

WC & AN Miller Companies
Balance Sheet
July 31, 2009

	Current Month	Prior Month
ASSETS		
Current Assets		
Cash in Banks	\$ 3,980,514.26	\$ 3,735,217.34
Receivables	2,355,275.39	2,431,635.94
Notes Receivable	743,601.11	1,834,973.36
Inventory	1,729,681.10	1,703,800.70
Prepaid Expenses	68,448.66	65,164.65
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Total Current Assets	8,877,520.52	9,770,791.99
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Property and Equipment		
Fixes Assets	69,890,309.11	69,773,766.87
Accumulated Depreciation	20,266,151.90	20,123,892.26
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Book Value of Property and Equipment	49,624,157.21	49,649,874.61
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Other Assets		
Leasing Commissions	654,002.35	654,002.35
Rent Abatement	3,900.03	3,900.03
Loan Charges	1,195,376.38	1,195,376.38
Deferred Expenses	711,727.39	640,563.51
Escrow - Security Deposit	47.91	47.91
Prepaid Rent	(110,439.32)	(180,780.61)
Replacement Reserve - SVO Loan	30,634.38	30,634.38
Escrow Water	(950.00)	(950.00)
Accrued Revenue - Leaves	84,795.00	84,795.00
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Total Other Assets	2,569,094.12	2,427,588.95
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Total Assets	\$ 61,070,771.85	\$ 61,848,255.55
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WC & AN Miller Companies
Balance Sheet
July 31, 2009

Current Month Prior Month

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts Payable	\$ 6,790.85	\$ 39,570.62
Accrued Liabilities	1,125,247.91	990,220.80
Contract, Escrow & Deposits	328,792.05	309,280.71
Accrued Payroll & Benefits	26,582.93	26,582.93
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Total Current Liabilities	1,487,413.74	1,365,655.06
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Long-Term Liabilities		
Notes Payable (1)	91,471,590.08	92,562,452.67
Other Non-Current Liabilities	34,310.06	34,310.06
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Total Long-Term Liabilities	91,505,900.14	92,596,762.73
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Total Liabilities	92,993,313.88	93,962,417.79
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Minority Interest (2)	6,034,422.26	6,034,422.26
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Stockholders' Equity		
Common Stock	800,200.00	800,200.00
Retained Earnings	(29,144,212.77)	(29,144,212.77)
Net Income	2,455,893.00	2,264,272.79
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Total Capital	(31,922,542.03)	(32,114,162.24)
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Total Liabilities & Capital	\$ 61,070,771.85	\$ 61,848,255.55
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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
July 31, 2009

		Current Month		Budget	Prior Month
N/P Cur Wash Securites	\$	200,000.00	\$	0.00	200,000.00
NP Cur Sub Debent		440,000.00		440,000.00	440,000.00
N/P MetLife		27,270,702.53		27,270,485.37	27,312,843.92
N/P - C.C. 314545		15,016,598.17		15,202,823.19	15,256,166.07
Chevy Chase - Sunshine Brooke		(455.88)		441,250.00	791,250.00
Key Bank Loan		18,044,515.30		18,028,166.70	18,061,962.72
N/P - TIAA Loan		22,250,000.00		22,250,000.00	22,250,000.00
N/P - Haymount Mezz		8,250,229.96		6,858,184.72	8,250,229.96
Total Long Term Debt	\$	91,471,590.08	\$	90,490,909.98	92,562,452.67

Notes Repayment Schedule

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

WC & AN Miller Companies
Income Statement
For the Ten Months Ending July 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	\$ 1,279,714.76	1,217,273.00	62,441.76	11,522,065.95	11,487,885.28	34,180.67
Rent Expenses	(365,759.06)	(265,499.00)	(100,260.06)	(3,638,031.15)	(2,779,382.21)	(858,648.94)
Real Estate Taxes	(114,274.94)	(134,088.00)	19,813.06	(1,301,486.88)	(1,360,676.58)	59,189.70
Depreciation	(142,259.64)	(175,796.00)	33,536.36	(1,424,788.09)	(1,741,108.00)	316,319.91
Debt Service-Interest	(407,023.56)	(432,913.00)	25,889.44	(4,087,108.51)	(4,365,533.33)	278,424.82
Net Rental Income	250,397.56	208,977.00	41,420.56	1,070,651.32	1,241,185.16	(170,533.84)
Revenues						
Management Fee - Haymount LP	0.00	0.00	0.00	38,502.00	38,502.00	0.00
Land Management - Haymount LP	0.00	0.00	0.00	38,332.00	38,332.00	0.00
Haymount LP Management Fee	0.00	0.00	0.00	(27,500.00)	(27,500.00)	0.00
Sales	0.00	350,000.00	(350,000.00)	3,217,500.00	3,601,700.00	(384,200.00)
Total Revenues	0.00	350,000.00	(350,000.00)	3,266,834.00	3,651,034.00	(384,200.00)
Cost of Sales	0.00	450,000.00	(450,000.00)	5,188,868.55	5,015,018.54	173,850.01
Corporate Gross Profit	0.00	(100,000.00)	100,000.00	(1,922,034.55)	(1,363,984.54)	(558,050.01)
Gross Profit	250,397.56	108,977.00	141,420.56	(851,383.23)	(122,799.38)	(728,583.85)
Operating Expenses						
Advertising	0.00	0.00	0.00	74.00	74.00	0.00
Auto Expenses	0.00	200.00	(200.00)	632.52	1,902.18	(1,269.66)
Bank Charges	470.11	1,100.00	(629.89)	6,150.97	10,755.78	(4,604.81)
Move Expenses	295.00	0.00	295.00	12,465.00	7,019.00	5,446.00
Computer Supplies	0.00	0.00	0.00	1,795.24	1,755.00	40.24
Computer Consultant	3,137.70	500.00	2,637.70	34,532.59	13,656.25	20,876.34
Board Consultant	2,000.00	2,000.00	0.00	24,000.00	24,000.00	0.00
New Homes Consultant	0.00	0.00	0.00	30,000.00	30,000.00	0.00
Office Administration	4,000.00	4,000.00	0.00	45,000.00	40,000.00	5,000.00
Courier	45.89	0.00	45.89	159.03	113.14	45.89
Dues and Subscriptions	0.00	0.00	0.00	362.06	362.06	0.00
Equipment Rental	2,333.78	1,769.00	564.78	45,343.67	29,804.51	15,539.16
General Insurance	0.00	0.00	0.00	(1,208.83)	37,739.00	(38,947.83)
Legal - General	0.00	5,000.00	(5,000.00)	22,901.26	43,663.90	(20,762.64)
Legal - New Homes	0.00	0.00	0.00	5,470.95	4,103.40	1,367.55
Legal - Loans/Lenders	0.00	0.00	0.00	106,912.37	111,772.00	(4,859.63)
Legal - Collections	0.00	0.00	0.00	920.26	741.26	179.00

For Management Purposes Only

WC & AN Miller Companies
Income Statement
For the Ten Months Ending July 31, 2009

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Legal - Commercial Leasing	137.50	0.00	137.50	27,076.20	937.50	26,138.70
Legal - Employee Matters	0.00	0.00	0.00	19,730.47	24,958.66	(5,228.19)
Legal - Haymount	0.00	0.00	0.00	54,136.89	27,095.00	27,041.89
Leasing Commission - Corp	0.00	0.00	0.00	12,553.80	12,553.80	0.00
Health Insurance	1,120.00	1,200.00	(80.00)	14,142.92	11,736.70	2,406.22
John Clark Settlement	0.00	0.00	0.00	0.00	133,000.00	(133,000.00)
Management Meals	73.85	100.00	(26.15)	368.47	995.13	(626.66)
Annual Shareholder Meeting	0.00	0.00	0.00	819.80	3,000.00	(2,180.20)
Office Supplies	222.49	2,600.00	(2,377.51)	15,303.95	9,291.35	6,012.60
Other Taxes and Licenses	343.75	0.00	343.75	36,270.97	45,130.43	(8,859.46)
Parking	0.00	200.00	(200.00)	1,951.00	3,092.00	(1,141.00)
Payroll Taxes	0.00	0.00	0.00	14,056.76	13,192.51	864.25
Postage	178.42	200.00	(21.58)	2,999.01	2,308.63	690.38
Accounting	2,737.45	1,500.00	1,237.45	149,243.78	112,805.00	36,438.78
Loan Charges	0.00	0.00	0.00	424,019.61	498,019.61	(74,000.00)
Audit	0.00	0.00	0.00	0.00	50,000.00	(50,000.00)
Promotion and Entertainment	81.96	0.00	81.96	5,248.29	0.00	5,248.29
Rent	231.95	0.00	231.95	5,901.35	27,711.18	(21,809.83)
Repairs and Maintenance	122.49	0.00	122.49	8,745.26	8,672.00	73.26
Executive Compensation	12,500.00	12,500.00	0.00	125,000.00	125,000.00	0.00
Office Salary	0.00	0.00	0.00	58,155.57	58,155.57	0.00
Ongoing Severance	13,950.00	56,300.00	(42,350.00)	143,421.77	393,570.86	(250,149.09)
One Time Severance	0.00	0.00	0.00	567,820.72	196,688.71	371,132.01
Storage	457.79	0.00	457.79	4,034.56	2,531.50	1,503.06
Telephone	207.79	0.00	207.79	6,374.30	1,441.10	4,933.20
Management Travel	1,730.72	2,500.00	(769.28)	14,567.65	26,695.68	(12,128.03)
Payroll Processing Fees	130.94	765.84	(634.90)	2,764.60	5,725.36	(2,960.76)
Board of Directors fees	9,000.00	9,000.00	0.00	75,000.00	81,500.00	(6,500.00)
2008 Deferred Director's Fees	0.00	0.00	0.00	22,500.00	7,500.00	15,000.00
RE Tax Exp	0.00	0.00	0.00	4,144.24	0.00	4,144.24
Board Travel and Meals	0.00	7,000.00	(7,000.00)	24,202.70	29,026.79	(4,824.09)
Total Operating Expenses	55,509.58	108,434.84	(52,925.26)	2,176,065.73	2,269,796.55	(93,730.82)
Net Operating Income	194,887.98	542.16	194,345.82	(3,027,448.96)	(2,392,595.93)	(634,853.03)
Other Income and Expenses						
Miscellaneous Income	0.00	0.00	0.00	5,546,074.02	5,725,000.00	(178,925.98)
Interest Income	2,188.07	5,082.54	(2,894.47)	33,546.94	50,825.40	(17,278.46)
Debt Service (Interest) Other	(5,455.84)	(3,176.44)	(2,279.40)	(96,279.00)	(144,080.18)	47,801.18

For Management Purposes Only

WC & AN Miller Companies
Income Statement
For the Ten Months Ending July 31, 2009

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Total Other Income and Expenses	(3,267.77)	1,906.10	(5,173.87)	5,483,341.96	5,631,745.22	(148,403.26)
Net Income	\$ 191,620.21	2,448.26	189,171.95	2,455,893.00	3,239,149.29	(783,256.29)

WC & AN Miller Companies
Statement of Cash Flow
For the ten Months Ended July 31, 2009

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 191,620.21	\$ 2,455,893.00
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and Amortization	142,259.64	1,424,787.26
Accounts Receivable (net)	126,984.55	(262,573.86)
Notes Receivable	1,091,372.25	1,199,200.29
Intercompany Receivables	(2,633.39)	(1,078.37)
Other Receivables	(47,990.61)	(176,276.16)
Inventory	(25,880.40)	4,763,924.53
Prepaid Real Estate Tax & Ins.	(3,284.01)	972,240.28
Accounts Payable	(32,779.77)	(44,912.91)
Accrued Expenses	(14,144.10)	(340,324.52)
Accrued Interest Payable	0.00	(88.94)
Accrued Income Taxes	0.00	(9,411.81)
Accrued Insurance	0.00	(13,264.56)
Accrued Real Estat Tax	123,756.69	382,506.66
Provisions for Loss	(8,290.44)	0.00
Accrued Directors Fees	0.00	1,500.00
Accrued Management Fee	0.00	(9,605.00)
Accrued Utilities	0.00	(5,708.00)
Accrued Interest	33,704.96	(74,222.07)
Security Deposit - Cricket	0.00	17,435.83
Security Deposits	19,511.34	16,123.32
Total Adjustments	1,402,586.71	7,840,251.97
Net Cash provided by Operations	1,594,206.92	10,296,144.97
Cash Flows from investing activities		
Used For		
Fixed Assets	(116,542.24)	(274,140.62)
Leasing Commissions	0.00	(416,580.34)
Loan Charges	0.00	(284,375.00)
Real Estate Tax Escrow	(71,163.88)	156,607.68
Escrow - Security Deposit	0.00	(47.91)
Prepaid Rent	(70,341.29)	110,439.32
Escrow Water	0.00	950.00
Net cash used in investing	(258,047.41)	(707,146.87)
Cash Flows from financing activities		
Proceeds From		
Long Term Debt	(1,090,862.59)	(8,684,457.76)
Net cash used in financing	(1,090,862.59)	(8,684,457.76)
Net increase <decrease> in cash	\$ 245,296.92	\$ 904,540.34
Summary		
Cash Balance at End of Period	\$ 3,980,514.26	\$ 3,980,514.26
Cash Balance at Beg of Period	(3,735,217.34)	(3,075,973.92)
Net Increase <Decrease> in Cash	\$ 245,296.92	\$ 904,540.34

Unaudited - For Internal Use Only.