.00
Legal Fees	\$ 50.00		\$ 600.00
Management Fee	\$ 1,823.00		\$ 21,876.00
Management Reimbursable Expenses	\$ 150.00		\$ 1,800.00
Web Site	\$ 55.00		\$ 660.00
Management Site	\$ 3,130.00		\$ 37,560.00
Security Contract	\$ 1,000.00		\$ 12,000.00
Master Community Association Dues	\$ 1,865.00		\$ 22,380.00
GET Taxes	\$ 10.00		\$ 120.00
Insurance			
Condominium Property & Liability Insurance	\$ 9,680.00		\$ 116,160.00
Fidelity Bond	\$ 100.00		\$ 1,200.00
Directors and Officers Liability Insurance	\$ 100.00		\$ 1,200.00
Reserves (*)			
	\$ 4,120.00		\$ 49,440.00
TOTAL	\$ 48,736.00		\$ 584,832.00

*** Developer to subsidize the difference between actual and budgeted grounds contract during the first calendar year commencing upon the recordation of the first Apartment Deed.

I, Richard Emery, as agent and employed by Hawaii First Inc., the condominium managing agent for the Nihilani at Princeville Resort condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Dated: April 11, 2005

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

A reserve study (per §514A-83.6, HRS and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules) has not yet been conducted. The maintenance fees and "Reserves" figure in this Exhibit "1A" are estimates only based upon information obtained by Nihilani Group, LLC, and are subject to change at any time.