

WC & AN Miller Companies  
Balance Sheet  
December 31, 2009

	Current Month	Prior Month
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,536,369.27	\$ 2,543,741.41
Accounts Receivable, net	3,964,467.28	4,159,001.39
Other Receivables	830,448.08	840,289.84
Inventory	1,777,516.38	1,773,616.38
Prepaid Expenses	268,753.63	288,713.49
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Total Current Assets	9,377,554.64	9,605,362.51
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Fixed Assets		
Land	8,278,840.50	8,278,840.50
HLP, II Land	538,905.48	538,905.48
Buildings	41,730,671.83	41,728,466.83
Property and Equipment	1,722,997.46	1,722,997.46
Capital Improvements - Opt	648,671.00	648,671.00
Improvements	17,193,624.04	17,141,008.72
Less: Accumulated Depreciation	16,382,739.57	16,226,022.47
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Net Fixed Assets	53,730,970.74	53,832,867.52
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Other Assets		
Deferred Leasing Commissions,	455,688.37	443,276.35
Deferred Finance Charges, net	940,181.91	940,181.91
Accum Amort Def	(12,614.17)	(12,614.17)
Deposit	17,630.05	17,630.05
Deferred Taxes	6,721,709.00	6,721,709.00
Real Estate Tax Escrow	463,096.06	397,640.54
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Total Other Assets	8,585,691.22	8,507,823.68
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TOTAL ASSETS	\$ 71,694,216.60	\$ 71,946,053.71
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WC & AN Miller Companies  
Balance Sheet  
December 31, 2009

Current Month

Prior Month

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts Payable	\$ 122,018.95	\$ (15,542.86)
Accrued Income Taxes	464.00	35,576.00
Accrued Expenses	1,237,904.45	1,413,780.75
Security Deposits	339,265.94	339,886.94
Prepaid Rent Income	187,384.00	130,888.99
Total Current Liabilities	<u>1,887,037.34</u>	<u>1,904,589.82</u>
Long-Term Liabilities		
Notes Payable (1)	89,601,197.95	89,723,364.92
Guaranty Reserve	34,310.06	34,310.06
Total Long-Term Liabilities	<u>89,635,508.01</u>	<u>89,757,674.98</u>
Total Liabilities	<u>91,522,545.35</u>	<u>91,662,264.80</u>
Minority Interest (2)	(5,838,851.54)	(5,835,985.77)
Stockholders' Deficit		
Common Stock	800,200.00	800,200.00
Retained Earnings (Deficit)	(14,789,677.21)	(14,680,425.32)
Total Stockholders' Deficit	<u>(19,828,328.75)</u>	<u>(19,716,211.09)</u>
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIENCY	<u>\$ 71,694,216.60</u>	<u>\$ 71,946,053.71</u>

1. Notes Payable of 8,250,229.96 is offset by a Notes Receivable of 825,023 which is the cash of the 8,250,229.96 from Haymount Limited Partnership to W.C. and A.N. Miller Development Company.

2. W.C. and A.N. Miller Development Company owns 85% of Haymount Limited Partnership.

WC & AN Miller Companies  
Long Term Debt  
December 31, 2009

		Current Month		Budget	Prior Month
N/P Cur Wash Securites	\$	200,000.00	\$	200,000.00	200,000.00
NP Cur Sub Debent		440,000.00		440,000.00	440,000.00
N/P MetLife		27,056,409.72		27,056,409.71	27,142,718.46
N/P Burke & Herbert - SVR		13,511,759.16		13,490,227.86	13,529,694.52
Key Bank Loan		17,892,799.24		17,928,358.17	17,910,722.11
N/P - TIAA Loan		22,250,000.00		22,214,132.00	22,250,000.00
N/P - Haymount Mezz		8,250,229.83		8,250,229.96	8,250,229.83
Total Long Term Debt	\$	89,601,197.95	\$	89,579,357.70	89,723,364.92

Notes Repayment Schedule

1. Washington Securities - On Demand
2. Subordinated Debentures - On Demand with 1 year notice
3. MetLife - 1/1/2013
4. Burke & Herbert - 7/6/2016
5. Chevy Chase Line of Credit - 8/7/2009
6. Chevy Chase - Sunshine Brooke - 7/7/2009
7. Chevy Chase - Chandlee Mill - Paid 6/26/2009
8. Key Bank Loan - 6/30/2021
9. TIAA - 10/1/2018

W.C. AND AN. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended December 31, 2009

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	\$ <u>(109,252)</u>	<u>139,889</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation and amortization	156,717	453,851
Loss on disposition of fixed assets	-	-
Income allocated to minority interest	(2,866)	(6,105)
Accounts receivable	194,534	474,515
Other receivables	9,842	29,299
Inventory	(3,900)	(3,900)
Deferred income taxes	-	-
Prepaid expenses	19,960	145,908
Current maturities of long term debt	-	-
Accounts payable	137,562	158,550
Accrued income taxes	(35,112)	(35,112)
Accrued expenses	(175,876)	239,676
Security deposits	(621)	(6,633)
Prepaid rent income	56,495	(13,294)
Total Adjustments	<u>356,735</u>	<u>1,436,755</u>
Net Cash Provided by (Used for) Operating Activities	<u>247,483</u>	<u>1,576,644</u>
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(54,820)	(312,254)
Acquisition of deferred financing charges	(12,412)	(32,939)
Acquisition of real estate tax escrow	(65,456)	(204,412)
Disposition of guaranty reserve	-	-
Disposition of deposit	-	-
Net Cash Used for Investing Activities	<u>(132,688)</u>	<u>(549,605)</u>
Cash Flow for Financing Activities:		
Disposition of long term debt	(122,167)	(251,097)
Acquisition of long term debt	-	-
Net Cash Used for Investing Activities	<u>(122,167)</u>	<u>(251,097)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,372)	586,959
Cash and cash equivalents, Beginning of Month	<u>2,543,741</u>	<u>1,959,410</u>
CASH AND CASH EQUIVALENTS, END OF MONTH	<u>\$ 2,536,369</u>	<u>2,546,369</u>

WC & AN Miller Companies  
Income Statement  
For the Three Months Ending December 31, 2009

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Rental Activities						
Rent Income	\$ 1,228,379.41	1,211,184.00	17,195.41	3,651,768.15	3,713,121.00	(61,352.85)
Rent Expenses	(481,003.79)	(360,276.00)	(120,727.79)	(1,211,152.42)	(1,048,626.00)	(162,526.42)
Real Estate Taxes	(119,428.43)	(129,120.00)	9,691.57	(380,502.80)	(387,360.00)	6,857.20
Depreciation	(156,717.10)	(156,261.00)	(456.10)	(441,236.38)	(468,783.00)	27,546.62
Debt Service-Interest	(453,157.69)	(468,106.00)	14,948.31	(1,358,126.79)	(1,405,605.00)	47,478.21
Net Rental Income	18,072.40	97,421.00	(79,348.60)	260,749.76	402,747.00	(141,997.24)
Revenues						
Total Revenues	0.00	0.00	0.00	0.00	0.00	0.00
Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Gross Profit	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	18,072.40	97,421.00	(79,348.60)	260,749.76	402,747.00	(141,997.24)
Operating Expenses						
Auto Expenses	724.05	800.00	(75.95)	1,961.40	2,400.00	(438.60)
Bank Charges	23.90	600.00	(576.10)	101.31	1,800.00	(1,698.69)
Computer Consultant	2,000.00	1,000.00	1,000.00	3,187.50	3,000.00	187.50
Board Consultant	2,000.00	2,000.00	0.00	6,000.00	6,000.00	0.00
Office Administration	15,000.00	5,000.00	10,000.00	25,000.00	15,000.00	10,000.00
Courier	0.00	0.00	0.00	11.64	0.00	11.64
Equipment Rental	2,375.40	2,190.61	184.79	7,312.34	6,571.83	740.51
General Insurance	17,061.00	0.00	17,061.00	23,338.00	30,500.00	(7,162.00)
Legal - General	709.50	7,500.00	(6,790.50)	8,482.70	22,500.00	(14,017.30)
Legal - Haymount	(1,478.54)	0.00	(1,478.54)	13,056.47	0.00	13,056.47
Leasing Commission - Corp	0.00	0.00	0.00	17,336.55	17,336.55	0.00
Health Insurance	1,120.00	1,500.00	(380.00)	3,360.00	4,500.00	(1,140.00)
Management Meals	176.64	100.00	76.64	176.64	300.00	(123.36)
Office Supplies	71.25	300.00	(228.75)	1,389.55	900.00	489.55
Other Taxes and Licenses	364.00	4,700.00	(4,336.00)	4,450.00	5,670.60	(1,220.60)
Parking	91.00	0.00	91.00	117.00	0.00	117.00
Postage	140.79	250.00	(109.21)	574.04	750.00	(175.96)
Accounting	1,564.00	1,500.00	64.00	2,822.00	4,500.00	(1,678.00)
Review/Audit/Tax Return	40,020.00	0.00	40,020.00	63,971.05	0.00	63,971.05
Promotion and Entertainment	1,038.45	0.00	1,038.45	1,620.73	0.00	1,620.73
Rent	6,138.75	6,138.75	0.00	30,433.75	18,416.25	12,017.50
Executive Compensation	15,000.00	15,000.00	0.00	45,000.00	45,000.00	0.00

For Management Purposes Only

WC & AN Miller Companies  
Income Statement  
For the Three Months Ending December 31, 2009

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Storage	5,999.61	7,500.00	(1,500.39)	7,205.95	8,500.00	(1,294.05)
Telephone	194.43	250.00	(55.57)	500.79	750.00	(249.21)
Management Travel	3,838.48	2,500.00	1,338.48	10,134.84	7,500.00	2,634.84
Payroll Processing Fees	122.50	0.00	122.50	406.39	300.00	106.39
Board of Directors fees	9,000.00	9,000.00	0.00	27,000.00	27,000.00	0.00
RE Tax Exp	2,455.99	4,000.00	(1,544.01)	2,455.99	4,500.00	(2,044.01)
Board Travel and Meals	0.00	0.00	0.00	7,620.60	7,000.00	620.60
Total Operating Expenses	125,751.20	71,829.36	53,921.84	315,027.23	240,695.23	74,332.00
Net Operating Income	(107,678.80)	25,591.64	(133,270.44)	(54,277.47)	162,051.77	(216,329.24)
Other Income and Expenses						
Interest Income	1,603.35	3,000.00	(1,396.65)	4,895.22	9,000.00	(4,104.78)
Debt Service (Interest) Other	(3,176.44)	(3,176.44)	0.00	(9,709.80)	(9,529.32)	(180.48)
Total Other Income and Expenses	(1,573.09)	(176.44)	(1,396.65)	(4,814.58)	(529.32)	(4,285.26)
Net Income	\$ (109,251.89)	25,415.20	(134,667.09)	(59,092.05)	161,522.45	(220,614.50)

For Management Purposes Only