

W.C. and A.N. Miller Development Company  
Balance Sheet  
as of March 31, 2014

**ASSETS**

	3/13/2014	12/31/2013	9/30/2013	YTD Variance
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 4,570,091.49	\$ 4,944,051.14	\$ 5,600,705.52	(1,030,614.03)
Investments	2,490,412.30	2,492,730.85	2,494,925.95	(4,513.65)
Unrealized Investments Gain/Lo	626,745.20	565,860.48	329,154.00	297,591.20
Accounts Receivable, net	412,137.93	451,977.42	187,777.56	224,360.37
Straightline Rent	5,916,588.55	5,916,588.55	5,916,588.55	0.00
Miscellaneous Receivables	(2,133.30)	187.08	49,592.73	(51,726.03)
Provision for Loss	0.00	0.00	0.00	0.00
Other Receivables	915,645.67	922,712.21	929,623.77	(13,978.10)
Inventory	37,318.04	37,318.04	37,318.04	0.00
Prepaid Expenses	281,839.75	425,232.01	456,624.52	(174,784.77)
<b>Total Current Assets</b>	<u>15,248,645.63</u>	<u>15,756,657.78</u>	<u>16,002,310.64</u>	<u>(753,665.01)</u>
<b>Fixed Assets</b>				
Land	6,310,994.50	6,310,994.50	6,310,994.50	0.00
HLP, II Land	538,905.48	538,905.48	538,905.48	0.00
Buildings	50,493,324.96	50,080,645.98	49,724,367.54	768,957.42
Property and Equipment	475,239.36	473,700.84	462,707.86	12,531.50
Capital Improvements - Opt	1,876.00	1,876.00	1,876.00	0.00
Building on 49th Street	37,711.61	37,711.61	36,738.61	973.00
Tenant Improvements	13,420,820.70	13,409,073.19	13,155,286.27	265,534.43
Less: Accumulated Depreciation	23,110,341.33	22,663,368.15	22,216,394.97	893,946.36
<b>Net Fixed Assets</b>	<u>48,168,531.28</u>	<u>48,189,539.45</u>	<u>48,014,481.29</u>	<u>154,049.99</u>
<b>Other Assets</b>				
Deferred Leasing Commissions,	1,483,595.78	1,375,119.99	1,397,114.65	86,481.13
Deferred Finance Charges, net	1,058,495.40	1,077,149.25	1,104,505.14	(46,009.74)
Accum Amort Def	(8,702.04)	0.00	0.00	(8,702.04)
Deposit	17,630.05	17,630.05	17,630.05	0.00
Deferred Taxes	7,747,233.00	7,747,233.00	7,747,233.00	0.00
Deposit on Refinance	0.00	0.00	0.00	0.00
Real Estate Tax Escrow	154,140.69	269,347.48	68,985.70	85,154.99
<b>Total Other Assets</b>	<u>10,452,392.88</u>	<u>10,486,479.77</u>	<u>10,335,468.54</u>	<u>116,924.34</u>
<b>TOTAL ASSETS</b>	<u>\$ 73,869,569.79</u>	<u>\$ 74,432,677.00</u>	<u>\$ 74,352,260.47</u>	<u>(\$ 482,690.68)</u>

## LIABILITIES AND STOCKHOLDERS' DEFICIT

	3/31/2014	12/31/2013	9/30/2013	YTD Variance
<b>Current Liabilities</b>				
Accounts Payable	\$ 76,133.33	\$ 104,320.90	\$ 267,036.67	(190,903.34)
Accrued Income Taxes	0.00	0.00	0.00	0.00
Accrued Expenses	1,143,152.76	1,535,110.15	1,287,980.33	(144,827.57)
Prepaid Income/RE	82,637.70	82,637.70	82,637.70	0.00
Security Deposits	453,622.51	448,731.80	458,490.22	(4,867.71)
Prepaid Rent Income	426,927.08	600,662.28	631,365.36	(204,438.28)
<b>Total Current Liabilities</b>	<u>2,182,473.38</u>	<u>2,771,462.83</u>	<u>2,727,510.28</u>	<u>(545,036.90)</u>
 <b>Long-Term Liabilities</b>				
Notes Payable (1)	95,743,569.23	96,369,392.76	96,898,243.95	(1,154,674.72)
<b>Total Long-Term Liabilities</b>	<u>95,743,569.23</u>	<u>96,369,392.76</u>	<u>96,898,243.95</u>	<u>(1,154,674.72)</u>
 <b>Total Liabilities</b>	<u>97,926,042.61</u>	<u>99,140,855.59</u>	<u>99,625,754.23</u>	<u>(1,699,711.62)</u>
  Minority Interest (2)	<u>(6,803,872.56)</u>	<u>(6,803,872.56)</u>	<u>(6,803,475.00)</u>	<u>(397.56)</u>
<b>Total Minority Interest</b>	<u>(6,803,872.56)</u>	<u>(6,803,872.56)</u>	<u>(6,803,475.00)</u>	<u>(397.56)</u>
 <b>Stockholders' Deficit</b>				
Common Stock	800,200.00	800,200.00	800,200.00	0.00
Dividend	0.00	0.00	(6,350,000.00)	6,350,000.00
Retained Earnings (Deficit)	<u>(18,052,800.26)</u>	<u>(18,704,506.03)</u>	<u>(12,920,218.76)</u>	<u>(5,132,581.50)</u>
<b>Total Stockholders' Deficit</b>	<u>(17,252,600.26)</u>	<u>(17,904,306.03)</u>	<u>(18,470,018.76)</u>	<u>1,217,418.50</u>
 <b>TOTAL LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>	<u>\$ 73,869,569.79</u>	<u>\$ 74,432,677.00</u>	<u>\$ 74,352,260.47</u>	<u>(\$ 482,690.68)</u>

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

W.C. and A.N. Miller Development Company  
Long Term Debt  
as of March 31, 2014

	3/31/2014	12/31/2013	9/30/2013	Variance
Key Bank	\$ 16,855,915.97	\$ 16,926,271.31	16,995,500.81	(139,584.84)
TIAA	21,189,147.75	21,260,772.48	21,331,140.76	(141,993.01)
Cardinal Bank	16,292,281.88	16,372,931.55	16,450,779.62	(158,497.74)
Guardian Life	29,300,548.79	29,434,605.59	29,567,304.26	(266,755.47)
Promissory Note	3,855,445.01	4,124,582.00	4,303,288.67	(447,843.66)
Haymount Mezz	8,250,229.83	8,250,229.83	8,250,229.83	0.00
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Total Long Term Debt	95,743,569.23	96,369,392.76	96,898,243.95	(1,154,674.72)
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Notes Repayment Schedule:

1. Key Bank Loan - 6/30/2021
2. TIAA - 10/1/2018
3. Cardinal Bank - 8/14/21
4. Guardian Life - 10/2022
5. Promissory Notes - 12/31/2032

W.C. and A.N. Miller Development Company  
Income Statements  
as of March 31, 2014

	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Prior Year
<b>Rental Activities</b>				
Rent Income	\$ 8,031,325.10	\$ 8,174,590.00	\$ (143,264.90)	\$ 7,726,075.62
Rent Expenses	\$ (2,173,237.49)	\$ (2,246,798.00)	\$ 73,560.51	\$ (2,128,397.04)
Real Estate Taxes	\$ (720,404.51)	\$ (710,676.00)	\$ (9,728.51)	\$ (680,614.32)
Depreciation	\$ (1,060,471.14)	\$ (1,060,470.00)	\$ (1.14)	\$ (1,056,070.47)
Debt Service-Interest	\$ (2,262,085.41)	\$ (2,263,167.00)	\$ 1,081.59	\$ (2,298,156.96)
<b>Net Rental Income</b>	<b>\$ 1,815,126.55</b>	<b>\$ 1,893,479.00</b>	<b>\$ (78,352.45)</b>	<b>\$ 1,562,836.83</b>
 <b>Gross Profit</b>	 <b>\$ 1,815,126.55</b>	 <b>\$ 1,893,479.00</b>	 <b>\$ (78,352.45)</b>	 <b>\$ 1,562,836.83</b>
 <b>Operating Expenses</b>				
Bank Charges	\$ 931.47	\$ 1,200.00	\$ (268.53)	\$ 514.95
Schwab Fees	\$ 4,550.36	\$ 3,500.00	\$ 1,050.36	\$ -
Computer Supplies	\$ 1,129.00	\$ 2,000.00	\$ (871.00)	\$ 4,835.81
Computer Consultant	\$ 8,574.50	\$ 6,000.00	\$ 2,574.50	\$ 7,883.04
Office Administration	\$ 63,550.00	\$ 53,550.00	\$ 10,000.00	\$ 61,000.00
Dues and Subscriptions	\$ 89.00	\$ -	\$ 89.00	\$ -
General Insurance	\$ 33,452.25	\$ 29,000.00	\$ 4,452.25	\$ 27,780.00
Legal - General	\$ 8,571.47	\$ 30,000.00	\$ (21,428.53)	\$ 31,908.13
Legal - Loan/Lenders	\$ -	\$ -	\$ -	\$ 17,050.00
Legal - Haymount	\$ 44,836.03	\$ 40,000.00	\$ 4,836.03	\$ 64,064.40
Benefits	\$ 17,629.23	\$ 17,000.00	\$ 629.23	\$ 11,282.69
Management Meals	\$ 4,438.11	\$ 3,900.00	\$ 538.11	\$ 3,725.41
Office Supplies	\$ 12,783.81	\$ 3,600.00	\$ 9,183.81	\$ 7,771.86
Other Taxes and Licenses	\$ 1,036.85	\$ 700.00	\$ 336.85	\$ 1,166.00
Payroll Taxes	\$ 15,907.17	\$ 16,500.00	\$ (592.83)	\$ 13,862.23
Estimated Taxes (Federal & State)	\$ 35,130.00	\$ 35,130.00	\$ -	\$ -
Postage	\$ 2,464.77	\$ 2,250.00	\$ 214.77	\$ 2,314.32
Accounting	\$ 2,950.00	\$ 7,200.00	\$ (4,250.00)	\$ 3,926.50
Review/Tax Returns/Fin St.	\$ 55,517.40	\$ 57,000.00	\$ (1,482.60)	\$ 42,838.75
Internal Control Review	\$ 3,725.60	\$ 6,000.00	\$ (2,274.40)	\$ 3,385.00
Promotion and Entertainment	\$ 510.92	\$ 2,100.00	\$ (1,589.08)	\$ 37,795.40
Charitable Contribution	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 11,000.00
Rent	\$ 54,559.64	\$ 54,000.00	\$ 559.64	\$ 43,979.82
Executive Compensation	\$ 168,750.00	\$ 168,750.00	\$ -	\$ 137,500.02
Executive Bonus	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 100,000.00
Executive Compensation Committee Fees	\$ 9,500.00	\$ -	\$ 9,500.00	\$ -
Office Phone & Internet	\$ 3,049.46	\$ 3,600.00	\$ (550.54)	\$ 1,724.55
Cell Phones & Mobile Devices	\$ 4,406.39	\$ 4,500.00	\$ (93.61)	\$ 2,960.46
Management Travel	\$ 13,633.91	\$ 21,000.00	\$ (7,366.09)	\$ 13,724.87
Payroll Processing Fees	\$ 2,438.26	\$ 2,400.00	\$ 38.26	\$ 2,502.28

	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Prior Year
Costs associated with Sale of Property	\$ 331.34	\$ -	\$ 331.34	\$ -
Board of Directors Fees	\$ 108,000.00	\$ 108,000.00	\$ -	\$ 114,000.00
House Plans for Neighbors	\$ (402.95)	\$ -	\$ (402.95)	\$ -
RE Tax Expense	\$ 2,799.72	\$ 3,300.00	\$ (500.28)	\$ 2,799.72
Shareholders Annual Meeting	\$ 794.70	\$ 2,000.00	\$ (1,205.30)	\$ 1,210.66
Board Travel and Meals	\$ 16,578.60	\$ 20,000.00	\$ (3,421.40)	\$ 17,096.89
<b>Total Operating Expenses</b>	<b>\$ 853,217.01</b>	<b>\$ 855,180.00</b>	<b>\$ (1,962.99)</b>	<b>\$ 791,603.76</b>
 <b>Net Operating Income</b>	 <b>\$ 961,909.54</b>	 <b>\$ 1,038,299.00</b>	 <b>\$ (76,389.46)</b>	 <b>\$ 771,233.07</b>
 <b>Other Income and Expenses</b>				
Miscellaneous Income	\$ 7,465.00	\$ -	\$ 7,465.00	\$ -
Interest Income	\$ 2,572.43	\$ 3,000.00	\$ (427.57)	\$ 3,595.30
Interest Dividend Income	\$ 36.71	\$ -		\$ -
Debt Service (Interest) Other	\$ (52,156.37)	\$ (51,554.47)		\$ (24,388.34)
Unrealized Investment Gain/Loss	\$ 297,591.20	\$ -	\$ 297,591.20	\$ 61,792.53
<b>Total Other Income and Expenses</b>	<b>\$ 255,508.97</b>	<b>\$ (48,554.47)</b>	<b>\$ 304,628.63</b>	<b>\$ 40,999.49</b>
 <b>Net Income</b>	 <b>\$ 1,217,418.51</b>	 <b>\$ 989,744.53</b>	 <b>\$ 228,239.17</b>	 <b>\$ 812,232.56</b>

W.C. and A.N. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended March 31, 2014

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	367,169	1,217,419
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend		
Depreciation and amortization	176,334	1,045,989
Unrealized Investment Gain/Loss	(29,080)	(297,591)
Loss on disposition of fixed assets		
Income allocated to minority interest		(398)
Accounts receivable	(187,818)	(171,205)
Other receivables	2,373	13,978
Inventory		
Deferred income taxes		
Prepaid expenses	6,193	14,681
Current maturities of long term debt		
Accounts payable	(1,503)	(190,903)
Accrued income taxes		
Accrued expenses	(399,766)	(144,828)
Security deposits	1,171	(4,868)
Prior Tenant Clearing (SH)		
Prepaid Real Estate Tax Income	40,026	160,103
Prepaid rent income	(153,665)	(204,438)
Total Adjustments	(545,736)	220,521
Net Cash Provided by (Used for) Operating Activities	(178,567)	1,437,940
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(175,793)	(1,033,971)
Acquisition of deferred financing charges		
Acquisition of deferred Leasing Commissions	(37,561)	(198,294)
Acquisition of real estate tax escrow	275,850	(85,155)
Acquisition of Investments	104	4,514
Acquisition of water escrow		(973)
Deposit on Refinance		
Disposition of guaranty reserve		
Disposition of deposit		
Net Cash Used for Investing Activities	62,600	(1,313,879)
Cash Flow for Financing Activities:		
Disposition of long term debt	(212,883)	(1,154,675)
Acquisition of long term debt		
Net Cash Used for Financing Activities	(212,883)	(1,154,675)
Net Increase (Decrease) in Cash and Cash Equivalents	(328,850)	(1,030,614)
Cash and cash equivalents, Beginning of Period	4,898,941	5,600,706
CASH AND CASH EQUIVALENTS, END OF YEAR	4,570,091	4,570,091