

WC & AN Miller Companies
Balance Sheet
June 30, 2010

	Current Month	Prior Month
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,496,729.14	\$ 2,212,916.64
Accounts Receivable, net	4,332,225.75	4,461,578.23
Other Receivables	843,465.18	885,426.23
Inventory	1,879,578.94	1,878,878.94
Prepaid Expenses	123,816.34	85,307.33
Total Current Assets	<u>9,675,815.35</u>	<u>9,524,107.37</u>
Fixed Assets		
Land	8,278,840.50	8,278,840.50
HLP, II Land	538,905.48	538,905.48
Buildings	41,752,868.62	41,752,868.62
Property and Equipment	1,722,997.46	1,722,997.46
Capital Improvements - Opt	648,671.00	648,671.00
Improvements	17,458,323.00	17,413,440.54
Less: Accumulated Depreciation	<u>17,568,300.06</u>	<u>17,387,311.39</u>
Net Fixed Assets	<u>52,832,306.00</u>	<u>52,968,412.21</u>
Other Assets		
Deferred Leasing Commissions,	526,234.68	526,234.68
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	<u>531,666.96</u>	<u>466,262.26</u>
Total Other Assets	<u>8,724,808.43</u>	<u>8,659,403.73</u>
TOTAL ASSETS	<u>\$ 71,232,929.78</u>	<u>\$ 71,151,923.31</u>

WC & AN Miller Companies
Balance Sheet
June 30, 2010

Current Month

Prior Month

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts Payable	\$ 13,303.38	\$ 37,636.41
2007 Payroll Tax Liability	506,032.68	517,032.68
Accrued Income Taxes	464.00	464.00
Accrued Expenses	1,245,912.41	1,139,132.86
Security Deposits	321,377.26	320,352.26
Prepaid RE Income	52,275.37	0.00
Prepaid Rent Income	230,699.21	204,525.10
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Total Current Liabilities	2,370,064.31	2,219,143.31
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Long-Term Liabilities		
Notes Payable (1)	89,058,469.89	89,111,327.26
Guaranty Reserve	34,310.06	34,310.06
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Total Long-Term Liabilities	89,092,779.95	89,145,637.32
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Total Liabilities	91,462,844.26	91,364,780.63
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Minority Interest (2)	(5,839,630.74)	(5,838,701.07)
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Total Minority Interest	(5,839,630.74)	(5,838,701.07)
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Stockholders' Deficit		
Common Stock	800,200.00	800,200.00
Dividend	(249,999.97)	(199,999.98)
Retained Earnings (Deficit)	(14,940,483.77)	(14,974,356.27)
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Total Stockholders' Deficit	(14,390,283.74)	(14,374,156.25)
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TOTAL LIABILITIES & STOCKHOLDERS' DEFI	\$ 71,232,929.78	\$ 71,151,923.31
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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
June 30, 2010

		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		26,836,609.74		26,791,949.41		26,836,609.74
N/P Burke & Herbert - SVR		13,407,303.15		13,385,192.82		13,423,233.41
Key Bank Loan		17,783,214.37		17,819,360.98		17,801,724.92
N/P - TIAA Loan		22,141,112.80		22,103,954.00		22,159,529.36
N/P - Haymount Mezz		8,250,229.83		8,250,229.96		8,250,229.83
Total Long Term Debt	\$	89,058,469.89	\$	88,990,687.17		89,111,327.26

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. Key Bank Loan - 6/30/2021
6. TIAA - 10/1/2018

WC & AN Miller Companies
Income Statement
For the Nine Months Ending June 30, 2010

	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	\$ 1,219,416.46	1,243,802.00	(24,385.54)	11,841,607.97	11,484,353.00	357,254.97
Rent Expenses	(382,445.44)	(340,158.00)	(42,287.44)	(4,010,373.03)	(3,103,696.00)	(906,677.03)
Real Estate Taxes	(120,271.59)	(129,120.00)	8,848.41	(1,084,376.19)	(1,162,080.00)	77,703.81
Depreciation	(180,988.67)	(156,261.00)	(24,727.67)	(1,626,796.87)	(1,406,349.00)	(220,447.87)
Debt Service-Interest	(447,297.21)	(465,475.00)	18,177.79	(4,052,661.08)	(4,205,074.00)	152,412.92
Net Rental Income	88,413.55	152,788.00	(64,374.45)	1,067,400.80	1,607,154.00	(539,753.20)
Revenues						
Sales	0.00	0.00	0.00	0.00	275,000.00	(275,000.00)
Total Revenues	0.00	0.00	0.00	0.00	275,000.00	(275,000.00)
Cost of Sales	0.00	0.00	0.00	8,000.00	578,289.32	(570,289.32)
Corporate Gross Profit	0.00	0.00	0.00	(8,000.00)	(303,289.32)	295,289.32
Gross Profit	88,413.55	152,788.00	(64,374.45)	1,059,400.80	1,303,864.68	(244,463.88)
Operating Expenses						
Auto Expenses	600.00	800.00	(200.00)	6,046.70	7,200.00	(1,153.30)
Bank Charges	20.55	600.00	(579.45)	537.35	5,400.00	(4,862.65)
Computer Consultant	1,000.00	1,000.00	0.00	11,532.78	9,000.00	2,532.78
Board Consultant	0.00	0.00	0.00	6,000.00	6,000.00	0.00
Office Administration	5,000.00	5,000.00	0.00	55,000.00	45,000.00	10,000.00
Courier	0.00	0.00	0.00	11.64	0.00	11.64
Equipment Rental	1,401.21	2,190.61	(789.40)	21,094.53	19,715.49	1,379.04
General Insurance	(131.19)	0.00	(131.19)	23,803.00	30,500.00	(6,697.00)
Legal - General	2,168.09	7,500.00	(5,331.91)	26,323.41	87,500.00	(61,176.59)
Legal - New Homes	0.00	0.00	0.00	5,298.80	0.00	5,298.80
Legal - Haymount	3,981.06	0.00	3,981.06	37,457.35	0.00	37,457.35
Leasing Commission - Corp	0.00	0.00	0.00	17,336.55	17,336.55	0.00
Health Insurance	1,371.00	1,500.00	(129.00)	11,335.00	13,500.00	(2,165.00)
Management Meals	247.54	100.00	147.54	1,140.20	900.00	240.20
Annual Shareholder Meeting	0.00	0.00	0.00	785.68	2,500.00	(1,714.32)
Office Supplies	147.81	300.00	(152.19)	2,707.90	2,700.00	7.90
Other Taxes and Licenses	1,314.21	1,500.00	(185.79)	52,226.54	7,750.60	44,475.94
Parking	0.00	0.00	0.00	234.00	0.00	234.00
Payroll Taxes	382.50	1,530.00	(1,147.50)	3,277.50	10,822.00	(7,544.50)

For Management Purposes Only

July 27, 2010

WC & AN Miller Companies
Income Statement
For the Nine Months Ending June 30, 2010

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Postage	326.19	250.00	76.19	2,512.36	2,250.00	262.36
Accounting	775.00	1,500.00	(725.00)	14,683.25	13,500.00	1,183.25
Review/Audit/Tax Return	0.00	0.00	0.00	70,481.05	65,000.00	5,481.05
Promotion and Entertainment	0.00	0.00	0.00	7,127.78	5,081.00	2,046.78
Charitable Contribution	0.00	0.00	0.00	500.00	0.00	500.00
Rent	5,738.32	6,138.75	(400.43)	66,232.66	55,248.75	10,983.91
Executive Compensation	15,000.00	15,000.00	0.00	135,000.00	135,000.00	0.00
Storage	833.26	0.00	833.26	11,670.83	8,500.00	3,170.83
Telephone	188.77	250.00	(61.23)	1,604.40	2,250.00	(645.60)
Management Travel	1,790.95	2,500.00	(709.05)	20,338.72	22,500.00	(2,161.28)
Payroll Processing Fees	163.40	200.00	(36.60)	1,426.37	1,500.00	(73.63)
Interest Expense	0.00	0.00	0.00	1.01	0.00	1.01
Board of Directors fees	9,000.00	9,000.00	0.00	81,000.00	81,000.00	0.00
RE Tax Exp	1,287.08	4,000.00	(2,712.92)	3,743.07	8,500.00	(4,756.93)
Board Travel and Meals	0.00	0.00	0.00	16,958.90	21,000.00	(4,041.10)
Total Operating Expenses	52,605.75	60,859.36	(8,253.61)	715,429.33	687,154.39	28,274.94
Net Operating Income	35,807.80	91,928.64	(56,120.84)	343,971.47	616,710.29	(272,738.82)
Other Income and Expenses						
Interest Income	1,241.14	3,000.00	(1,758.86)	13,931.04	27,000.00	(13,068.96)
Debt Service (Interest) Other	(3,176.44)	(3,176.44)	0.00	(28,768.44)	(28,587.96)	(180.48)
Pr Yr Adj - 2007 Pay Tax Liab	0.00	0.00	0.00	(539,032.68)	0.00	(539,032.68)
Total Other Income and Expenses	(1,935.30)	(176.44)	(1,758.86)	(553,870.08)	(1,587.96)	(552,282.12)
Net Income	\$ 33,872.50	91,752.20	(57,879.70)	(209,898.61)	615,122.33	(825,020.94)

For Management Purposes Only

July 27, 2010

W.C. and A.N. MILLER COMPANIES
STATEMENT OF CASH FLOW
For the Month Ended June 30, 2010

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	33,873	(209,899)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend	(50,000)	(250,000)
Depreciation and amortization	180,989	1,639,412
Loss on disposition of fixed assets		-
Income allocated to minority interest	(930)	(6,885)
Accounts receivable	129,352	105,119
Other receivables	41,961	16,282
Inventory	(700)	(105,963)
Deferred income taxes		-
Prepaid expenses	(38,509)	350,955
Current maturities of long term debt		-
Accounts payable	(35,333)	497,394
Accrued income taxes	-	(35,112)
Accrued expenses	106,780	247,683
Security deposits	1,025	(24,522)
Prepaid Real Estate Tax Income	52,275	52,275
Prepaid rent income	26,174	30,021
Total Adjustments	<u>413,085</u>	<u>2,516,660</u>
Net Cash Provided by (Used for) Operating Activities	<u>446,957</u>	<u>2,306,761</u>
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(44,882)	(599,150)
Acquisition of deferred financing charges	-	(103,486)
Acquisition of real estate tax escrow	(65,405)	(272,983)
Acquisition of water escrow	-	-
Disposition of guaranty reserve	-	-
Disposition of deposit	-	-
Net Cash Used for Investing Activities	<u>(110,287)</u>	<u>(975,619)</u>
Cash Flow for Financing Activities:		
Disposition of long term debt	(52,857)	(793,826)
Acquisition of long term debt	-	-
Net Cash Used for Financing Activities	<u>(52,857)</u>	<u>(793,826)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	283,812	537,315
Cash and cash equivalents, Beginning of Period	<u>2,212,914</u>	<u>1,959,410</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>2,496,725</u>	<u>\$ 2,496,725</u>