

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer The Pinnacle Honolulu, LLC
Address 1188 Bishop Street, Suite 3500-A, Honolulu, Hawaii 96813

Project Name (*): The Pinnacle, Honolulu
Address: 1199 Bishop Street, Honolulu, Hawaii 96813

Registration No. 4112

Effective date: May 13, 2005
Expiration date: December 22, 2005

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.

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 SECOND SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[X] Supplementary Public Report dated: November 22, 2004

And [] Supersedes all prior public reports.
[X] Must be read together with Supplementary Public Report
[] 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:

Page 5 (Persons Connected with the Project)

Additional Real Estate Broker is: Mary Worrall Associates, Inc.
General Contractor is: U.S. Pacific Construction, Inc.

Exhibit "F"

Revised to refer to a Contingent Final Public Report if applied
for by Developer and issued by the Real Estate Commission.

Tab 7 (Sales Contract)

Time for Payment C of the Purchase Price has been modified.
Maximum construction loan mortgage amount borrowed
by Developer raised to \$35M.
Allows Developer the ability to apply for a Contingent Final
Public Report.

Tab 16 (Sales Broker Listing Agreement)

Brokers' Listing Agreement by and among The Pinnacle
Honolulu, LLC, Sleeping Giant Realty, Inc., and
Mary Worrall Associates, Inc.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: The Pinnacle Honolulu, LLC Phone: (808) 523-3477
 Name* 1188 Bishop Street, Suite 3500-A (Business)
 Business Address 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):

Michael F. Harrah (Manager)

Real Estate Broker*: Sleeping Giant Realty, Inc. Phone: (808) 245-8831
 Name 4480 Ahukini Road (Business)
 Business Address Lihue, Hawaii 96766

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

General Contractor*: U.S. Pacific Construction, Inc. Phone: (808) 524-6803
 Name 1001 Bishop Street, Pauahi 1250 (Business)
 Business Address Honolulu, Hawaii 96813

Condominium Managing Agent*: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
 Name 711 Kapiolani Boulevard, Suite 700 (Business)
 Business Address Honolulu, Hawaii 96813

Attorney for Developer: Law Offices of Wesley Y. S. Chang Phone: (808) 534-4803
 Name 841 Bishop Street, Suite 702 (Business)
 Business Address Honolulu, Hawaii 96813
 Attention: Brad Y. C. Wong, Esq.

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

Additional
Real Estate
Brokers:

Mary Worrall Associates, Inc.

Name

4211 Waialae Avenue, Suite 100

Business Address

Honolulu, HI 96816

Phone: **(808) 735-2411**
(Business)

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 _____

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. 4112 filed with the Real Estate Commission on January 27, 1999.

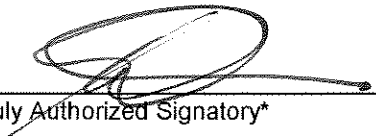
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- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, 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.

The Pinnacle Honolulu, LLC

 Printed Name of Developer

By:  April 26, 2005
 Duly Authorized Signatory* Date

Michael F. Harrah, Manager

 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

****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.***

SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

The Sales Contract provides for the sale of a condominium apartment (the "Residence") by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer. Some of the important provisions of the Sales Contract are described elsewhere in this Public Report and are not included in this summary.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. If the Sales Contract is signed before the Real Estate Commission has issued an effective date for a Contingent Final Public Report (or, if a Contingent Final Public Report is not issued, the Final Public Report) for the Project and before certain other things have happened (as described in the Sales Contract), the Sales Contract shall not be binding on the Buyer or the Seller, and either of them may cancel it at any time before it becomes binding. After the Sales Contract becomes binding, it may be cancelled by the Developer, among other reasons, if the Buyer is obtaining financing and fails to obtain a lender commitment within a certain time period specified in the Sales Contract, or if the Buyer is a cash buyer and fails to furnish satisfactory evidence of ability to pay within other time periods. In certain cases, the Buyer may be responsible for cancellation fees.

The Escrow Agreement provides for the closing or settlement of the sale. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are shared between the Developer and the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract after an effective date is issued for a Contingent Final Public Report (or, if a Contingent Final Public Report is not issued, the Final Public Report) for the Project and the Contingent Final Public Report (or, if a Contingent Final Public Report is not issued, the Final Public Report) is "accepted" by the Buyer, the Buyer may lose all of the deposits with Escrow and the Developer, at its option, may pursue other legal remedies. If the Developer defaults under the Sales Contract, the Buyer shall be entitled to specific performance of the Sales Contract, or shall have the right to cancel and terminate the Sales Contract. Under the Sales Contract, the Developer promises to complete construction of the Residence within two (2) years from the effective date of the Sales Contract, provided that the two (2) year period may be extended under certain circumstances specified in Section E.15 of the Sales Contract.

If the Buyer cancels and terminates the Sales Contract because of the Developer's default, the Developer shall repay to the Buyer all sums the Buyer has paid to the Developer or to Escrow under the Sales Contract, and the Buyer may sue the Developer for damages or

pursue other legal or equitable remedies. If the Buyer has signed an "owner-occupant" affidavit, the Sales Contract explains that the Buyer will be in default under the Sales Contract if the Buyer does not reaffirm at a specified time the Buyer's intention to be an owner-occupant of the Residence. If that happens, the Sales Contract permits the Developer to cancel the Sales Contract and to pursue all the remedies available to the Developer under the Sales Contract, including keeping all the money the Buyer has paid under the Sales Contract.

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, and Rules and Regulations. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract limits the Buyer's right to assign the Sales Contract and provides for a consent fee for any transfer. The Sales Contract provides for "pre-closing." "Pre-closing" means that Escrow may set a time for the Buyer to sign all of the documents Escrow asks the Buyer to sign, including the Apartment Deed and other closing documents, and the Buyer will pay the Buyer's share of the closing costs, as estimated by Escrow, even though the Buyer's Residence may not be ready for occupancy. Closing costs include Escrow's fee, conveyance tax, recording fees, real property taxes and other prorations (including hazard and liability insurance), notary fees, up to four (4) months' maintenance start-up fees, title report and title insurance fees, legal fees for preparing the Buyer's Apartment Deed, and fees charged by a lender if the Buyer is financing the purchase of his Residence with a loan. Escrow then handles the closing, the transfer of title in accordance with the Escrow Agreement. The Residence must be conveyed to the Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.

By signing the Sales Contract, the Buyer acknowledges that sales and construction activity at the Project by the Developer may continue after closing of the Buyer's purchase.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These protections include the right to file an "interpleader" and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

Escrow shall make no disbursements of the Buyer's funds or proceeds from the sale of the Residence (including any payments made on loan commitments from lending institutions), except by way of refunds thereof, until Escrow has received a letter from the Seller, the Sales Contract has become binding, and the requirements of Hawaii Revised Statutes Sections 514A-40 and 514A-63 have been met. No disbursements of the Buyer's funds shall be made from the balance of the escrow fund after payment of costs until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared, unless in Escrow's sole discretion sufficient funds are set aside for any bona fide dispute.

Subject to such deduction as may be provided in the Sales Contract and an escrow cancellation fee, if any, the Buyer shall be entitled to a return of any funds deposited by such Buyer, and Escrow shall pay such funds to such Buyer, without interest, as provided for in the Sales Contract, if one of the following has occurred:

(a) Escrow receives a written request from the Seller to return to the Buyer the funds of the Buyer then being held hereunder by Escrow; or

(b) The Seller notifies Escrow in writing 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.

Should a Sales Contract which has become binding on the Seller and the Buyer be cancelled, Escrow shall be entitled to a cancellation fee of up to an amount of \$250.00 commensurate with the amount of work performed. Notwithstanding anything in the Escrow Agreement or in the Sales Contract to the contrary, said compensation of Escrow shall be the sole expense of the individual Buyer and shall not in any way be the obligation of the Seller.

THIS SUMMARY IS NOT COMPLETE AND WILL NOT CONTROL IN THE EVENT OF ANY CONFLICT WITH A PROVISION IN THE SALES CONTRACT OR THE ESCROW AGREEMENT. PROSPECTIVE BUYERS ARE CAUTIONED AND ENCOURAGED TO READ CAREFULLY THE SALES CONTRACT AND ESCROW AGREEMENT.