

Lake Holiday Country Club, Inc.
Statement of Assets, Liabilities, and Equity—Income Tax Basis
As of October 31, 2006

| | Oct 31, 06 |
|---|----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000 · Cash & Investments-Undesignated | |
| 1004 · Wachovia-Checking | 96,069.38 |
| 1007 · Bank Of Clarke County | 73,992.23 |
| 1041 · Morgan Stanley Savings Cash | 31,007.05 |
| 1042 · Petty Cash Account | 500.00 |
| 1043 · Petty Cash - Bank of Clarke | 12.94 |
| 1044 · Undeposited Checks | 10,514.33 |
| Total 1000 · Cash & Investments-Undesignated | 212,095.93 |
| Total Checking/Savings | 212,095.93 |
| Accounts Receivable | |
| 1201 · Accounts Receivable | 353,923.13 |
| 1204 · AR - Interco Billing | 6,287.56 |
| Total Accounts Receivable | 360,210.69 |
| Other Current Assets | |
| 1287 · Accrued Interest Receivable | 13,322.23 |
| 1100 · Current Assets | |
| 1320 · Prepaid Insurance | 15,333.67 |
| 1340 · Prepaid Income Taxes | 900.00 |
| Total 1100 · Current Assets | 16,233.67 |
| 1286 · Note Receivable - LHEUC | 1,808,812.00 |
| Total Other Current Assets | 1,838,367.90 |
| Total Current Assets | 2,410,674.52 |
| Fixed Assets | |
| 1600 · Fixed Assets | |
| 1601 · Equipment | 90,119.85 |
| 1602 · Vehicles | 143,677.42 |
| 1706 · Land | 624,343.75 |
| 1800 · Accumulated Depreciation | -148,358.07 |
| Total 1600 · Fixed Assets | 709,782.95 |
| 7050 · Capital Improvements (2007 Add) | |
| 7076 · Other Capital Improvements | 9,030.00 |
| 7080 · Radios | 2,953.86 |
| 7059 · Mid Size Truck Replacement | 25,000.00 |
| 7081 · Chipper | 13,725.00 |
| Total 7050 · Capital Improvements (2007 Add) | 50,708.86 |
| Total Fixed Assets | 760,491.81 |
| Other Assets | |
| 1350 · Deferred Tax Asset | 426,902.00 |
| 1708 · Investments in LHEUC | -2,224,451.37 |
| Total Other Assets | -1,797,549.37 |
| TOTAL ASSETS | 1,373,616.96 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2002 · Accounts Payable - Operating | 135,680.22 |
| Total Accounts Payable | 135,680.22 |
| Other Current Liabilities | |
| 2000 · Current Liabilities | |
| 2500 · Line of Credit - Wachovia | 305,178.65 |
| 2004 · Conformance Bond Deposits | 158,000.00 |

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| 2005 · Conformance Bond Violations | 500.00 |
| 2100 · Payroll Liabilities | 3,061.21 |
| 2209 · Income Taxes Payable | 426,902.00 |
| 2211 · Penalties and Interest Payable | 110,867.16 |
| 2300 · Accrued Payroll | 7,457.11 |
| 2304 · Accrued Vacation | 27,460.51 |
| Total 2000 · Current Liabilities | 1,039,426.64 |
| Total Other Current Liabilities | 1,039,426.64 |
| Total Current Liabilities | 1,175,106.86 |
| Total Liabilities | 1,175,106.86 |
| Equity | |
| 3002 · Member Equity Appropriated | 2,065,390.15 |
| 3001 · Member's Equity Unappropriated | 906,143.99 |
| 3199 · Capital Reserves | |
| 3200 · General Capital Reserve | 0.50 |
| Total 3199 · Capital Reserves | 0.50 |
| 3900 · Retained Earnings | -2,565,754.19 |
| Net Income | -207,270.35 |
| Total Equity | 198,510.10 |
| TOTAL LIABILITIES & EQUITY | 1,373,616.96 |