

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer SS VENTURES LLC
Address c/o JCS Realty, Inc., 1001 Bishop Street, ASB Tower, Suite 2000, Honolulu, Hawaii 96813

ProjectName(*): 2026 Ninth Avenue
Address: 2026 Ninth Avenue, Honolulu, Hawaii 96816

Registration No. 5224 (Partial Conversion) Effective date: November 21, 2003
Expiration date: December 21, 2004

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.

X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[x] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports.
[] Must be read together with
[] 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 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "H"

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:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: SS Ventures LLC Phone: (808) 521-1200
Name (Business)
c/o JCS Realty, Inc.
1001 Bishop Street
ASB Tower, Suite 2000
Honolulu, Hawaii 96813
Business Address

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):

JCS Realty, Inc., Member
Michael Schwinn, Member

Real Estate Broker*: JCS Realty, Inc. Phone: (808) 521-1200
Name (Business)
c/o James Shipman
1001 Bishop Street
ASB Tower, Suite 2000
Honolulu, Hawaii 96813
Business Address

Escrow: Island Title Corporation Phone: (808) 531-0261
Name (Business)
1132 Bishop Street, Suite 400
Honolulu, Hawaii 96813
Business Address

General Contractor*: None Phone: N/A
Name (Business)

Business Address

Condominium Managing Agent*: Self Managed by the Association of Apartment Phone: _____
Owners (Business)
Name

Business Address

Attorney for Developer: Kenneth Wong, Esq. Phone: (808) 536-3870
Name (Business)
745 Fort Street, Suite 600
Honolulu, Hawaii 96813
Business Address

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

**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. _____
Book _____ Page _____
 Filed - Land Court: Document No. 3017442

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/ filing information]:

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. _____
 Filed - Land Court Condo Map No. 1580

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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. _____
Book _____ Page _____
 Filed - Land Court: Document No. 3017443

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/ filing information]:

N/A

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Document.** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>Majority of Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

See attached Exhibit "A"

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

For Sub-leaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense, or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

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: 2026 Ninth Avenue Tax Map Key (TMK): (1) 3-4-1-36
Honolulu, Hawaii 96816

Address TMK is expected to change because each apartment will be assigned a CPR number.

Land Area: 20,764 square feet acre(s) Zoning: R-5

Fee Owner: SS Ventures LLC
 Name c/o JCS Realty, Inc.
1001 Bishop Street, ASB Tower, Suite 2000
 Address
Honolulu, Hawaii 96813

Lessor: N/A
 Name
 Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: Four (4) Floors Per Building One building has 2 floors; three buildings have one floor.

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass. Shed is made of Plastic or wood.

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> MixRes/Comm	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
* <input checked="" type="checkbox"/> Other (Storage)	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

The Declaration permits residential uses and any other uses permitted by the Land Use Ordinances of the City and County of Honolulu.

*Other principal uses permitted by the zoning provisions of the Land Use Ordinances include, consulates, day-care facilities, group living facilities, duplexes, dwellings (detached one family and two-family), meeting facilities, public uses and structures, elementary, intermediate and high schools, telecommunications antennas and utility installations, Type A.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit) * Unit C **Unit D	<u>* 2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>**2</u>	<u>4</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Others:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open:	<u>2</u>	<u> </u>	<u>0</u>	<u> </u>	<u>2</u>	<u> </u>	<u>4</u>

* Unit C has 2 covered regular parking stalls.

** Unit D has 2 uncovered tandem parking stalls.

Units A and B are storage sheds and have no parking stalls allocated to them.

Each of Units C and D will have the exclusive use of at least 2 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/ Enclosure(s)

Other: _____

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

There are no violations.

Violations will not be cured.

Violations and cost to cure are listed below:

Violations will be cured by November 3, 2003 *
(Date)

* Unit D's laundry area was encroaching into the 5-foot side yard setback but the encroachment was removed by November 3, 2003.

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

The present condition of all structural components of Unit C and the mechanical and electrical installation material to the use and enjoyment of Unit C appear to be good. The present condition of all structural components of Unit D and the mechanical and electrical installation material to the use and enjoyment of Unit D are poor. No warranties are made as to the expected useful life of the structural, mechanical and electrical components.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>Yes</u>	_____	_____
Structures	<u>Yes*</u>	_____	_____
Lot	<u>Yes</u>	_____	_____

- * Pursuant to letter dated March 28, 2003 from the Department of Planning and Permitting of the City and County of Honolulu, Unit D's laundry area encroached into the 5-foot side yard setback. However, this encroachment was removed by November 3, 2003.

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit "C".

as follows:

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 D .

as follows:

Note: Reference in said Exhibit D to "Exclusive Use Area" does not mean legally subdivided Lots.

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 _____.

as follows:

Unit A -25%

Unit B -25%

Unit C -25%

Unit D -25%

- 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 E describes the encumbrances against the title contained in the preliminary title report dated October 24, 2003 and issued by Island Title Corporation.

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>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, less escrow cancellation fees. However, in the event the Buyer's deposit is disbursed by Escrow and the lien is foreclosed prior to conveyance to Buyer, Buyer may not be able to recover any deposits.

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:**

Developer is not providing any warranties to Purchasers of an Apartment.

2. **Appliances:**

Developer is not providing any warranties to Purchasers of an Apartment but will transfer to Purchasers any manufacturers' or dealers' warranties that can be transferred covering any furnishings, fixtures, appliances or consumer products in the Apartment.

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

Construction is completed.

Units A and B, the Storage Sheds, were completed in September, 2003.

Unit C was originally constructed in approximately 1955 and its renovation was completed by November 4, 2003.

Unit D was originally completed in approximately 1951.

H. Project Phase

The developer [X] 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):

See Exhibit A.

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners Other: _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "1" attached to Exhibit "H" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

None Electricity (____ Common Elements only _____ Common Elements & Apartments)
 Gas (____ Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 Other _____

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 F contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 26, 2003
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.
- Other 1. Existing Use Permit 2003/EU-6 dated March 7, 2003. 2. Letter modification to Existing Use Permit dated May 9, 2003.

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;
- C) 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 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) Existing Use Permit 2003/EU-6 dated March 7, 2003.
 - I) Letter modification to Existing Use Permit dated May 9, 2003.

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. 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. 5224 filed with the Real Estate Commission on November 7, 2003.

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

YELLOW paper stock

WHITE paper stock

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C. Additional Information Not Covered Above

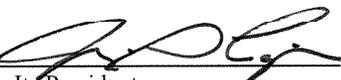
1. Developer discloses that no reserve study was done in accordance with §514A-83.6, H.R.S., and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
2. The specimen Sales Contract provides in part that Buyer understands the Apartments are being sold without any warranties. The existence of any defect in the Apartments or anything installed thereon shall not excuse the Purchaser's obligation to perform all of his obligations under his contract as long as the Apartment is livable.
3. Pursuant to Sections 16-99-3(g) and 16-99-11(d) Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that JCS Realty, Inc. is the broker for Developer, is a Member of the Developer and is a current and active Hawaii licensed real estate broker. Pursuant to Section 16-99-11(c) HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."
4. The Existing Use Permit and the modification of the Existing Use Permit attached hereto as Exhibits I and J, respectively, allow the storage sheds that are currently Units A and B to each be developed into a single-family dwelling unit (one single family dwelling unit each on Exclusive Use Area A and Exclusive Use Area B) pursuant to the conditions of the Existing Use Permit and applicable City and County of Honolulu Building Ordinance.

- 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.

SS VENTURES LLC

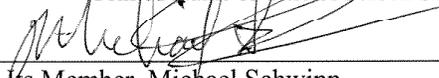
Printed Name of Developer

By Its Member JCS Realty, Inc.

By:  November 6, 2003
 Its President Date
 (Duly Authorized Signatory)

By: James C. Shipman
 (Print Name of Signatory)

President of JCS Realty, Inc. which is a Member of SS Ventures LLC.
 Printed Name & Title of Person Signing Above

 11/7/03
 By Its Member, Michael Schwinn Date

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.**

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 7.5 of the Declaration of Condominium Property Regime of 2026 Ninth Avenue ("Declaration") states:

"7.5 Declarant reserves the right to grant to any public or governmental authority rights-of-way and other easements, which are for the sole benefit of the Project or which do not materially interfere with the use nor materially impair the value of, any Unit, over, across, under and through the common elements and limited common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided the Association, through the Board, with the consent or agreement of any holder of any then existing easement affected thereby, is authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such public services and utilities easements now or hereafter located on or affecting the Project."

2. Paragraph 19.1(j) of the Declaration states:

"19.1(j) This Declaration is being imposed on the Land before completion of the contemplated future construction on Exclusive Use Area Unit A and Unit B of a residential dwelling and contemplated future renovation or rebuilding of Unit D, or anything else permitted under the Land Use Ordinance. Consequently, each Unit Owner shall cooperate with the Change Unit Owner with respect to the Change Unit Owner's construction, renovation or rebuilding of such residential dwelling or anything else permitted under the Land Use Ordinance, obtaining building, utility and other governmental permits, obtaining utility services into Exclusive Use Areas Unit A, Unit B and Unit D which may be necessary or desirable for the residential dwelling or anything else permitted under the Land Use Ordinance to be built by Change Unit Owner and amendments to the Declaration, Condominium Map and any other changes to the condominium documents, including but not limited to Unit A, Unit B and Unit D reasonably tying in to and using any sewer line that is currently on the Project to connect into the City and County Sewer System. Notwithstanding the foregoing, the other Unit Owner shall not be required to incur any cost or expense hereunder without being reimbursed by the Change Unit Owner except that any attorney's fees incurred by the other Unit Owner to review documents connected with the Change shall be at said Unit Owner's expense. All costs incurred in the building, renovation or rebuilding of the residential dwelling, or anything else permitted under the Land Use Ordinance shall be borne by the Change Unit Owner, who shall indemnify and hold the other Unit Owners harmless from any loss, liability, damage or expense incurred or suffered by the other Unit Owners on account of such building by the Change Unit Owner."

3. Paragraph 19.4 of the Declaration states:

“19.4 Reservations by Declarant.

(a) Notwithstanding anything to the contrary set forth in this Declaration, Declarant hereby reserves and shall have the right, without the joinder of any Unit Owner, the Association, the Board, any lien holder or any other person at any time, to tear down Units A, B and D and replace it with residential dwelling or anything else permitted under the Land Use Ordinance and the Existing Use Permit, to locate it at a different location from that currently shown on the Condominium Map, to build and further develop Exclusive Use Areas of Unit A, Unit B and Unit D for a residential dwelling or anything else permitted under the Land Use Ordinance then in effect and to reasonably tie into any sewer line that is used on the Project to connect into the City Sewer System. Declarant further reserves the right to subject this Project to any Declaration of Restrictive Covenants or any other conditions required by the City and County of Honolulu or any governmental or quasi governmental agency to further develop Exclusive Use Areas of Unit A, Unit B and Unit D.

(b) In connection therewith, the Declarant, without the consent or joinder of any Owner, the Association, the Board, any lien holder, or any other person, may execute and deliver on behalf of all of the Unit Owners and their respective mortgagees, if necessary, all applications, petitions, amendments to this Declaration, deeds and other instruments which the Declarant deems necessary or desirable, including without limitation, documents to be filed or recorded with the Department of Planning and Permitting of the City and County of Honolulu, the Recording Office, other governmental or quasi governmental agencies or private parties. The Declarant shall have the right also without the consent or joinder of any other person to take such actions in connection therewith if the Declarant deems such necessary or desirable. The form and content of such instruments or the taking of such actions shall be in the sole and absolute discretion of the Declarant, and his delivery of such instrument or the taking of such action shall be sufficient determination.

(c) In connection therewith, the Declarant shall have the right, without being required to obtain the consent or joinder of any Owner, any lien holder, the Association, the Board or any other person who may have any interest in the Property or the Project (i) to amend this Declaration and the Condominium Map to describe and depict the Land and Project as modified by effectuating any of the rights reserved by Declarant, to create additional common and limited common elements and easements as appurtenances to the apartments in the Project, to determine, describe and change the common interest and percentage of expenses effective upon such addition, deletion or modification and to set forth such other matters necessary or desirable to effect any such alteration in the Project; (ii) to amend any prior instrument of conveyance of an apartment and undivided interest so as to conform the same to the Declaration, as so amended; and (iii) to cause a conveyance by deed or other instrument from the Owners to the Declarant, or to whom the Declarant may designate, which instrument shall convey rights of access for utility purposes through the Land or portions thereof which Declarant deems reasonable or necessary.

(d) The Declarant shall have the right to assign, mortgage or otherwise transfer or encumber its rights granted under this Paragraph 19.4 and any assignee or transferee shall have the rights of the Declarant. Any income or other financial benefit from the rights under this Paragraph 19.4 shall accrue solely to the benefit of the Declarant or its assignee or transferee.

(e) To the extent that joinder of any Owner, the Association or lien holder or other person who may have any interest in the Property or the Project may be required in order to validate any amendment of this Declaration or the Condominium Map or any such instrument of conveyance for the limited purposes set forth in Paragraph 19.4, such Owner, lien holder, the Association, the Board or other person shall execute such joinder or instrument of conveyance, and if such person fails to do so, such person shall be liable for any loss or damage incurred or suffered by the Declarant on account thereof, and the execution of the joinder or instrument of conveyance may be accomplished by power-of-attorney in favor of the Declarant from each of the Owners, lien holders, the Association or such other parties. The acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project or Property subject to this Declaration shall be deemed a grant of such power of attorney, and the grant being coupled with an interest, shall be irrevocable.

(f) By accepting or acquiring any right, title or interest in the Project or the Property subject to this Declaration, each Owner, lien holder, the Association, the Board or other person having any interest in the Project or Property agrees that he shall, if required by law or by the Declarant, join in, consent to, or execute all instruments or documents necessary or desirable to effect any of the rights reserved to Declarant in this Declaration, any amendments of the Declaration and Condominium Map as provided for in Paragraphs 19.4 and 20.4 and to effect any conveyance to the Declarant or its assignee or transferee.

(g) The reservations in this Paragraph 19.4 and Paragraph 7.5 shall inure to and for the benefit of Developer/Declarant, and its successors, assigns, transferees and designees. This Paragraph 19.4 and Paragraph 7.5 shall not be amended without the consent of Declarant which consent may be withheld for any reason.”

4. Paragraph 20 of the Declaration states:

“20.1 Except as otherwise provided in this Declaration or by law, this Declaration may be amended by vote of seventy-five percent (75%) of the Unit Owners, effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such Owners or by the proper officers of the Association. In addition, except as provided in this Declaration or by law, the approval of eligible holders of first mortgages on Units to which are appurtenant at least 51% of the common interest of the project shall be required for any material amendment to the Declaration or any amendment of a provision for the express benefit of holders or insurers of first mortgages on Units. An eligible holder is a holder of a first mortgage on a Unit which has made a written request to the Association that it receive notices of proposed changes to the Declaration. A material amendment to the Declaration is one

which establishes, provides for, governs or regulates any-of the following: (1) voting; (2) assessments, assessment liens, or subordination of such liens; (3) reserves for maintenance, repair and replacement of the common elements; (4) insurance or fidelity bonds; (5) rights to use of the common elements; (6) responsibility for maintenance and repair of the project; (7) expansion or contraction of the project for the addition, annexational or withdrawal of property to or from the project; (8) boundaries of any Unit; (9) the interest in the common elements; (10) convertibility of Units into common elements or of common elements into Units; (11) leasing of Units; (12) imposition of any right of first refusal or similar restriction on the right of a Dwelling Owner to sell, transfer or otherwise convey his or her interest in the Unit; or (13) establishment of self management by the Association after professional management has previously been required by any of the mortgage holders.

20.2 Notwithstanding any provision to the contrary in this Declaration, (1) at any time prior to the first filing in the Recording Office of a conveyance of a Unit, the Declarant may amend this Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Unit purchaser; and (2) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Unit as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the apartments as built or any change in any apartment number.

20.3 Notwithstanding any provision to the contrary in this Declaration, the Owner of any Unit shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the Changes made to the Unit and changes to the boundaries of Exclusive Use Areas in accordance with Paragraphs 19.1 and 19.3 provided all the applicable requirements of Paragraph 19 have been satisfied. Promptly upon completion of such Changes or changes to said boundaries, the Owner of the changed Unit or boundary, as the case may be, shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable.

20.4 Notwithstanding any provision to the contrary in the Declaration including but not limited to paragraphs 20.1 and 20.2, this Declaration and the Condominium Map may be

amended solely by the Declarant or its assignee or transferee, without the need to obtain consent or joinder of any other Unit Owner, the Association, the Board, any lien holder or person, in order to implement additions, deletions, modifications and reservations that are set forth in Paragraphs 7.5, 19.4 or in other paragraphs of this Declaration. Promptly upon completion of such changes, the Declarant or its assignee shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Owners and all future Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given the Declarant or its assignee a Power of Attorney to execute amendments to the Declaration and the Condominium Map solely for the purpose of describing the changes in the Declaration and in the Condominium Map reflecting the additions, deletions, modifications and reservations reserved to Declarant as set forth in Paragraphs 7.5, 19.4 or in other paragraphs of this Declaration so that the Declarant or its assignee or transferee shall hereafter have a Power of Attorney from all the other Owners to execute such amendments to the Declaration and the Condominium Map. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable."

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

1. Paragraph 19.1 of the Declaration states:

“19.1. Changes to Units. Notwithstanding anything to the contrary contained in this Declaration, each Unit Owner shall have the right at his sole option at any time and from time to time without the consent of anyone other than the holders of all mortgage liens affecting his unit, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make additional improvements upon the Exclusive Use Area appurtenant to the Unit (the foregoing are referred to collectively as "Changes" and singly, as a "Change") subject to the following conditions:

(a) Building plans for any Change shall be prepared by a licensed architect or professional engineer and all construction shall be undertaken in accordance with such plans and shall comply with all governmental laws, ordinances, rules and regulations.

(b) If required by County Building Laws, then the Owner making the change shall first obtain any requisite building permit.

(c) Any Change to a Unit cannot extend beyond the Exclusive Use Area which is appurtenant to the Unit.

(d) No Change to a Unit will be made if the effect of such Change would be to exceed the Unit's "proportionate share of the total allowable lot area coverage" or the number of dwelling units permitted on the Land, as permitted under the zoning and building codes applicable to the Land in effect when the Change is to be made (collectively, the "Land Use Ordinance"). A Unit's "proportionate share of the total allowable lot area coverage" shall be calculated by multiplying the Unit's Exclusive Use Area by .40. For example, Unit D's Exclusive Use Area is 5,468 square feet, therefore Unit D's proportionate share of the total allowable lot area coverage is 2,187 square feet (5,468 square feet x .40) and therefore Unit D shall be allowed a lot area coverage of no more than 2,187 square feet.

(e) Any such Change shall be at the expense of the Unit Owner making the Change (herein referred to as "Change Unit Owner") and shall be expeditiously made and in a manner that will not unreasonably interfere with the other Unit Owners' use or enjoyment of his Unit, the common elements or the Unit's appurtenant limited common elements.

(f) During the entire course of such construction, the Change Unit Owner will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. At the request of the Association, the Association shall be named as an additional insured and, evidence of such insurance shall be deposited with the Association.

(g) The Change Unit Owner shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the

Unit affected by such Change for electricity, sewer, gas and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any substantial interruption in the service of such utilities to any other Unit Owner.

(h) If the consent or joinder of another Unit Owner to any Change, including obtaining building permits is required by the Act, then each Unit Owner hereby consents in advance to give such consent or join any such application for such Change, provided that all such expenses relating to the change shall be borne by the Owner making the Change.

(i) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of an Exclusive Use Area shall reserve to all Owners the rights set forth in this paragraph.

(j) This Declaration is being imposed on the Land before completion of the contemplated future construction on Exclusive Use Area Unit A and Unit B of a residential dwelling and contemplated future renovation or rebuilding of Unit D, or anything else permitted under the Land Use Ordinance. Consequently, each Unit Owner shall cooperate with the Change Unit Owner with respect to the Change Unit Owner's construction, renovation or rebuilding of such residential dwelling or anything else permitted under the Land Use Ordinance, obtaining building, utility and other governmental permits, obtaining utility services into Exclusive Use Areas Unit A, Unit B and Unit D which may be necessary or desirable for the residential dwelling or anything else permitted under the Land Use Ordinance to be built by Change Unit Owner and amendments to the Declaration, Condominium Map and any other changes to the condominium documents, including but not limited to Unit A, Unit B and Unit D reasonably tying in to and using any sewer line that is currently on the Project to connect into the City and County Sewer System. Notwithstanding the foregoing, the other Unit Owner shall not be required to incur any cost or expense hereunder without being reimbursed by the Change Unit Owner except that any attorney's fees incurred by the other Unit Owner to review documents connected with the Change shall be at said Unit Owner's expense. All costs incurred in the building, renovation or rebuilding of the residential dwelling, or anything else permitted under the Land Use Ordinance shall be borne by the Change Unit Owner, who shall indemnify and hold the other Unit Owners harmless from any loss, liability, damage or expense incurred or suffered by the other Unit Owners on account of such building by the Change Unit Owner.

(k) Any change to a Unit shall comply with the Existing Use Permit 2003/EU-6 dated March 7, 2003 issued by the Department of Planning and Permitting of the City and County of Honolulu ("DPP") attached hereto and incorporated herein as Exhibit "C" as modified by that letter dated May 9, 2003 issued by the DPP attached hereto and incorporated herein as Exhibit "D" and as may be further modified in the future (collectively "Existing Use Permit)."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 4 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. Any sewer line used in common by Units A, B, C and D;
3. The "Paved Driveway Common Element," as shown and delineated on the Condominium Map;
4. The Existing "6" Tile Wall," as shown and delineated on the Condominium Map;
5. All other portions of the Land and improvements not specifically heretofore designated as Dwellings, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

“5.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

- (a) The site on which Unit A is located, consisting of the land beneath and immediately adjacent to Unit A, delineated on the Condominium Map as “Exclusive Use Area Unit A” (including the airspace above such site) is for the exclusive benefit of Unit A.
- (b) The site on which Unit B is located, consisting of the land beneath and immediately adjacent to Unit B, delineated on the Condominium Map as “Exclusive Use Area Unit B” (including the airspace above such site) is for the exclusive benefit of Unit B.
- (c) The site on which Unit C is located, consisting of the land beneath and immediately adjacent to Unit C, including the site on which the carport is located, delineated on the Condominium Map as “Exclusive Use Area Unit C” (including the airspace above such site) is for the exclusive use and benefit of Unit C.
- (d) The site on which Unit D is located, consisting of the land beneath and immediately adjacent to Unit D, including the site on which the open parking is located, delineated on the Condominium Map as “Exclusive Use Area Unit D” (including the airspace above such site) is for the exclusive use and benefit of Unit D.
- (e) Each of Units A, B, C and D has a water line and a water valve delineated on the Condominium Map as a limited common element for the exclusive use and benefit of Units A, B, C and D, respectively, with the water meters belonging to the Board of Water Supply of the City and County of Honolulu.
- (f) The sewer line delineated on the Condominium Map as “Limited Common Element For Units A, B & C” is a limited common element for the exclusive use and benefit of Units A, B and C.
- (g) Each of Units C and D has a sewer lateral delineated on the Condominium Map as a limited common element for the exclusive use and benefit of Units C and D, respectively.
- (h) The landscape Boundary Divider or Fence Between Units A and B, as shown and delineated on the Condominium Map, is for the exclusive use and benefit of Units A and B.

(i) The landscape Boundary Divider or Fence Between Units B and C, as shown and delineated on the Condominium Map, is for the exclusive use and benefit of Units B and C.

(j) The landscape Boundary Divider or Fence Between Units C and D, as shown and delineated on the Condominium Map, is for the exclusive use and benefit of Units C and D.

(k) Each of Units A, B, C and D shall have a mailbox appurtenant to it and reserved for its exclusive use and benefit as generally located on the Condominium Map.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. The rights of the State of Hawaii to the water rights and water ways, which said rights are expressly excluded from this title.
3. Any variations in and along the boundaries of the land herein described running along Palolo Stream, as may be caused by natural deviation of said stream.
4. AS TO LOT 88-A-2:

A. DESIGNATION OF EASEMENT as set forth by:

Land Court Order No.: 21844, Map 307
Filed: October 22, 1963
Purpose: Storm Drain

B. EASEMENT

Dated: April 3, 1963
Filed: Document No. 318152
Purpose: A perpetual right and easement for utility purposes
In favor of: City and County of Honolulu

5. AS TO LOT 361-A:

A. DESIGNATION OF EASEMENT as set forth by:

Land Court Order No.: 8638, Map 137
Filed: October 27, 1948
Purpose: Sanitary sewer

B. EASEMENT

Dated: November 22, 1948
Filed: Document No. 106869
Purpose: A perpetual right and easement for utility purposes
In favor of: City and County of Honolulu

6. AS TO LOT 362-A:

A. DESIGNATION OF EASEMENT as set forth by:

Land Court Order No.: 8580, Map 165
Filed: October 7, 1948
Purpose: Sanitary sewer

B. EASEMENT

Dated: October 23, 1948
Filed: Document No. 105789
Purpose: A perpetual right and easement for utility purposes
In favor of: City and County of Honolulu

C. EASEMENT

Dated: December 14, 1951
Filed: Document No. 134737
Purpose: Utility
In favor of: The Hawaiian Electric Company, Limited, a Hawaii corporation, and Mutual Telephone Company, also a Hawaii corporation

7. AS TO LOTS 361-A AND 362-A:

DESIGNATION EASEMENT "21" as set forth by:

Land Court Order No.: 37976, Map 349
Filed: July 27, 1973
Purpose: Drainage

8. Existing improvement(s) as disclosed by the surveyor's map and/or report dated September 29, 2000, prepared by George A. Sumida, Licensed Professional Land Surveyor, Certificate No. 4330, are as follows:

- a. The chain link fence along Lot 363-A crosses the boundary line and falls into the subject property from 0.7 feet to 0.8 feet for approximately 33 feet.

9. MORTGAGE (Loan No. —)

Dated: April 25, 2003
Filed: Document No. 2925642
Amount: \$420,000.00
Mortgagor: SS Ventures LLC, a Hawaii limited liability company
Mortgagee: City Bank, a Hawaii corporation

10. MORTGAGE (Loan No. —)

Dated: April 23, 2003
Filed: Document No. 2925643
Amount: \$225,000.00
Mortgagor: SS Ventures LLC, a Hawaii limited liability company
Mortgagee: Michael Frederick Schwinn, husband of Vien Nontong Schwinn

11. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of 2026 Ninth Avenue, dated October 6, 2003, filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3017442 (Project covered by Condominium Map No. 1580), but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.
12. Terms and provisions contained in By-Laws of the Association of Apartment Owners of 2026 Ninth Avenue, dated October 6, 2003, filed with said Office as Document No. 3017443.
13. Condominium Map No. 1580, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

EXHIBIT F

SUMMARY OF PERTINENT
PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Deposit Receipt and Sales Contract ("Sales Contract") with the Hawaii Real Estate Commission, which contains certain pertinent provisions summarized as follows:

I.4.a & I.5.c. CONDOMINIUM DOCUMENTS. By closing the purchase of the Apartment, Buyer acknowledges that it has examined and approved the form of the Apartment Deed, Declaration of Condominium Property Regime of 2026 Ninth Avenue ("Declaration"), By-Laws, Escrow Agreement, Final Public Report, Rules and Regulations, Condominium Map, and any amendments to such documents or plan. The Condominium Map is intended to show only the layout, location, apartment numbers and dimensions of the apartments and is not intended to be and is not a representation, warranty or promise to Buyer.

I.4.b. MODIFICATION OF DOCUMENTS. Developer can make certain modifications to the Declaration, By-Laws, Condominium Map and Apartment Deed provided no modification shall (1) increase Buyer's share of the common expenses, (2) increase the cost of the property covered thereby, (3) require a substantial physical change of the building in which the Apartment is situated, (4) reduce the obligations of Seller for common expense on unsold apartments; or (5) substantially impair or modify any of the obligations given or undertaken by Seller.

I.5.a. NO WARRANTIES. Seller is making no warranties, express or implied (including warranties of merchantability, habitability, workmanlike construction or fitness for a particular purpose), regarding the Apartments, common elements, or Project, fixtures, appliances, furnishings, consumer items in the Apartments or anything connected with the Project.

Developer will transfer to Buyer any manufacturer's or dealer's warranties that can be transferred covering any furnishings, fixtures, appliances or consumer products in the Apartment.

Developer is not acting as a warrantor or co-warrantor but is only attempting to pass on the benefits of manufacturer's or dealer's warranties.

I.5.b. ACCEPTANCE OF APARTMENT. Developer or contractor may ask Buyer to inspect the Apartment before Closing. Buyer agrees to accept possession of the Apartment even if Buyer has not inspected the Apartment prior to Closing.

I.5.e. SELLER'S STATEMENT. Seller's disclosures in the Contract and the Project Documents about the Apartment and the Project are based on observations of visible, accessible areas and information within the knowledge and control of Seller. Buyer should hire his own experts to inspect the Apartment and Project.

I.5.f.(6). LIQUIDATED DAMAGES. In the event Buyer alleges that Seller violated any federal or state disclosure laws or regulations (including the Hawaii Condominium Act and federal and state securities law), Buyer's only remedy will be to sue for a refund of the purchase price and closing costs actually paid plus interest at 6% per annum from the date of closing until the date of repayment. If Buyer is successful, this remedy will constitute liquidated damages and Buyer cannot claim damage for changes to the Apartment, maintenance fees, real property taxes, mortgage fees and interest on the mortgage or any other damages.

I.3; I.6.;I.9. SELLER'S RIGHT TO CANCEL In addition to any other rights of cancellation reserved to Seller, if (a) Buyer's deposit check is returned for insufficient funds, (b) Buyer intends to obtain financing and fails to meet the deadlines regarding applying for financing or to obtain an irrevocable written commitment for an adequate loan within 20 days of the acceptance of the Sales Contract by Seller, (c) Buyer intends to pay all cash and fails to provide proof of ability to pay within 5 days after Seller accepts the Sales Contract, or (d) Buyer should die prior to Closing, or (e) Buyer shall default or fail to perform other obligations under the Contract and is not cured within 5 days of Seller's notice to Buyer, Seller reserves the right to cancel the Sales Contract and return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of the Sales Contract.

I.6.d. BUYER'S RIGHT TO CANCEL Buyer has the right to cancel a binding Sales Contract at any time prior to the earlier of (1) the conveyance of an apartment to Buyer or (2) midnight of the thirtieth (30th) day following the receipt of the Final Public Report unless Buyer waives his right to cancel in writing prior to such time. Buyer also has the right to rescind the Sales Contract pursuant to HRS §514A-63.

I.7.d. CLOSING COSTS. Buyer shall pay all closing costs. Real property taxes, assessments paid and insurance shall be prorated as of the Closing.

I.8. SUBORDINATION. Buyer acknowledges that Seller may obtain a loan and grant a mortgage covering Seller's interest in the Project land and the Project, including the Sales Contract. Buyer acknowledges and agrees that all security interests obtained by a lender in connection with such loan as well as any extensions, renewals and modifications thereof, shall be and remain at all times a lien or charge on the Project, including the Apartment covered by the Sales Contract, prior to and superior to any and all liens or charges on the Project arising from the Sales Contract. Buyer hereby expressly waives, relinquishes and subordinates the priority or superiority of any lien under the Sales Contract in favor of the lien or charge on the Project of the security interests of lender.

I.9. & I.5.b. DEFAULT. Time is of the essence of the Sales Contract, and if the Sales Contract is binding and Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer and shall fail to cure such default within five (5) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate the Sales Contract by written notice to Buyer. In the event of such default, the parties hereto understand and agree that the sums paid by Buyer prior to such default shall belong to Seller as liquidated damages. In addition, Buyer shall pay all fees for documents that have been prepared in connection with Buyer's proposed purchase of the Apartment. Seller may also pursue any other remedy at law or in equity for specific performance or damages, and all costs, including attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

THIS EXHIBIT CONTAINS ONLY SUMMARIES OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE DEPOSIT RECEIPT AND SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE AFORESAID DOCUMENT.

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Island Title Corporation.

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:
 - (a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

 - (b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

 - (c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

 - (d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

 - (e) Any circumstances, the occurrence or nonoccurrence which by law entitles Buyer to a refund.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee equal to \$50.00 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 7 of the Escrow Agreement until Buyer's apartment deed is recorded in the Bureau of Conveyances of the State of Hawaii.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: 2026 NINTH Avenue
2026 Ninth Avenue
Honolulu, Hawaii 96816

(b) DEVELOPER: SS Ventures LLC
c/o JCS Realty, Inc.
1001 Bishop Street, ASB Tower, Suite 2000
Honolulu, Hawaii 96813
Telephone: (808) 521-1200

(c) MANAGING AGENT: Self Managed by Association
of Apartment Owners

(d) REAL ESTATE BROKER: JCS Realty, Inc.
c/o JCS Realty, Inc.
1001 Bishop Street, ASB Tower, Suite 2000
Honolulu, Hawaii 96813
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS:

The Developer is not making any warranties relating to the materials and workmanship of the Units.
4. USE OF UNITS. Units A, B, C and D shall be occupied and used only for residential purposes by the respective owners, their tenants, families, domestic servants and social guests, and for any other purpose permitted by the Land Use Ordinance of the City and County of Honolulu. Units A and B are currently used for storage but may be used for any purpose permitted by the Land Use Ordinances of the City and County of Honolulu.
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by Roy K. Yamamoto, Registered Professional Architect, the Developer states:
 - a. The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of Unit C appears to be good.
 - b. The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of Unit D appears to be poor.
 - c. The Developer makes no representations with respect to the expected useful life of each item set forth in paragraphs (a) and (b); and
Developer states that there are no outstanding notices of uncured violations of building code or other municipal regulations.

The Developer certifies that the maintenance fees and disbursements as estimated by the Developer is based on generally accepted accounting principles.

Dated: November 8, 2003

SS VENTURES LLC

By Its Member JCS Realty, Inc.

By 
Its President

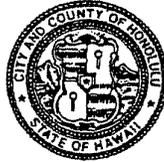

By Its Member, Michael Schwinn

“Developer”

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
 Telephone: (808) 523-4414 • Fax: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
 MAYOR



ERIC G. CRISPIN, AIA
 DIRECTOR

BARBARA KIM STANTON
 DEPUTY DIRECTOR

2003/EU-6(GU)

MINOR PERMIT	EXISTING USE (EU)
File Number	2003/EU-6
Project	9 th Avenue Existing Use Project
Location	2026 9 th Avenue - Palolo
Tax Map Key	3-4-1: 036
Zoning	R-5 Residential District
Applicant	James Shipman
Date Received	January 16, 2003
Date Accepted	January 23, 2003

APPROVAL is granted to retain and repair two (2) existing single-family dwelling units and relocate one carport, and demolish and reconstruct one two-family detached dwelling (two dwelling units), in accordance with the application documents (plans date-stamped January 16, 2003), subject to the following conditions:

1. All work shall be in accordance with approved application documents, the conditions enumerated below and the Land Use Ordinance (LUO) unless otherwise stated by this permit.
2. The EU permit is only for the continued use, repair, alteration, expansion, relocation, or reconstruction of the existing two single-family dwellings (Units 2026C and 2026D) one two-family detached dwelling (Units 2026A & 2026B).

This Existing Use approval does not certify that the existing structures and improvements comply with the current zoning code or other regulations.

3. The addition, alteration or reconstruction of any dwelling unit shall comply with Fire Department requirements for access, water and/or Fire Department connections, and shall be submitted to the Fire Department for review and approval prior to issuance of building permits. Specifically, units 2026C and 2026D shall provide an automatic fire sprinkler system in accordance with NFPA 13D, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings.

In addition, all work shall maintain a 13'-6" vertical clearance throughout the existing roadway for fire apparatus access; and all construction plans shall be submitted to the HFD and the Department of Planning and Permitting for review and approval.

EXHIBIT "I"

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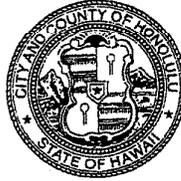
The addition, alteration or reconstruction of any dwelling unit shall comply with Fire Department requirements for access, water and/or Fire Department connections, and shall be submitted to the Fire Department for review and approval prior to issuance of building permits.

4. In accordance with Section 2.100(a) of the LUO, in the event of destruction, uses may be continued and structures may be rebuilt under the approved existing use plan, provided that such restoration is permitted by the Building Code and Flood Hazard Regulations and is started within two years.
5. Only **minor modifications** to the EU plans shall be allowed. Any major modification which may have an adverse impact on surrounding land uses, increases the number of dwelling units, and/or involves the reconstruction and/or expansion of a dwelling(s) which is part of a larger development, shall require the processing of a Cluster Housing Permit.
6. The applicant or owner(s) shall incorporate this Existing Use Permit into the restrictive covenants which run with the land, to serve as notice to all owners and tenants. The draft covenant shall be submitted for review and approval by the DPP. Upon approval of the covenant, a certified recorded copy shall be filed with the DPP, prior to the change in any ownership or the issuance of any permits.
7. If the project will be condominiumized, the applicant or owner(s) shall submit a draft copy of the Condominium Property Regime (CPR) map and documents to the DPP for our review. Future work subsequent to the creation of a CPR may require approval from the homeowners association prior to the start of work. If the EU Permit is incorporated into the CPR documents, a separate declaration of restrictive covenants is not required.
8. All work shall comply with the applicable Land Use Ordinance (LUO) standard for the underlying zoning district, unless otherwise stated herein:
 - (1) A minimum 8-foot setback, for structures, fences, walls and parking, shall be required from the common access drive;
 - (2) A minimum 12-foot width for the common access way shall be maintained;
 - (3) Within the project, the minimum distances between buildings shall be as follows:
 - (i) 10 feet between two one-story dwellings
 - (ii) 15 feet between a one-story and a two-story dwelling or portion thereof
 - (iii) 20 feet between two-story dwellings

If the property is condominiumized, then, buildings shall comply with required yards and height setbacks of the underlying zoning district as measured from limited common element (CPR) lines;
 - (4) Maximum building area shall not exceed 40 percent of the original lot area of 20,764 square feet. If the property is condominiumized, then, within each limited common element, the maximum building area shall not exceed 40 percent of the area for each limited common element.
9. All new work shall be compatible in design with the existing and surrounding structures. The Director may require the redesign of exterior entrances, stairways, bar areas, including plumbing and electrical systems, to ensure that the number of dwellings is not increased.

CITY AND COUNTY OF HONOLULU

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JEREMY HARRIS
MAYOR

ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

2003/ELOG-1591(GU)
2003/EU-6

May 9, 2003

Mr. Roy Yamamoto
Roy K. Yamamoto, Architect, AIA, Inc.
1580 Makaloa Street, Suite 788
Honolulu, Hawaii 96814

Dear Mr. Yamamoto:

Request to Modify 2003/EU-6
9th Avenue Existing Use Permit,
2026 - 9th Avenue, Palolo; Tax Map Key: 3-4-1: 36

This responds to your request dated April 28, 2003, for a modification to the above Existing Use permit. 2003/EU-6 granted approval to retain and repair two (2) existing single-family dwelling units and relocate one carport, and demolish and reconstruct one two-family detached dwelling (two dwelling units), subject to certain conditions. Your modification request is to allow the two-family detached dwelling to be reconstructed as two (2) single-family dwelling units.

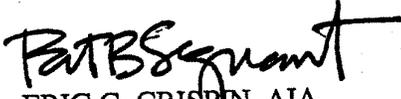
Upon review of your revised plans and calculations (date-stamped May 1, 2003), the Department of Planning and Permitting (DPP) concurs that two smaller scale structures would be more compatible to the surrounding neighborhood than one large duplex. Further, your proposed plan appears to comply with the requirements of Condition 8. (1)-(2), regarding minimum required setbacks, access width and distances between structures, and maximum building area.

Therefore, the DPP hereby **APPROVES** the requested modification to replace the two-family detached dwelling with two single-family dwelling units. Please be advised that all conditions of 2003/EU-6 remain in effect.

Mr. Roy Yamamoto
Page 2
May 9, 2003

We hope this provides the information you require. Should you have any questions, please contact Geri Ung of our Urban Design Branch at 527-6044.

Sincerely yours,


For ERIC G. CRISPIN, AIA
Director of Planning and Permitting

EGC:nt

✓ cc: Jim Shipman

POSSE Doc. 219212