

CONFIRMATION AGREEMENT
AND AMENDMENT TO SALES AGREEMENT

This CONFIRMATION AGREEMENT AND AMENDMENT TO SALES AGREEMENT (this "Confirmation Agreement") is made as of _____, 200____, by and between the undersigned Buyer(s) (hereinafter referred to as "Buyer") and Smith/Foti Development Limited Partnership (hereinafter referred to as "Seller").

R E C I T A L S :

A. Buyer and Seller have entered into that certain Deposit Receipt, Reservation and Sales Agreement dated _____, as may have been amended by one or more written instruments by and between Seller and Buyer (the "Sales Agreement"), covering the purchase of Apartment No. _____ (the "Property") of the Ewa Oceanside condominium project (the "Project").

B. Buyer and Seller desire to confirm and agree that the Sales Agreement has become a binding contract in accordance with Section 6 thereof.

C. Buyer and Seller further desire to acknowledge the revisions and amendments to the Sales Agreement set forth herein, including, but not limited to, the fact that that fee title to the land underlying the Project has been conveyed to Ewa Oceanside, LLC, a Hawaii limited liability company ("EOL"), and that, as a result, EOL shall replace Mike Muller, Inc. as the "Fee Owner" under the Sales Agreement.

A G R E E M E N T

In consideration of the Recitals and the covenants set forth herein, Buyer and Seller hereby agree as follows:

1. Buyer acknowledges that Buyer has received a copy of the Project's Final Condominium Public Report (the "Final Report"), for which an effective date has been issued by the Real Estate Commission of the State of Hawaii and that Buyer has had an opportunity to read the Final Report.

2. The portions of Section 3.1 of the Sales Agreement relating to PAYMENT B and PAYMENT C are amended to read as follows:

"PAYMENT B, being \$ See Page #1, within four (4) business days after the effective date of this Agreement.

PAYMENT C, on or before five (5) business days prior to the Closing Date as set forth in Section 8.2 below (in cash from Buyer's funds and/or loan proceeds)."

3. The third sentence of Section 5.7 of the Sales Agreement is revised to read as follows:

"Buyer is also aware that such estimates do not include Buyer's obligation for payment of real property taxes or for payment of liability insurance covering the Apartment."

4. Section 7.5.1 of the Sales Agreement is revised in its entirety to read as follows:

"7.5.1 All or portions of the Project are located within a flood plain and a tsunami inundation zone and there are risks inherent in such a location. Buyer acknowledges that areas within such flood zones have a higher risk of flooding, with a corresponding increased risk of injury to persons and damage to property caused by flooding, than properties not located in such flood zones. Buyer acknowledges that during times of flooding, occupants of the Apartment may be subject to various inconveniences resulting from such flooding. Any reconstruction of the Apartment must comply with applicable flood requirements and should consider the possibility of tsunamis. Buyer is obligated to have flood insurance covering the Apartment, which, at least initially, Buyer must pay for through the Association. The cost of such insurance is related to the replacement cost of the Apartment, meaning that the higher the replacement cost, the higher the insurance premium. Buyer must consider and evaluate the possible negative effects of the Apartment being located in a flood plain and a tsunami inundation zone, and the costs of flood insurance. Seller disclaims and makes no promises regarding flood insurance coverage. Without limiting any other provision of this Agreement, Buyer assumes all risks associated with flooding."

5. Section 7.7 of the Sales Agreement is revised in its entirety to read as follows:

"7.7 Conversion from 2-Dwelling Apartments to Single-Family Apartments. Apartments 10, 11, 12, 13 and 15 were constructed with two dwellings. As such, each of those five apartments has two kitchens. However, according to the City & County of Honolulu, none of those buildings has a building permit for two dwellings. As a result, the City required that an interior non-load-bearing wall between the two units of each of the apartments be removed, thereby converting each such building from a two-family dwelling to a single-family dwelling."

6. A new Section 7.8 and a new Section 7.9 are added to the Sales Agreement, which read as follows:

"7.8 Sale of Apartment May Be Subject to Rental Agreement. The following apartments are currently being occupied by tenants on a month-to-month basis: 1; 2; 3; 5; 6; 8; 9; 14; 15; 16; 19; 20; 21; 22; and 23. All of those tenants were given a notice to vacate the respective Apartments by August 21, 2006. If the Apartment that is the subject of this Agreement is one of the listed apartments, but

if the tenant has not yet vacated the Apartment, then Buyer is purchasing the Apartment subject to the remainder of the tenant's occupancy. In such event, Buyer shall become the landlord for the balance of the tenant's occupancy, is entitled to the rents accrued during that time, and is obligated to fulfill the obligations of the landlord for the balance of the tenant's occupancy."

"7.9 *City & County Tax Records.* The City & County of Honolulu has begun assessing real property taxes against the individual apartments. However, the assessments are based on the sizes of the apartments' respective limited common element Yard Areas as they existed under the Declaration before it was amended. The City's assessments have not been revised to account for the fact that the first amendment to the Declaration changed the sizes of the limited common element Yard Areas. Unless and until the City revises its assessment calculations and allocations, there may be a discrepancy between the amount of real property tax assessment for the Apartment and the size of the limited common element Yard Area appurtenant to the Apartment."

7. By the execution of this Confirmation Agreement, Buyer agrees to purchase the Property upon the terms and conditions set forth in the Sales Agreement (as revised and amended), and, except as revised and amended by this Confirmation Agreement, all of the terms and conditions of the Sales Agreement are hereby incorporated herein by reference.

8. By the execution of this Confirmation Agreement, Seller agrees to sell the Property to the Buyer upon the terms and conditions set forth in the Sales Agreement (as revised and amended), subject to the revisions and amendments set forth in this Confirmation Agreement.

9. Subject to Buyer's rescission rights pursuant to the Hawaii Condominium Property Act (Haw. Rev. Stat. Chapter 514A), as set forth in the Sales Agreement, Buyer and Seller agree that all conditions for the creation of a binding sales contract in accordance with the Sales Agreement have been satisfied.

10. Because fee title to the land underlying the Project has been conveyed to EOL, EOL shall replace Mike Muller, Inc. as the "Fee Owner" under the Sales Agreement, and all references to "Fee Owner" in the Sales Agreement shall refer to EOL and not Mike Muller, Inc.

11. Except as expressly revised or amended by this Confirmation Agreement or any written amendments signed by both Buyer and Seller, all of the terms and provisions contained in the Sales Agreement are hereby ratified and affirmed.

12. This Confirmation Agreement may be executed in any number of counterparts, but all said counterparts shall be deemed together to constitute but one and the same instrument.

13. Facsimile signatures on this Confirmation Agreement shall be binding and effective for all purposes and treated in the same manner as physical signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Confirmation Agreement as of the date first referenced above.

(Buyer's Printed Name)

(Buyer's Signature)

(Buyer's Printed Name)

(Buyer's Signature)

(Buyer's Printed Name)

(Buyer's Signature)

BUYER

SMITH/FOTI DEVELOPMENT LIMITED PARTNERSHIP

By: Smith/Foti Development, Inc.
Its General Partner

By _____
Name:
Title:

SELLER