

W.C. and A.N. Miller Development Company

BALANCE SHEET
for period ending September 30, 2009

| | Current Month | Prior Month |
|--------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash in Banks | \$ 1,640,988.74 | \$ 2,106,580.85 |
| Receivables | 2,641,396.30 | 2,365,230.38 |
| Notes Receivable | 1,077,449.86 | 736,331.11 |
| Inventory | 1,738,854.40 | 1,735,519.40 |
| Prepaid Expenses | 437,408.47 | 111,052.89 |
| Total Current Assets | <u>7,536,097.77</u> | <u>7,054,714.63</u> |
| Property and Equipment | | |
| Fixes Assets | 70,161,113.70 | 70,043,572.29 |
| Accumulated Depreciation | <u>20,443,594.98</u> | <u>20,298,144.41</u> |
| Book Value of Property and Equipment | <u>49,717,518.72</u> | <u>49,745,427.88</u> |
| Other Assets | | |
| Leasing Commissions | 702,082.74 | 701,493.68 |
| Rent Abatment | 3,900.03 | 3,900.03 |
| Loan Charges | 911,001.38 | 1,195,376.38 |
| Deferred Expenses | 1,170,454.01 | 775,554.62 |
| Escrow - Security Deposit | 47.91 | 47.91 |
| Prepaid Rent | (185,779.01) | (62,066.58) |
| Replacement Reserve - SVO Loan | 30,634.38 | 30,634.38 |
| Escrow Water | (950.00) | (950.00) |
| Accrued Revenue - Leaves | <u>84,795.00</u> | <u>84,795.00</u> |
| Total Other Assets | <u>2,716,186.44</u> | <u>2,728,785.42</u> |
| Total Assets | <u>\$ 59,969,802.93</u> | <u>\$ 59,528,927.93</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

| | | |
|-----------------------------|----------------|--------------|
| Accounts Payable | (\$ 36,395.60) | \$ 946.58 |
| Accrued Liabilities | 771,294.61 | 1,025,841.22 |
| Contract, Escrow & Deposits | 330,258.84 | 329,093.00 |
| Accrued Payroll & Benefits | 26,582.93 | 26,582.93 |

| | | |
|---------------------------|--------------|--------------|
| Total Current Liabilities | 1,091,740.78 | 1,382,463.73 |
|---------------------------|--------------|--------------|

Long-Term Liabilities

| | | |
|-------------------------------|---------------|---------------|
| Notes Payable (1) | 89,915,534.35 | 89,970,541.91 |
| Other Non-Current Liabilities | 34,310.06 | 34,310.06 |

| | | |
|-----------------------------|---------------|---------------|
| Total Long-Term Liabilities | 89,949,844.41 | 90,004,851.97 |
|-----------------------------|---------------|---------------|

| | | |
|-------------------|---------------|---------------|
| Total Liabilities | 91,041,585.19 | 91,387,315.70 |
|-------------------|---------------|---------------|

| | | |
|-----------------------|--------------|--------------|
| Minority Interest (2) | 6,034,422.26 | 6,034,422.26 |
|-----------------------|--------------|--------------|

Stockholders' Equity

| | | |
|-------------------|-----------------|-----------------|
| Common Stock | 800,200.00 | 800,200.00 |
| Retained Earnings | (29,144,212.77) | (29,144,212.77) |
| Net Income | 3,306,652.77 | 2,520,047.26 |

| | | |
|---------------|-----------------|-----------------|
| Total Capital | (31,071,782.26) | (31,858,387.77) |
|---------------|-----------------|-----------------|

| | | |
|-----------------------------|------------------|------------------|
| Total Liabilities & Capital | \$ 59,969,802.93 | \$ 59,528,927.93 |
|-----------------------------|------------------|------------------|

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.

W.C. and A.N. Miller Development Company

INCOME STATEMENT
for the period ending September 30, 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 | \$ 1,856,218.70 | 1,221,051.00 | 635,167.70 | 14,522,013.87 | 13,925,883.28 | 596,130.59 |
| Rent Expenses | (409,860.56) | (259,780.00) | (150,080.56) | (4,389,073.66) | (3,318,318.21) | (1,070,755.45) |
| Real Estate Taxes | (112,743.84) | (134,088.00) | 21,344.16 | (1,494,843.78) | (1,628,852.58) | 134,008.80 |
| Depreciation | (145,450.57) | (176,576.00) | 31,125.43 | (1,709,307.37) | (2,093,911.00) | 384,603.63 |
| Debt Service-Interest | (451,793.78) | (432,278.00) | (19,515.78) | (4,998,515.55) | (5,230,407.33) | 231,891.78 |
| Net Rental Income | 736,369.95 | 218,329.00 | 518,040.95 | 1,930,273.51 | 1,654,394.16 | 275,879.35 |
| 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 | 4,301,700.00 | (1,084,200.00) |
| Total Revenues | 0.00 | 350,000.00 | (350,000.00) | 3,266,834.00 | 4,351,034.00 | (1,084,200.00) |
| Cost of Sales | 0.00 | 450,000.00 | (450,000.00) | 5,188,868.55 | 5,915,018.54 | (726,149.99) |
| COGS | 0.00 | 450,000.00 | (450,000.00) | 5,188,868.55 | 5,915,018.54 | (726,149.99) |
| Corporate Gross Profit | 0.00 | (100,000.00) | 100,000.00 | (1,922,034.55) | (1,563,984.54) | (358,050.01) |
| Gross Profit | 736,369.95 | 118,329.00 | 618,040.95 | 8,238.96 | 90,409.62 | (82,170.66) |

| | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance |
|----------------------------|-------------------------|-------------------------|---------------------------|------------------------|------------------------|--------------------------|
| Operating Expenses | | | | | | |
| Advertising | 0.00 | 0.00 | 0.00 | 74.00 | 74.00 | 0.00 |
| Auto Expenses | 7.18 | 200.00 | (192.82) | 711.16 | 2,302.18 | (1,591.02) |
| Bank Charges | 560.78 | 1,100.00 | (539.22) | 7,285.10 | 12,955.78 | (5,670.68) |
| Move Expenses | 120.00 | 0.00 | 120.00 | 13,895.00 | 7,019.00 | 6,876.00 |
| Computer Supplies | 0.00 | 0.00 | 0.00 | 1,795.24 | 2,055.00 | (259.76) |
| Computer Consultant | 1,150.00 | 500.00 | 650.00 | 36,963.84 | 14,656.25 | 22,307.59 |
| Board Consultant | 2,000.00 | 2,000.00 | 0.00 | 28,000.00 | 28,000.00 | 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 | 53,000.00 | 48,000.00 | 5,000.00 |
| Courier | 0.00 | 0.00 | 0.00 | 159.03 | 113.14 | 45.89 |
| Dues and Subscriptions | 0.00 | 0.00 | 0.00 | 362.06 | 362.06 | 0.00 |
| Equipment Rental | 2,371.73 | 1,300.00 | 1,071.73 | 51,820.88 | 32,873.51 | 18,947.37 |
| General Insurance | 0.00 | 0.00 | 0.00 | (1,208.83) | 37,739.00 | (38,947.83) |
| Legal - General | 1,391.50 | 5,000.00 | (3,608.50) | 24,823.26 | 53,663.90 | (28,840.64) |
| Legal - New Homes | 1,915.00 | 0.00 | 1,915.00 | 7,424.95 | 4,103.40 | 3,321.55 |
| Legal - Loans/Lenders | (110,052.01) | 0.00 | (110,052.01) | (2,362.14) | 111,772.00 | (114,134.14) |
| Legal - Collections | 0.00 | 0.00 | 0.00 | 920.26 | 741.26 | 179.00 |
| Legal - Commercial Leasing | 994.12 | 0.00 | 994.12 | 28,338.60 | 937.50 | 27,401.10 |
| Legal - Employee Matters | 0.00 | 0.00 | 0.00 | 19,730.47 | 24,958.66 | (5,228.19) |
| Legal - Haymount | 5,565.52 | 0.00 | 5,565.52 | 59,526.91 | 27,095.00 | 32,431.91 |
| 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) | 16,382.92 | 14,136.70 | 2,246.22 |
| John Clark Settlement | 0.00 | 0.00 | 0.00 | 0.00 | 133,000.00 | (133,000.00) |
| Management Meals | 523.63 | 100.00 | 423.63 | 936.64 | 1,195.13 | (258.49) |
| Annual Shareholder Meeting | 0.00 | 0.00 | 0.00 | 819.80 | 3,000.00 | (2,180.20) |
| Office Supplies | (1,076.09) | 100.00 | (1,176.09) | 14,637.44 | 9,491.35 | 5,146.09 |
| Other Taxes and Licenses | 275.26 | 0.00 | 275.26 | 36,561.96 | 45,130.43 | (8,568.47) |
| Parking | 52.00 | 200.00 | (148.00) | 2,017.00 | 3,492.00 | (1,475.00) |
| Payroll Taxes | 0.00 | 0.00 | 0.00 | 14,056.76 | 13,192.51 | 864.25 |
| Postage | 183.17 | 200.00 | (16.83) | 3,479.61 | 2,708.63 | 770.98 |

| | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance |
|---------------------------------|-------------------------|-------------------------|---------------------------|------------------------|------------------------|--------------------------|
| Accounting | 1,965.00 | 1,500.00 | 465.00 | 152,338.78 | 115,805.00 | 36,533.78 |
| Loan Charges | (24,538.40) | 0.00 | (24,538.40) | 399,481.21 | 498,019.61 | (98,538.40) |
| Audit | 0.00 | 0.00 | 0.00 | 0.00 | 50,000.00 | (50,000.00) |
| Promotion and Entertainment | 0.00 | 0.00 | 0.00 | 5,482.17 | 0.00 | 5,482.17 |
| Charitable Contribution | 0.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 1,000.00 |
| Rent | 17,835.28 | 0.00 | 17,835.28 | 23,964.48 | 27,711.18 | (3,746.70) |
| Repairs and Maintenance | 0.00 | 0.00 | 0.00 | 8,745.26 | 8,672.00 | 73.26 |
| Executive Compensation | 12,500.00 | 12,500.00 | 0.00 | 150,000.00 | 150,000.00 | 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) | 171,321.77 | 506,170.86 | (334,849.09) |
| One Time Severance | 0.00 | 0.00 | 0.00 | 567,820.72 | 196,688.71 | 371,132.01 |
| Storage | 1,631.04 | 0.00 | 1,631.04 | 6,253.39 | 2,531.50 | 3,721.89 |
| Telephone | 182.04 | 0.00 | 182.04 | 6,697.36 | 1,441.10 | 5,256.26 |
| Management Travel | 4,389.29 | 2,500.00 | 1,889.29 | 20,409.22 | 31,695.68 | (11,286.46) |
| Payroll Processing Fees | 145.44 | 365.84 | (220.40) | 3,040.98 | 6,457.04 | (3,416.06) |
| Board of Directors fees | 9,000.00 | 9,000.00 | 0.00 | 93,000.00 | 99,500.00 | (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 | 0.00 | 0.00 | 24,266.70 | 29,026.79 | (4,760.09) |
| Total Operating Expenses | (51,838.52) | 98,065.84 | (149,904.36) | 2,181,327.57 | 2,466,697.23 | (285,369.66) |
| Net Operating Income | 788,208.47 | 20,263.16 | 767,945.31 | (2,173,088.61) | (2,376,287.61) | 203,199.00 |
| 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 | 1,573.48 | 5,082.54 | (3,509.06) | 36,755.12 | 60,990.48 | (24,235.36) |
| Debt Service (Interest) Other | (3,176.44) | (3,176.44) | 0.00 | (103,087.76) | (150,433.06) | 47,345.30 |
| Total Other Income and Expenses | (1,602.96) | 1,906.10 | (3,509.06) | 5,479,741.38 | 5,635,557.42 | (155,816.04) |

| | Current Month | | Current Month | | Current Month | | Year to Date | | Year to Date | |
|------------|---------------|-----------|---------------|--------------|---------------|-----------|--------------|--------|--------------|----------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Actual | Budget | Actual | Variance |
| Net Income | \$ 786,605.51 | 22,169.26 | 764,436.25 | 3,306,652.77 | 3,259,269.81 | 47,382.96 | | | | |