

WC & AN Miller Companies  
Balance Sheet  
August 31, 2010

Current Month                      Prior Month

ASSETS

Current Assets		
Cash and Cash Equivalents	\$ 1,776,397.57	\$ 2,372,424.13
Accounts Receivable, net	4,198,390.88	4,288,236.75
Other Receivables	1,047,723.25	1,053,662.71
Inventory	1,890,552.44	1,887,351.44
Prepaid Expenses	109,859.02	115,215.50
Total Current Assets	<u>9,022,923.16</u>	<u>9,716,890.53</u>
Fixed Assets		
Land	8,278,840.50	8,278,840.50
HLP, II Land	538,905.48	538,905.48
Buildings	41,813,182.28	41,800,568.65
Property and Equipment	1,722,997.46	1,722,997.46
Capital Improvements - Opt	648,671.00	648,671.00
Improvements	17,540,779.32	17,474,693.96
Less: Accumulated Depreciation	<u>17,930,277.40</u>	<u>17,749,288.73</u>
Net Fixed Assets	<u>52,613,098.64</u>	<u>52,715,388.32</u>
Other Assets		
Deferred Leasing Commissions,	562,545.08	528,482.78
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>665,169.94</u>	<u>597,071.66</u>
Total Other Assets	<u>8,894,621.81</u>	<u>8,792,461.23</u>
TOTAL ASSETS	<u>\$ 70,530,643.61</u>	<u>\$ 71,224,740.08</u>

WC & AN Miller Companies  
Balance Sheet  
August 31, 2010

Current Month                      Prior Month

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts Payable	\$ 28,218.41	\$ 20,880.34
2007 Payroll Tax Liability	484,032.68	495,032.68
Accrued Income Taxes	464.00	464.00
Accrued Expenses	1,508,947.03	1,323,066.87
Security Deposits	318,349.02	310,621.77
Prepaid RE Income	117,293.72	144,705.70
Prepaid Rent Income	299,311.16	312,438.62
Total Current Liabilities	<u>2,756,616.02</u>	<u>2,607,209.98</u>
Long-Term Liabilities		
Notes Payable (1)	88,153,479.62	88,930,855.49
Guaranty Reserve	34,310.06	34,310.06
Total Long-Term Liabilities	<u>88,187,789.68</u>	<u>88,965,165.55</u>
Total Liabilities	<u>90,944,405.70</u>	<u>91,572,375.53</u>
Minority Interest (2)	<u>(5,840,889.74)</u>	<u>(5,840,346.31)</u>
Total Minority Interest	<u>(5,840,889.74)</u>	<u>(5,840,346.31)</u>
Stockholders' Deficit		
Common Stock	800,200.00	800,200.00
Dividend	(349,999.99)	(299,999.96)
Retained Earnings (Deficit)	<u>(15,023,072.36)</u>	<u>(15,007,489.18)</u>
Total Stockholders' Deficit	<u>(14,572,872.35)</u>	<u>(14,507,289.14)</u>
TOTAL LIABILITIES & STOCKHOLDERS' DEFICI	<u>\$ 70,530,643.61</u>	<u>\$ 71,224,740.08</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  
August 31, 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		26,701,918.56		26,701,918.55	26,747,052.78
N/P Burke & Herbert - SVR		12,693,766.96		12,670,608.63	13,388,662.78
Key Bank Loan		17,763,612.14		17,782,240.08	17,782,322.83
N/P - TIAA Loan		22,103,952.13		22,066,352.00	22,122,587.27
N/P - Haymount Mezz		8,250,229.83		8,250,229.96	8,250,229.83
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Total Long Term Debt	\$	88,153,479.62	\$	88,111,349.22	88,930,855.49
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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 Eleven Months Ending August 31, 2010

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Rental Activities</b>						
Rent Income	\$ 1,120,465.61	1,243,961.00	(123,495.39)	14,118,898.91	13,988,204.00	130,694.91
Rent Expenses	(333,160.70)	(333,948.00)	787.30	(4,730,462.64)	(3,735,604.00)	(994,858.64)
Real Estate Taxes	(120,189.30)	(129,778.00)	9,588.70	(1,338,262.67)	(1,421,636.00)	83,373.33
Depreciation	(180,988.67)	(156,261.00)	(24,727.67)	(1,988,774.21)	(1,718,871.00)	(269,903.21)
Debt Service-Interest	(445,636.10)	(464,579.00)	18,942.90	(4,965,361.95)	(5,134,682.00)	169,320.05
<b>Net Rental Income</b>	<b>40,490.84</b>	<b>159,395.00</b>	<b>(118,904.16)</b>	<b>1,096,037.44</b>	<b>1,977,411.00</b>	<b>(881,373.56)</b>
<b>Revenues</b>						
Sales	0.00	0.00	0.00	0.00	550,000.00	(550,000.00)
<b>Total Revenues</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>550,000.00</b>	<b>(550,000.00)</b>
<b>Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,000.00</b>	<b>1,156,578.64</b>	<b>(1,148,578.64)</b>
<b>Corporate Gross Profit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(8,000.00)</b>	<b>(606,578.64)</b>	<b>598,578.64</b>
<b>Gross Profit</b>	<b>40,490.84</b>	<b>159,395.00</b>	<b>(118,904.16)</b>	<b>1,088,037.44</b>	<b>1,370,832.36</b>	<b>(282,794.92)</b>
<b>Operating Expenses</b>						
Auto Expenses	787.36	800.00	(12.64)	7,584.06	8,800.00	(1,215.94)
Bank Charges	33.29	600.00	(566.71)	590.36	6,600.00	(6,009.64)
Computer Consultant	1,000.00	1,000.00	0.00	13,939.03	11,000.00	2,939.03
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	65,000.00	55,000.00	10,000.00
Courier	0.00	0.00	0.00	11.64	0.00	11.64
Equipment Rental	1,462.94	1,257.74	205.20	23,957.80	22,230.97	1,726.83
General Insurance	0.00	0.00	0.00	23,803.00	30,500.00	(6,697.00)
Legal - General	640.00	7,500.00	(6,860.00)	27,163.41	102,500.00	(75,336.59)
Legal - New Homes	0.00	0.00	0.00	5,498.80	0.00	5,498.80
Legal - Loans/Lenders	3,356.42	0.00	3,356.42	3,356.42	0.00	3,356.42
Legal - Haymount	3,079.42	0.00	3,079.42	44,591.66	0.00	44,591.66
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)	14,077.00	16,500.00	(2,423.00)
Management Meals	0.00	100.00	(100.00)	1,201.49	1,100.00	101.49
Annual Shareholder Meeting	0.00	0.00	0.00	785.68	2,500.00	(1,714.32)
Office Supplies	560.22	300.00	260.22	3,740.11	3,300.00	440.11
Other Taxes and Licenses	100.00	0.00	100.00	52,995.29	7,750.60	45,244.69
Parking	0.00	0.00	0.00	234.00	0.00	234.00

For Management Purposes Only

September 28, 2010



WC & AN Miller Companies  
Income Statement  
For the Eleven Months Ending August 31, 2010

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Payroll Taxes	382.50	711.60	(329.10)	4,043.90	13,063.60	(9,019.70)
Postage	246.15	250.00	(3.85)	2,861.66	2,750.00	111.66
Accounting	170.00	1,500.00	(1,330.00)	15,623.25	16,500.00	(876.75)
Review/Audit/Tax Return	0.00	0.00	0.00	70,481.05	65,000.00	5,481.05
Promotion and Entertainment	175.60	0.00	175.60	7,303.38	5,081.00	2,222.38
Charitable Contribution	0.00	0.00	0.00	500.00	0.00	500.00
Rent	5,637.07	6,138.75	(501.68)	80,743.05	67,526.25	13,216.80
Executive Compensation	15,000.00	15,000.00	0.00	165,000.00	165,000.00	0.00
Storage	4,184.81	0.00	4,184.81	16,602.90	8,500.00	8,102.90
Telephone	383.56	250.00	133.56	2,153.20	2,750.00	(596.80)
Management Travel	1,823.92	2,500.00	(676.08)	24,668.67	27,500.00	(2,831.33)
Payroll Processing Fees	148.30	200.00	(51.70)	1,722.97	1,900.00	(177.03)
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	99,000.00	99,000.00	0.00
RE Tax Exp	0.00	0.00	0.00	3,743.07	8,500.00	(4,756.93)
Board Travel and Meals	606.29	0.00	606.29	17,565.19	21,000.00	(3,434.81)
Total Operating Expenses	55,148.85	53,608.09	1,540.76	823,879.60	795,188.97	28,690.63
Net Operating Income	(14,658.01)	105,786.91	(120,444.92)	264,157.84	575,643.39	(311,485.55)
Other Income and Expenses						
Miscellaneous Income	1,917.92	0.00	1,917.92	1,917.92	0.00	1,917.92
Interest Income	533.35	3,000.00	(2,466.65)	15,791.04	33,000.00	(17,208.96)
Debt Service (Interest) Other	(3,176.44)	(3,176.44)	0.00	(35,121.32)	(34,940.84)	(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	(725.17)	(176.44)	(548.73)	(556,445.04)	(1,940.84)	(554,504.20)
Net Income	\$ (15,383.18)	105,610.47	(120,993.65)	(292,287.20)	573,702.55	(865,989.75)

For Management Purposes Only

September 28, 2010

W.C. and A.N. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended August 31, 2010

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	(15,383)	(292,287)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend	(50,000)	(350,000)
Depreciation and amortization	180,989	2,001,390
Loss on disposition of fixed assets		-
Income allocated to minority interest	(543)	(8,144)
Accounts receivable	89,846	238,954
Other receivables	5,939	(187,977)
Inventory	(3,201)	(116,937)
Deferred income taxes		-
Prepaid expenses	5,356	364,912
Current maturities of long term debt		-
Accounts payable	(3,662)	490,309
Accrued income taxes	-	(35,112)
Accrued expenses	185,680	510,517
Security deposits	7,727	(27,550)
Prepaid Real Estate Tax Income	(27,412)	117,293
Prepaid rent income	(13,127)	98,633
Total Adjustments	<u>377,592</u>	<u>3,096,288</u>
Net Cash Provided by (Used for) Operating Activities	<u>362,209</u>	<u>2,804,001</u>
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(78,699)	(741,920)
Acquisition of deferred financing charges	(34,062)	(139,796)
Acquisition of real estate tax escrow	(68,098)	(406,486)
Acquisition of water escrow	-	-
Disposition of guaranty reserve	-	-
Disposition of deposit	-	-
Net Cash Used for Investing Activities	<u>(180,860)</u>	<u>(1,288,203)</u>
Cash Flow for Financing Activities:		
Disposition of long term debt	(777,376)	(1,698,816)
Acquisition of long term debt	-	-
Net Cash Used for Financing Activities	<u>(777,376)</u>	<u>(1,698,816)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(596,027)	(183,018)
Cash and cash equivalents, Beginning of Period	<u>2,372,424</u>	<u>1,959,410</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>1,776,397</u>	<u>\$ 1,776,397</u>