

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Nihilani Group, LLC
Business Address c/o Brookfield Homes Hawaii, Inc., 55 Merchant St. Ste 3000, Honolulu, HI 96813

Project Name (*): NIHILANI AT PRINCEVILLE RESORT, PHASE II
Address: 4919 Pepelani Loop, Princeville, Hawaii 96722

Registration No. 5705 Effective date: July 26, 2010
Expiration date: August 26, 2011

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SECOND SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.
[x] Must be read together with Final Public Report dated March 30, 2006

(*) 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.

FCRM: RECO-30 286/966/189/1150/892 0197 1008 0800/0203-0104.0107

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. Title Update. The encumbrances against title disclosed in Exhibit "J" have been amended, based on a title report dated July 1, 2010, as noted on page 14:
 - (a) The blanket liens relating to the Developer's construction financing have been released and there are currently no blanket liens affecting title to the individual apartments. (See page 15.)
 - (b) Additional easements have been recorded in the Bureau of Conveyances for utility, retaining wall and drainage purposes.

See the attached Exhibit "J" for a complete listing of current encumbrances against title.
2. Status of Construction and Estimated Date of Completion. Section III.G on page 16 of this report reflects an update to the status of construction of Building 12 of the Project.
3. Change in Firm Name of Developer's Attorney. As disclosed in Section I on page 5 of this report, the firm name of the Developer's attorney has changed to Chun Yoshimoto LLP. All other contact information, including the business address and telephone number remain unchanged.
4. Pages 19 and 21 of the Final Public Report are updated and replaced with pages 19 and 21 attached hereto.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Nihilani Group LLC Phone: (808) 676-3300
Name* c/o Brookfield Homes Hawaii Inc. (Business)
Business Address 55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813
Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

See page 5a for the names of Nihilani Group, LLC's officers and the names of the officers of BH/JP HAWAII HOLDINGS LLC, the Manager/Member of Nihilani Group, LLC. As limited liability companies, there are no directors.

Real Estate Broker*: Brookfield Homes Hawaii Inc. Phone: (808) 676-3300
Name 55 Merchant Street, Suite 3000 (Business)
Business Address Honolulu, Hawaii 96813

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

General Contractor*: Brookfield Homes Hawaii Inc. Phone: (808) 676-3300
Name 55 Merchant Street, Suite 3000 (Business)
Business Address Honolulu, Hawaii 96813

Condominium Managing Agent*: Hawaii First, Inc. Phone: (808) 531-5566
Name 800 Bethel Street, Suite 501 (Business)
Business Address Honolulu, Hawaii 96813

Attorney for Developer: Chun Yoshimoto LLP Phone: (808) 528-4200
Name 1000 Bishop Street, Suite 1000 (Business)
Business Address Honolulu, Hawaii 96813
Attn: Janel Yoshimoto, Esq.

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

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 title report dated July 1, 2010 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.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. **Construction Warranties:**

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

1. Building and Other Improvements:

See Exhibit "K"

2. Appliances:

See Exhibit "K"

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction of all buildings in the Project has been completed except for Building 12 (containing apartment nos. 12A, 12B and 12C). The Developer anticipates that construction of Building 12 will commence in January, 2011 and will be completed by December, 2012.

H. **Project Phases:**

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

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

The Developer is developing the underlying Land described in Section III.B of this public report in two phases (the first phase being called "Phase I", and the second phase being called "Phase II"). Phase I consists of fifty-one (51) apartments and the swimming pool, recreation building and maintenance building.

The Developer has elected to expand the size of the Project pursuant to its rights under Section S of the Declaration by constructing Phase II which will consist of fifty-one (51) apartments and is covered by this report. Developer's election to expand the size of the Project will increase the total size of the Project to one hundred two (102) apartments.

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
July 14, 2010.

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- 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 of 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:  7/14/10
Duly Authorized Signatory* Date

David F. Murphy, Assistant Secretary

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 II

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; dated November 30, 2005, recorded as Document No. 2005-244600; and acknowledged March 17, 2006, recorded as Document No. 2006-051762.

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. Grant in favor of Hawaiian Telcom, Inc., a Hawaii corporation, and Time Warner Entertainment Company, L.P., dba Oceanic Time Warner Cable, a Delaware limited partnership, dated November 25, 2005, recorded as Document No. 2006-008067, granting an easement for utility purposes over Easement "U-2" described therein.
13. Grant in favor of Kauai Island Utility Cooperative, a cooperative association, Hawaiian Telcom, Inc., a Hawaii corporation, and Time Warner Entertainment Company, L.P., dba Oceanic Time Warner Cable, a Delaware limited partnership, dated October 20, 2005, recorded as Document No. 2006-061306, granting a perpetual right and easement for utility purposes over Easement "U-1" described therein.
14. Conveyance of Facilities and Grant of Utility Easement "W-1" in favor of Princeville Utilities Company, Inc., a Hawaii corporation, dated September 24, 2007, recorded as Document No. 2007-176489, granting a perpetual, non-exclusive easement on, over, under and across that certain easement area designated as Easement "W-1", as shown on the map attached as Exhibit "B" thereto.

15. Grant in favor of The Plantation at Princeville, dated May 5, 2008, recorded as Document 2008-090044, granting non-exclusive perpetual easements over Easement "W-1", for retaining wall purposes, and Easements "D-2" and "D-3" for drainage purposes, said easements being more particularly described therein and shown on the map attached thereto.
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.