

PRELIMINARY REPORT
(No Liability Hereunder)

This report (and any revisions thereto) is issued solely for the convenience of the titleholder, the titleholder's agent, counsel, purchaser or mortgagee, or the person ordering it for the purpose of facilitating the issuance of a policy of title insurance by Title Guaranty of Hawaii and no liability will arise under this report.

SCHEDULE A

Title Guaranty of Hawaii, Incorporated, hereby reports that, subject to those matters set forth in Schedule "B" hereof, the title to the estate or interest to the land described in Schedule "C" hereof is vested in:

JACOB LLC,
a Hawaii limited liability company,
as Fee Owner

This report is dated as of December 7, 2006 at 8:00 a.m.

Inquiries concerning this report
should be directed to
DALE SUGIKI.
Email dsugiki@tghawaii.com
Fax (808) 871-2222
Telephone (808) 871-2293.
Refer to Order No. 200668614.

**SCHEDULE B
EXCEPTIONS**

1. Real Property Taxes, if any, that may be due and owing.
Tax Key: (3) 7-5-020-024 Area Assessed: 134,078 sq. ft.
Land Classification: UNIMPROVED RESIDENTIAL

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.

4. -AS TO PARCEL FIRST:-

Access rights in favor of Royal Patent Number 4304, Land Commission Award Number 7353, Apana 2 to L. Kaiewe; as set forth by Land Court Order No. 31712, filed May 21, 1970.

5. -AS TO PARCELS SECOND, THIRD AND FOURTH:-

Unrecorded Grant of Easement by Frank Gouveia to Hawaii Electric Light Company, Inc., dated November 17, 1965, as mentioned in instrument recorded in Liber 9167 at Page 2.

6. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

SCHEDULE B CONTINUED

7. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : JACOB LLC, a Hawaii limited liability company
MORTGAGEE : BANK OF HAWAII, a Hawaii corporation
DATED : May 13, 2005
FILED : Land Court Document No. 3271838
RECORDED : Document No. 2005-102281
AMOUNT : \$8,000,000.0 - covers the land described herein,
besides other land

8. The terms and provisions contained in the following:

INSTRUMENT : ASSIGNMENT OF RENTS
DATED : as of May 13, 2005
RECORDED : Document No. 2005-102282
PARTIES : JACOB LLC, a Hawaii limited liability company,
"Assignor", and BANK OF HAWAII, a Hawaii
corporation, "Assignee"
RE : to secure the repayment of that certain promissory
note in the principal amount of \$8,000,000.00

(Not noted on Transfer Certificate(s) of Title referred to
herein)

9. FINANCING STATEMENT

DEBTOR : JACOB LLC, a Hawaii limited liability company
SECURED
PARTY : BANK OF HAWAII
RECORDED : Document No. 2005-102283
RECORDED ON: May 23, 2005

SCHEDULE B CONTINUED

10. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

11. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

END OF SCHEDULE B

SCHEDULE C

-PARCEL FIRST:-

All of that certain parcel of land situate at Puapuaa 1 and 2, District of North Kona, Island and County of Hawaii, State of Hawaii, described as follows:

LOT 1, area 126,840 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1833 of Frank Gouveia and Virginia Gouveia.

Being the land(s) described in Transfer Certificate of Title No. 749,702 issued to JACOB LLC, a Hawaii limited liability company.

-PARCEL SECOND:-

All of that certain parcel of land (being all of the land(s) described in and covered by Royal Patent Number 4304, Land Commission Award Number 7353:2 to L. Kaiewe) situate, lying and being at Puapuaa 1, District of North Kona, Island and County of Hawaii, State of Hawaii, and thus bounded and described:

Beginning at a pipe in concrete at the southwest corner of this parcel of land and at the northwest corner of R. P. 7821, L. C. Aw. 7355 to Kawainui, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAHELO" being 1486.86 feet south and 176.43 feet east, and running by azimuths measured clockwise from true South:

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|----|------|-----|-------|---|
| 1. | 145° | 15' | 66.47 | feet along a stonewall and along Land Court Application 1833 to a pipe in concrete; |
| 2. | 242° | 30' | 46.12 | feet along a stonewall and along Land Court Application 1833 to a pipe in concrete; |

SCHEDULE C CONTINUED

3.	226°	03'	34.99	feet along a stonewall and along Land Court Application 1833 to a pipe in concrete;
4.	233°	30'	13.87	feet along a stonewall and along Land Court Application 1833 to a pipe in concrete;
5.	324°	11' 30"	63.75	feet along a stonewall and along Land Court Application 1833 to a pipe in concrete;
6.	53°	31'	95.37	feet along a stonewall along the northerly boundary of R. P. 7821, L. C. Aw. 7355 to Kawainui to the point of beginning and containing an area of 0.136 acre, more or less.

-PARCEL THIRD:-

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 6716, Land Commission Award Number 4887, Part 2 to Thomas Sams) situate, lying and being at Puapuaa I, District of North Kona, Island and County of Hawaii, State of Hawaii, and thus bounded and described:

Beginning at the north corner of this parcel of land on the southwest side of the Kailua-Keauhou Beach Road, being also the east corner of Land Court Application 1833, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAHELO" being 1167.10 feet south and 667.11 feet east, and running by azimuths measured clockwise from true South:

1.	336°	48' 00"	13.62	feet along the Kailua-Keauhou Beach Road;
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SCHEDULE C CONTINUED

- | | | | | | |
|----|------|-----|-----|-------|---|
| 2. | 66° | 43' | 00" | 67.87 | feet along the remainder of R. P. 6716, L. C. Aw. 4887, Part 2 to Thomas Sams; |
| 3. | 239° | 22' | 20" | 69.24 | feet along L. C. App. 1833 to the point of beginning and containing an area of 462 square feet, more or less. |

-PARCEL FOURTH:-

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 7821, Land Commission Award Number 7855 to Kawainui) situate, lying and being at Puapuaa I, District of North Kona, Island and County of Hawaii, State of Hawaii, and thus bounded and described:

Beginning at the north corner of this parcel of land, being also the east corner of R. P. 4304, L. C. Aw. 7353, Ap. 2 to Kaiewe, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAHELO" being 1429.65 feet south and 252.38 feet east, thence running by azimuths measured clockwise from true South and distances:

- | | | | | | |
|----|------|-----|-----|-------|---|
| 1. | 335° | 07' | 00" | 19.06 | feet along Land Court Application 1833; |
| 2. | 65° | 31' | 40" | 89.70 | feet along the remainder of R. P. 7821, L. C. Aw. 7355, Ap. 2 to Kawainui; |
| 3. | 233° | 31' | 00" | 91.57 | feet along R. P. 4304, L. C. Aw. 7353, Ap. 2 to Kaiewe to the point of beginning and containing an area of 855 square feet, more or less. |

SCHEDULE C CONTINUED

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : BLACKPOINT GROUP, INC., a Hawaii corporation

GRANTEE : JACOB LLC, a Hawaii limited liability company

DATED : as of May 23, 2005

FILED : Land Court Document No. 3271836

RECORDED : Document No. 2005-102279

END OF SCHEDULE C

GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

GUIDELINES FOR THE ISSUANCE OF INSURANCE

- A. Taxes shown in Schedule B are as of the date such information is available from the taxing authority. Evidence of payment of all taxes and assessments subsequent to such date must be provided prior to recordation.
 - B. Evidence of authority regarding the execution of all documents pertaining to the transaction is required prior to recordation. This includes corporate resolutions, copies of partnership agreements, powers of attorney and trust instruments.
 - C. If an entity (corporation, partnership, limited liability company, etc.) is not registered in Hawaii, evidence of its formation and existence under the laws where such entity is formed must be presented prior to recordation.
 - D. If the transaction involves a construction loan, the following is required:
 - (1) a letter confirming that there is no construction prior to recordation; or
 - (2) if there is such construction, appropriate indemnity agreements, financial statements and other relevant information from the owner, developer, general contractor and major sub-contractors must be submitted to the Title Company for approval at least one week prior to the anticipated date of recordation.
- Forms are available upon request from Title Guaranty of Hawaii.
- E. Chapter 669, Hawaii Revised Statutes, sets forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property. If your survey map shows a position discrepancy that falls within the tolerances of Chapter 669, call your title officer as affirmative coverage may be available to insured lenders.
 - F. The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in connection with this transaction.
 - G. If a policy of title insurance is issued, it will exclude from coverage all matters set forth in Schedule B of this report and in the printed Exclusions from Coverage contained in an ALTA policy or in the Hawaii Standard Owner's Policy, as applicable. Different forms may have different exclusions and should be reviewed. Copies of the policy forms are available upon request from Title Guaranty of Hawaii or on our website at www.tghawaii.com.

DATE PRINTED: 12/18/2006

STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

NAME OF OWNER: JACOB LLC
LEASED TO :

TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL HPR NO.
(3) 7 5 020 024 0000

CLASS: 8 AREA ASSESSED: 134,078 SF

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2006

This certifies that the records of this division show the assessed values and taxes on the property designated by Tax Key shown above are as follows:

BUILDING \$ 0
EXEMPTION \$ 0
NET VALUE \$ 0
LAND \$ 1,541,900
EXEMPTION \$ 0
NET VALUE \$ 1,541,900
TOTAL NET VALUE \$ 1,541,900

Installment (1 - due 8/20; 2 - due 2/20)

Tax Year	Installment	Tax Amount	Penalty Amount	Interest Amount	Other Amount	Total Amount	
2006	2	6,244.69				6,244.69	PENDING
2006	1	6,244.70				6,244.70	PAID
2005	2	7,593.86				7,593.86	PAID
2005	1	7,593.86				7,593.86	PAID
2004	2	7,593.86				7,593.86	PAID
2004	1	7,593.86				7,593.86	PAID
Total Amount Due:						6,244.69	

Penalty and Interest Computed to: 8/31/2006