

**WAIKOLOA MAUKA, LLC**  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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**GREEN HASSON & JANKS LLP**  
BUSINESS ADVISORS AND CPAs

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Member  
Waikoloa Mauka, LLC

We have compiled the accompanying statement of assets, liabilities, and members' equity - income tax basis of Waikoloa Mauka, LLC as of December 31, 2006, and the related statement of revenues, expenses and members' equity - income tax basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the accounting basis used by the company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of the member. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The member has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the company's assets, liabilities, and equity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Green Hasson & Janks LLP*

June 8, 2007  
Los Angeles, California

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10990 Wilshire Boulevard | Sixteenth Floor | Los Angeles, CA 90024-3929  
TEL: (310) 873-1600 | FAX: (310) 873-6600 | [www.ghjadvisors.com](http://www.ghjadvisors.com)

WAIKOLOA MAUKA, LLC

STATEMENT OF ASSETS, LIABILITIES AND  
MEMBERS' EQUITY - INCOME TAX BASIS  
December 31, 2006

ASSETS

Cash	\$ 29,997
Land Held for Development	66,180,855
Debt Issuance Costs(Net)	898,698
Furniture	<u>3,530</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 67,113,080</u></b>

LIABILITIES AND MEMBERS' EQUITY

<b>LIABILITIES:</b>	
Due to Related Party	\$ 330,207
Due to Midland Loan Services	<u>33,143,162</u>
<b>TOTAL LIABILITIES</b>	<b>33,473,369</b>
<b>MEMBERS' EQUITY</b>	<b><u>33,639,711</u></b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b><u>\$ 67,113,080</u></b>

See Independent Accountants' Compilation Report

**WAIKOLOA MAUKA, LLC**

**STATEMENT OF REVENUES, EXPENSES AND  
MEMBERS' EQUITY - INCOME TAX BASIS  
Year Ended December 31, 2006**

<b>RENTAL INCOME</b>	\$ 1,046,631
<b>OPERATING EXPENSES:</b>	
General and Administrative	<u>523,653</u>
<b><i>INCOME FROM OPERATIONS</i></b>	522,978
<b>INTEREST INCOME</b>	<u>64,788</u>
<b><i>NET INCOME</i></b>	587,766
Members' Equity - Beginning of Year	61,351,945
Contributions	-
Distributions	<u>(28,300,000)</u>
<b><i>MEMBERS' EQUITY - END OF YEAR</i></b>	<u><u>\$ 33,639,711</u></u>

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