

W.C. and A.N. Miller Development Company  
**Balance Sheet**  
for the period ending September 30, 2013

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 5,597,639.81	\$ 5,910,673.47
Investments	2,500,000.00	2,500,000.00
Unrealized Investments Gain/Lo	324,079.94	164,230.77
Accounts Receivable	184,517.56	267,990.07
Straightline Rent	3,512,731.89	3,512,731.89
Miscellaneous Receivables	49,592.73	27,209.71
Provision for Loss	0.00	0.00
Other Receivables	929,623.77	931,893.76
Inventory	37,318.04	37,318.04
Prepaid Expenses	561,090.55	156,101.69
<b>Total Current Assets</b>	<b>13,696,594.29</b>	<b>13,508,149.40</b>

**Fixed Assets**

Land	6,310,994.50	6,310,994.50
HLP, II Land	538,905.48	538,905.48
Buildings	50,104,609.54	49,848,437.91
Property and Equipment	122,886.47	74,838.71
Capital Improvements - Opt	1,876.00	1,876.00
Building on 49th Street	36,738.61	34,978.61
Improvements	13,260,148.33	13,063,170.39
Less: Accumulated Depreciation	22,361,735.87	22,210,867.90
<b>Net Fixed Assets</b>	<b>48,014,423.06</b>	<b>47,662,333.70</b>

**Other Assets**

Deferred Leasing Commissions,	1,474,685.79	1,421,402.02
Deferred Finance Charges, net	1,126,070.27	1,133,018.32
Deposit	17,630.05	17,630.05
Deferred Taxes	7,573,883.00	7,573,883.00
Real Estate Tax Escrow	68,985.70	444,445.90
<b>Total Other Assets</b>	<b>10,837,632.81</b>	<b>10,590,379.29</b>

**TOTAL ASSETS**

\$ 72,548,650.16	\$ 71,760,862.39
------------------	------------------

## LIABILITIES AND STOCKHOLDERS' DEFICIT

### Current Liabilities

Accounts Payable	\$ 165,975.73	\$ 20,397.16
Accrued Income Taxes	0.00	0.00
Accrued Expenses	1,485,271.57	1,465,822.54
Security Deposits	455,601.17	465,751.17
Prepaid RE Income	82,637.70	91,919.67
Prepaid Rent Income	631,365.36	637,010.10

### Total Current Liabilities

3,397,229.53	2,680,900.64
--------------	--------------

### Long-Term Liabilities

Notes Payable (1)	96,987,263.17	97,140,567.40
Guaranty Reserve	0.00	0.00

### Total Long-Term Liabilities

96,987,263.17	97,140,567.40
---------------	---------------

### Total Liabilities

100,384,492.70	99,821,468.04
----------------	---------------

### Minority Interest (2)

(6,546,616.47)	(6,546,616.47)
----------------	----------------

### Total Minority Interest

(6,546,616.47)	(6,546,616.47)
----------------	----------------

### Stockholders' Deficit

Common Stock	800,200.00	800,200.00
Dividend	(6,350,000.00)	(6,350,000.00)
Retained Earnings (Deficit)	(15,739,426.07)	(15,964,189.18)

### Total Stockholders' Deficit

(21,289,226.07)	(21,513,989.18)
-----------------	-----------------

### TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT

\$ 72,548,650.16	\$ 71,760,862.39
------------------	------------------

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  
**Long Term Debt**  
for the period ending September 30, 2013

	Current Month	Budget	Prior Month
Promissory Notes	\$ 4,392,307.89	\$ 0.00	4,431,229.83
Key Bank Loan	16,995,500.81	16,995,500.81	17,018,330.25
N/P - TIAA Loan	21,331,140.76	21,331,140.76	21,354,321.47
N/P - Haymount Mezz	8,250,229.83	8,250,229.83	8,250,229.83
N/P - Cardinal Loan - SVR	16,450,779.62	14,231,225.33	16,475,218.30
N/P - Guardian Loan	29,567,304.26	29,523,221.00	29,611,237.72
Total Long Term Debt	<u>\$ 96,987,263.17</u>	<u>\$ 90,331,317.73</u>	<u>97,140,567.40</u>

Notes Repayment Schedule:

1. **Promissory Notes** - interest rate of 3%; due 12/31/2032
2. **Key Bank Loan** - Sumner Highlands; interest rate of 6.47%; due 6/30/2021; No prepayment until 7/1/2011; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.
3. **TIAA** - Spring Valley Office; interest rate of 7%; due 10/1/2018; no prepayment until 9/30/2013; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.
4. **Cardinal Bank** - Spring Valley Retail; interest rate of 4.35%; due 3/14/2023; Prepayment of 3% for years 1 & 2; 2% for years 3 & 4; and 1% for years 5, 6, 8, and 9. No prepayment penalty in years 7 or 10.
5. **Guardian Loan**: Shops @Sumner Place; Interest rate of 4.08%; due 10/31/22; no prepayment until 10/31/2017; prepayment penalty afterwards is greater of 1% or present value of principal and interest outstanding discounted at the rate at which, when compounded monthly is equivalent to the Prepayment Treasury Rate compounded semi-annually, less the outstanding principal balance as of the date of prepayment.

W.C. and A.N. Miller Development Company  
**Income Statement**  
for the period ending September 30, 2013

	September 2013 Actual	September 2013 Budget	September 2013 Variance	September 2012 Prior Year	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Prior Year
<b>Rental Activities</b>								
Rent Income	\$ 1,290,858.31	1,507,802.00	(216,943.69)	1,860,723.94	15,607,514.24	16,410,685.00	(803,170.76)	15,179,456.10
Rent Expenses	(450,647.04)	(318,021.00)	(132,626.04)	(426,040.12)	(4,274,867.17)	(4,406,877.00)	132,009.83	(4,204,258.93)
Real Estate Taxes	(114,668.96)	(114,880.00)	211.04	(85,464.35)	(1,364,928.19)	(1,364,430.00)	(498.19)	(1,297,062.36)
Depreciation	(176,011.75)	(163,335.00)	(12,676.75)	(233,711.15)	(2,112,140.97)	(1,960,020.00)	(152,120.97)	(2,033,472.71)
Debt Service-Interest	(378,132.26)	(378,119.00)	(13.26)	(414,619.64)	(4,580,371.99)	(4,555,742.00)	(24,629.99)	(5,025,335.30)
<b>Net Rental Income</b>	171,398.30	533,447.00	(362,048.70)	700,888.68	3,275,205.92	4,123,616.00	(848,410.08)	2,619,326.80
<b>Gross Profit</b>	171,398.30	533,447.00	(362,048.70)	700,888.68	3,275,205.92	4,123,616.00	(848,410.08)	2,619,326.80
<b>Operating Expenses</b>								
Bank Charges	164.52	25.00	139.52	18.71	1,479.59	300.00	1,179.59	120.48
Schwab - ABP Fee	138.07	0.00	138.07	0.00	468.48	0.00	468.48	0.00
Schwab - Mgt Fee	0.00	0.00	0.00	0.00	4,286.13	0.00	4,286.13	0.00
Computer Supplies	0.00	0.00	0.00	0.00	5,666.97	0.00	5,666.97	2,213.66
Computer Consultant	2,475.00	800.00	1,675.00	800.00	16,614.29	9,600.00	7,014.29	14,525.00
Office Administration	8,500.00	8,500.00	0.00	7,000.00	112,000.00	102,000.00	10,000.00	94,000.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,104.00
Equipment Rental	352.77	600.00	(247.23)	548.18	4,517.87	7,200.00	(2,682.13)	6,829.23
General Insurance	0.00	0.00	0.00	1,335.57	27,780.00	25,000.00	2,780.00	24,780.57
Legal - General	6,045.00	5,000.00	1,045.00	(823.50)	47,092.78	60,000.00	(12,907.22)	56,916.41
Legal - Loans/lenders	0.00	0.00	0.00	(23,622.00)	24,099.43	0.00	24,099.43	0.00
Legal - Commercial Leasing	0.00	0.00	0.00	0.00	7,065.00	0.00	7,065.00	0.00
Legal - Haymount	9,639.27	0.00	9,639.27	6,806.17	80,750.10	125,000.00	(44,249.90)	253,952.21
Benefits	13,535.19	2,833.33	10,701.86	1,536.00	34,000.00	34,000.00	0.00	19,184.75
Management Meals	416.57	300.00	116.57	672.71	5,922.55	4,500.00	1,422.55	6,490.60
Annual Shareholder Meeting	0.00	0.00	0.00	0.00	1,210.66	7,000.00	(5,789.34)	10,404.65
Office Supplies	1,379.23	500.00	879.23	407.19	12,610.11	6,000.00	6,610.11	13,567.36
Other Taxes and Licenses	250.00	0.00	250.00	525.14	3,066.41	3,620.00	(553.59)	120,393.09
Payroll Taxes	982.54	900.00	82.54	840.00	22,289.37	19,700.00	2,589.37	18,232.20
Postage	347.56	375.00	(27.44)	375.50	3,251.85	4,500.00	(1,248.15)	4,748.54
Public Relations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,017.68
Accounting	250.00	750.00	(500.00)	(290.00)	8,206.50	9,000.00	(793.50)	4,378.38
Review/Tax Returns/Fin St.	0.00	0.00	0.00	(2,645.00)	42,838.75	51,000.00	(8,161.25)	45,507.63

Internal Control Review	0.00	0.00	0.00	0.00	3,385.00	6,000.00	(2,615.00)	4,315.00
Promotion and Entertainment	0.00	0.00	0.00	460.00	39,569.12	0.00	39,569.12	2,903.80
Charitable Contribution	800.00	0.00	800.00	0.00	11,800.00	2,000.00	9,800.00	1,000.00
Rent	8,297.92	7,500.00	797.92	(67,005.91)	92,978.20	90,000.00	2,978.20	7,800.00
East West Sublease Rent	0.00	0.00	0.00	230,587.18	0.00	0.00	0.00	230,587.18
Repairs and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,800.00
Springvale Meadows Expenses	0.00	0.00	0.00	87,531.94	0.00	0.00	0.00	147,995.78
Executive Compensation	22,916.67	22,916.67	0.00	21,000.00	275,000.04	275,000.04	0.00	252,000.00
Executive Bonus	0.00	0.00	0.00	0.00	100,000.00	100,000.00	0.00	40,000.00
Telephone	188.74	425.00	(236.26)	263.82	6,936.63	5,100.00	1,836.63	4,612.39
Cell Phones & Mobile Devices	507.84	0.00	507.84	0.00	507.84	0.00	507.84	0.00
Management Travel	447.93	3,000.00	(2,552.07)	958.90	24,759.71	36,000.00	(11,240.29)	23,791.28
Payroll Processing Fees	346.08	300.00	46.08	354.94	4,498.02	3,600.00	898.02	3,498.80
Board of Directors Fees	18,000.00	17,000.00	1,000.00	13,500.00	222,000.00	214,000.00	8,000.00	162,000.00
RE Tax Expense	0.00	0.00	0.00	(60.84)	5,599.44	5,600.00	(0.56)	5,383.06
Board Travel and Meals	0.00	0.00	0.00	2,545.98	33,905.16	40,000.00	(6,094.84)	39,422.65
<b>Total Operating Expenses</b>	<b>95,980.90</b>	<b>71,725.00</b>	<b>24,255.90</b>	<b>283,620.68</b>	<b>1,286,156.00</b>	<b>1,245,720.04</b>	<b>40,435.96</b>	<b>1,637,476.38</b>
<b>Net Operating Income</b>	<b>75,417.40</b>	<b>461,722.00</b>	<b>(386,304.60)</b>	<b>417,268.00</b>	<b>1,989,049.92</b>	<b>2,877,895.96</b>	<b>(888,846.04)</b>	<b>981,850.42</b>
<b>Other Income and Expenses</b>								
Miscellaneous Income	0.00	0.00	0.00	0.00	100.00	0.00	100.00	0.00
Accrued Interest HLP LOC	0.00	0.00	0.00	245,673.63	0.00	0.00	0.00	245,673.63
Interest Income	436.53	4,487.35	(4,050.82)	111.72	6,254.56	47,946.32	(41,691.76)	4,237.80
Debt Service (Interest) Other	(11,078.06)	0.00	(11,078.06)	0.00	(92,307.87)	(24,388.34)	(67,919.53)	0.00
Pr Yr Adj - 2007 Pay Tax Liab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(13,878.85)
Deferred Tax Expense	0.00	0.00	0.00	331,320.00	0.00	0.00	0.00	331,320.00
Gain/Loss on Sale of Asset	0.00	0.00	0.00	(388,887.83)	0.00	0.00	0.00	(388,887.83)
Unrealized Investment Gain/Loss	159,987.24	0.00	159,987.24	0.00	328,834.55	0.00	328,834.55	0.00
<b>Total Other Income and Expenses</b>	<b>149,345.71</b>	<b>4,487.35</b>	<b>144,858.36</b>	<b>188,217.52</b>	<b>242,881.24</b>	<b>23,557.98</b>	<b>219,323.26</b>	<b>178,464.75</b>
<b>Net Income</b>	<b>\$ 224,763.11</b>	<b>\$ 466,209.35</b>	<b>(\$ 241,446.24)</b>	<b>\$ 605,485.52</b>	<b>\$ 2,231,931.16</b>	<b>\$ 2,901,453.94</b>	<b>(\$ 669,522.78)</b>	<b>\$ 1,160,315.17</b>

W.C. and A.N. MILLER COMPANIES  
STATEMENT OF CASH FLOW  
For the Month Ended September 30, 2013

	Current Month	Year to Date
Cash Flows for Operating Activities:		
Net Income	224,763	2,231,931
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Dividend		(6,350,000)
Depreciation and amortization	121,016	1,970,123
Unrealized Investment Gain/Loss	(159,849)	(324,080)
Loss on disposition of fixed assets		
Income allocated to minority interest		(716)
Accounts receivable	61,089	172,422
Other receivables	2,270	39,496
Inventory		
Deferred income taxes		
Prepaid expenses	(404,989)	(120,757)
Current maturities of long term debt		
Accounts payable	145,579	59,105
Accrued income taxes		
Accrued expenses	19,449	317,886
Security deposits	(10,150)	61,917
Prior Tenant Clearing (SH)		3,050
Prepaid Real Estate Tax Income	(9,282)	2,547
Prepaid rent income	(5,645)	180,907
Total Adjustments	(240,512)	(3,988,100)
Net Cash Provided by (Used for) Operating Activities	(15,749)	(1,756,169)
Cash Flow for Investing Activities:		
Acquisition of fixed assets	(453,150)	(1,141,043)
Acquisition of deferred financing charges	6,948	(576,468)
Acquisition of deferred Leasing Commissions	(71,480)	(392,152)
Acquisition of real estate tax escrow	375,460	46,794
Acquisition of Investments		(2,500,000)
Development of 49th Street Lot	(1,760)	(36,739)
Acquisition of water escrow	-	-
Disposition of guaranty reserve		
Disposition of deposit		600,000
Net Cash Used for Investing Activities	(143,982)	(3,999,608)
Cash Flow for Financing Activities:		
Disposition of long term debt	(153,304)	(27,311,204)
Acquisition of long term debt		37,229,937
Net Cash Used for Financing Activities	(153,304)	9,918,733
Net Increase (Decrease) in Cash and Cash Equivalents	(313,034)	4,162,957
Cash and cash equivalents, Beginning of Period	5,910,674	1,434,683
CASH AND CASH EQUIVALENTS, END OF YEAR	5,597,640	5,597,640

W.C. and A.N. Miller Development Company  
2012/2013 Cash Flow Statement  
**Summary**

	September 2013 Month Actual	September 2013 Month Budget	Variance	September 2012 Prior Year	Actual Year to Date	Budget Year to Date	Variance	Variance as a Percentage	Prior Year to Date
<b>Rental Activities</b>									
Rent Income	\$ 1,290,858.31	\$ 1,507,802.00	\$ (216,943.69)	\$ 1,860,723.94	\$ 15,607,514.24	\$ 16,410,685.00	\$ (803,170.76)	-4.89%	\$ 15,179,456.10
Rent Expenses	\$ (450,647.04)	\$ (318,021.00)	\$ (132,626.04)	\$ (426,040.12)	\$ (4,274,867.17)	\$ (4,406,877.00)	\$ 132,009.83	-3.00%	\$ (4,218,700.37)
Real Estate Taxes	\$ (114,668.96)	\$ (114,880.00)	\$ 211.04	\$ (85,464.35)	\$ (1,364,928.19)	\$ (1,364,430.00)	\$ (498.19)	0.04%	\$ (1,297,062.36)
Amortization/Depreciation	\$ (176,011.75)	\$ (163,335.00)	\$ (12,676.75)	\$ (233,711.15)	\$ (2,112,140.97)	\$ (1,960,020.00)	\$ (152,120.97)	7.76%	\$ (2,033,472.71)
Debt Service - Interest	\$ (378,132.26)	\$ (378,119.00)	\$ (13.26)	\$ (414,619.64)	\$ (4,580,371.99)	\$ (4,555,742.00)	\$ (24,629.99)	0.54%	\$ (5,025,335.30)
<b>Net Rental Income</b>	\$ 171,398.30	\$ 533,447.00	\$ (362,048.70)	\$ 700,888.68	\$ 3,275,205.92	\$ 4,123,616.00	\$ (848,410.08)	-20.57%	\$ 2,604,885.36
<b>Total Operating Expenses</b>	\$ 95,980.90	\$ 71,725.00	\$ 24,255.90	\$ 196,088.74	\$ 1,286,156.00	\$ 1,245,720.04	\$ 40,435.96	3.25%	\$ 1,489,480.60
<b>Net Income</b>	\$ 224,763.11	\$ 454,879.93	\$ (230,116.82)	\$ 693,017.46	\$ 2,231,931.16	\$ 2,924,087.15	\$ (692,155.99)	-23.67%	\$ 1,293,869.51
<b>Total Adjustments to Reconcile to Cash</b>	\$ (384,492.54)	\$ (100,869.00)	\$ (283,623.54)	\$ (1,111,737.70)	\$ 862,292.17	\$ (236,761.80)	\$ 1,099,053.97	-464.20%	\$ (902,642.86)
<b>Net Cash provided from Operations</b>	\$ (159,729.43)	\$ 354,010.93	\$ (513,740.36)	\$ (418,720.24)	\$ 3,094,223.33	\$ 2,687,325.35	\$ 406,897.98	15.14%	\$ 391,226.65
<b>Increase or (Decrease) in Long Term Debt</b>	\$ (153,304.23)	\$ (147,709.24)	\$ (5,594.99)	\$ (112,226.52)	\$ 9,918,733.41	\$ 7,611,823.59	\$ 2,306,909.82	30.31%	\$ (1,320,188.21)
<b>Net Increase (Decrease) in Cash (FREE CASH FLOW)</b>	\$ (313,033.66)	\$ 206,301.69	\$ (519,335.35)	\$ (530,946.76)	\$ 13,012,956.74	\$ 10,299,148.94	\$ 2,713,807.80	26.35%	\$ (928,961.56)
<b>Shareholder Dividend</b>	\$ -	\$ -	\$ -	\$ -	\$ (6,350,000.00)	\$ (6,350,000.00)	\$ -	0.00%	\$ (200,000.00)
<b>Investments</b>	\$ -	\$ -	\$ -	\$ -	\$ (2,500,000.00)	\$ -	\$ (2,500,000.00)	100.00%	\$ -
<b>Cash Balance at Beginning of Period</b>	\$ 5,910,673.47	\$ 5,085,222.46	\$ 825,451.01	\$ 1,965,629.83	\$ 1,434,683.07	\$ 1,434,683.07	\$ -		\$ 2,563,644.63
<b>Increase (Decrease) in cash during period</b>	\$ (313,033.66)	\$ 206,301.69	\$ (519,335.35)	\$ (530,946.76)	\$ 4,162,956.74	\$ 3,856,841.08	\$ 306,115.66	7.94%	\$ (1,128,961.56)
<b>Cash at End of Period</b>	\$ 5,597,639.81	\$ 5,291,524.15	\$ 306,115.66	\$ 1,434,683.07	\$ 5,597,639.81	\$ 5,291,524.16	\$ 306,115.65	5.79%	\$ 1,434,683.07

W.C. and A.N. Miller Development Company  
2012/2013 Cash Flow Statement  
**Comparison**

	September 2013 Month Actual	September 2013 Month Budget	Variance	September 2012 Prior Year	Actual Year to Date	Budget Year to Date	Variance	Variance as a Percentage	Prior Year to Date
<b>Rental Activities</b>									
Rent Income	\$ 1,290,858.31	\$ 1,507,802.00	\$ (216,943.69)	\$ 1,860,723.94	15,607,514.24	16,410,685.00	(803,170.76)	-4.89%	15,179,456.10
Rent Expenses	\$ (450,647.04)	\$ (318,021.00)	\$ (132,626.04)	\$ (426,040.12)	(4,274,867.17)	(4,406,877.00)	132,009.83	-3.00%	(4,218,700.37)
Real Estate Taxes	\$ (114,668.96)	\$ (114,880.00)	\$ 211.04	\$ (85,464.35)	(1,364,928.19)	(1,364,430.00)	(498.19)	0.04%	(1,297,062.36)
Amortization/Depreciation	\$ (176,011.75)	\$ (163,335.00)	\$ (12,676.75)	\$ (233,711.15)	(2,112,140.97)	(1,960,020.00)	(152,120.97)	7.76%	(2,033,472.71)
Debt Service - Interest	\$ (378,132.26)	\$ (378,119.00)	\$ (13.26)	\$ (414,619.64)	(4,580,371.99)	(4,555,742.00)	(24,629.99)	0.54%	(5,025,335.30)
<b>Net Rental Income</b>	<b>\$ 171,398.30</b>	<b>\$ 533,447.00</b>	<b>\$ (362,048.70)</b>	<b>\$ 700,888.68</b>	<b>\$ 3,275,205.92</b>	<b>\$ 4,123,616.00</b>	<b>\$ (848,410.08)</b>	<b>-20.57%</b>	<b>\$ 2,604,885.36</b>
<b>Gross Profit</b>	<b>\$ 171,398.30</b>	<b>\$ 533,447.00</b>	<b>\$ (362,048.70)</b>	<b>\$ 700,888.68</b>	<b>\$ 3,275,205.92</b>	<b>\$ 4,123,616.00</b>	<b>\$ (848,410.08)</b>	<b>-20.57%</b>	<b>\$ 2,604,885.36</b>
<b>Operating Expenses</b>									
Bank Charges	\$ 164.52	\$ 25.00	\$ 139.52	\$ 18.71	1,479.59	300.00	1,179.59	393.20%	120.48
Schwab - ABPFee/Mgt Fee	\$ 138.07	\$ -	\$ 138.07	\$ -	4,754.61	-	4,754.61	100.00%	-
Computer Consultant	\$ 2,475.00	\$ 800.00	\$ 1,675.00	\$ 800.00	16,614.29	9,600.00	7,014.29	73.07%	14,525.00
Computer Supplies	\$ -	\$ -	\$ -	\$ -	5,666.97	-	5,666.97	100.00%	2,213.66
Executive Compensation	\$ 22,916.67	\$ 22,916.67	\$ -	\$ 21,000.00	275,000.04	275,000.04	0.00	0.00%	252,000.00
Executive Bonus	\$ -	\$ -	\$ -	\$ -	100,000.00	100,000.00	-	0.00%	40,000.00
Office Administration	\$ 8,500.00	\$ 8,500.00	\$ -	\$ 7,000.00	112,000.00	102,000.00	10,000.00	9.80%	94,000.00
Payroll Burden	\$ 982.54	\$ 900.00	\$ 82.54	\$ 840.00	22,289.37	19,700.00	2,589.37	13.14%	18,232.20
Equipment Rental	\$ 352.77	\$ 600.00	\$ (247.23)	\$ 548.18	4,517.87	7,200.00	(2,682.13)	-37.25%	6,829.23
General Insurance	\$ -	\$ -	\$ -	\$ 1,335.57	27,780.00	25,000.00	2,780.00	11.12%	24,780.57
Legal - General	\$ 6,045.00	\$ 5,000.00	\$ 1,045.00	\$ (823.50)	47,092.78	60,000.00	(12,907.22)	-21.51%	56,916.41
Legal - Loans/Lenders	\$ -	\$ -	\$ -	\$ (23,622.00)	24,099.43	-	24,099.43	100.00%	-
Legal - Commercial Leasing	\$ -	\$ -	\$ -	\$ -	7,065.00	-	7,065.00	100.00%	-
Legal - Haymount	\$ 9,639.27	\$ -	\$ 9,639.27	\$ 6,806.17	80,750.10	125,000.00	(44,249.90)	-35.40%	253,952.21
Benefits	\$ 13,535.19	\$ 2,833.33	\$ 10,701.86	\$ 1,536.00	34,000.00	34,000.00	0.00	0.00%	19,184.75
Management Meals	\$ 416.57	\$ 300.00	\$ 116.57	\$ 672.71	5,922.55	4,500.00	1,422.55	31.61%	6,490.60
Offices Supplies	\$ 1,379.23	\$ 500.00	\$ 879.23	\$ 407.19	12,610.11	6,000.00	6,610.11	110.17%	13,567.36
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	-	-	-	0.00%	2,104.00
Other Taxes and Licenses	\$ 250.00	\$ -	\$ 250.00	\$ 525.14	3,066.41	3,620.00	(553.59)	-15.29%	120,393.09
Other Real Estate Taxes	\$ -	\$ -	\$ -	\$ (60.84)	5,599.44	5,600.00	(0.56)	-0.01%	5,383.06
Postage	\$ 347.56	\$ 375.00	\$ (27.44)	\$ 375.50	3,251.85	4,500.00	(1,248.15)	-27.74%	4,748.54
Public Relations	\$ -	\$ -	\$ -	\$ -	-	-	-	0.00%	10,017.68
Accounting	\$ 250.00	\$ 750.00	\$ (500.00)	\$ (290.00)	8,206.50	9,000.00	(793.50)	-8.82%	4,378.38
Promotion & Entertainment	\$ -	\$ -	\$ -	\$ 460.00	39,569.12	-	39,569.12	100.00%	2,903.80
Internal Control Audit/Review	\$ -	\$ -	\$ -	\$ (2,645.00)	3,385.00	6,000.00	(2,615.00)	-43.58%	4,315.00
Audit and Tax Returns	\$ -	\$ -	\$ -	\$ -	42,838.75	51,000.00	(8,161.25)	-16.00%	45,507.63
Rent	\$ 8,297.92	\$ 7,500.00	\$ 797.92	\$ 163,581.27	92,978.20	90,000.00	2,978.20	3.31%	238,387.18
Telephone	\$ 696.58	\$ 425.00	\$ 271.58	\$ 263.82	7,444.47	5,100.00	2,344.47	45.97%	4,612.39
Management Travel	\$ 447.93	\$ 3,000.00	\$ (2,552.07)	\$ 958.90	24,759.71	36,000.00	(11,240.29)	-31.22%	23,791.28
Payroll Processing Fees	\$ 346.08	\$ 300.00	\$ 46.08	\$ 354.94	4,498.02	3,600.00	898.02	24.95%	3,498.80
Board of Directors Fees	\$ 18,000.00	\$ 17,000.00	\$ 1,000.00	\$ 13,500.00	222,000.00	214,000.00	8,000.00	3.74%	162,000.00
Shareholders Annual Meeting	\$ -	\$ -	\$ -	\$ -	1,210.66	7,000.00	(5,789.34)	100.00%	10,404.65



Board Travel and Meals	\$ -	\$ -	\$ -	\$ 2,545.98	33,905.16	40,000.00	(6,094.84)	-15.24%	39,422.65
Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	-	\$ -	-	0.00%	3,800.00
Charitable Contributions	\$ 800.00	\$ -	\$ 800.00	\$ -	11,800.00	2,000.00	\$ 9,800.00	490.00%	1,000.00
<b>Total Operating Expenses</b>	\$ 95,980.90	\$ 71,725.00	\$ 24,255.90	\$ 196,088.74	\$ 1,286,156.00	\$ 1,245,720.04	\$ 40,435.96	3.25%	\$ 1,489,480.60
<b>Net Operating Income</b>	\$ 75,417.40	\$ 461,722.00	\$ (386,304.60)	\$ 504,799.94	\$ 1,989,049.92	\$ 2,877,895.96	\$ (888,846.04)	-30.89%	\$ 1,115,404.76
<b>Other Income and Expenses</b>									
Miscellaneous Income									
Unamortized Loan Fee's									
Accrued Interest HLP LOC									
Deferred Tax Expense									
Gain/Loss Sale of Asset									
Pr Yr Adj - 2007 Pay Tax Liab									
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00	100.00%	\$ -
Accrued Interest HLP LOC				\$ 245,673.63					\$ 245,673.63
Deferred Tax Expense				\$ 331,320.00					\$ 331,320.00
Gain/Loss Sale of Asset				\$ (388,887.83)					\$ (388,887.83)
Debt Service Interest (Other)	\$ (11,078.06)	\$ (11,078.06)	\$ -	\$ -	\$ (92,307.87)	\$ (81,229.80)	\$ (11,078.07)	13.64%	(13,878.85)
Unrealized Investment Gain/Loss	\$ 159,987.24	\$ -	\$ 159,987.24	\$ -	\$ 328,834.55	\$ -	\$ 328,834.55	100.00%	-
Pr Yr Adj - 2007 Pay Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		-
Interest Income	\$ 436.53	\$ 4,235.99	\$ (3,799.46)	\$ 111.72	\$ 6,254.56	\$ 46,191.19	\$ (39,936.63)	-86.46%	\$ 4,237.80
<b>Total Other Income and Expenses</b>	\$ 149,345.71	\$ (6,842.07)	\$ 156,187.78	\$ 188,217.52	\$ 242,881.24	\$ (35,038.61)	\$ 277,919.85	-793.18%	\$ 178,464.75
<b>Net Income</b>	\$ 224,763.11	\$ 454,879.93	\$ (230,116.82)	\$ 693,017.46	\$ 2,231,931.16	\$ 2,924,087.15	\$ (610,926.19)	-20.89%	\$ 1,293,869.51
<b>Adjustments to reconcile net income to net cash provided by Operations</b>									
Amortization/Depreciation	\$ 121,015.94	\$ 163,335.00	\$ (42,319.06)	\$ 3,013.00	\$ 1,970,121.92	\$ 1,960,020.00	\$ 10,101.92	0.52%	\$ 1,797,314.56
Accounts receivable	\$ 61,089.49	\$ -	\$ 61,089.49	\$ (121,378.82)	\$ 172,420.28	\$ -	\$ 172,420.28	100.00%	\$ (96,493.56)
Required Building Improvements	\$ (256,171.63)	\$ -	\$ (256,171.63)	\$ 69,186.79	\$ (649,916.05)	\$ (445,069.00)	\$ (204,847.05)	46.03%	\$ (397,351.75)
Optional Building Improvements	\$ -	\$ -	\$ -	\$ 27,007.00	\$ -	\$ (430,376.00)	\$ 430,376.00	0.00%	\$ 27,007.00
Tenant Improvements	\$ (196,977.94)	\$ -	\$ (196,977.94)	\$ 228,034.98	\$ (491,126.80)	\$ (891,914.00)	\$ 400,787.20	-44.94%	\$ (325,457.99)
Leasing Commission	\$ (71,479.50)	\$ (76,996.00)	\$ 5,516.50	\$ (101,123.39)	\$ (392,151.41)	\$ (573,019.00)	\$ 180,867.59	-31.56%	\$ (594,229.54)
Development of 49th Street Lot	\$ (1,760.00)	\$ -	\$ (1,760.00)	\$ -	\$ (36,738.61)	\$ -	\$ (36,738.61)	100.00%	\$ -
Notes Receivable	\$ 2,269.99	\$ 2,255.00	\$ 14.99	\$ 3,743.97	\$ 39,496.42	\$ 39,319.00	\$ 177.42	0.45%	\$ (26,980.49)
Real Estate Tax Escrows	\$ (59,891.03)	\$ 612,224.00	\$ (672,115.03)	\$ (55,637.90)	\$ (696,467.56)	\$ (9,641.00)	\$ (686,826.56)	7124.02%	\$ (706,593.72)
Escrow Fund Release	\$ 435,351.23	\$ -	\$ 435,351.23	\$ 397,542.70	\$ 743,261.83	\$ -	\$ 743,261.83	0.00%	\$ 805,076.98
Accrued Real Estate Taxes	\$ 114,668.97	\$ 114,880.00	\$ (211.03)	\$ 111,578.58	\$ 980,615.35	\$ 1,364,430.00	\$ (383,814.65)	-28.13%	\$ 989,803.13
Real-estate Tax Payments	\$ (567,936.35)	\$ (916,567.00)	\$ 348,630.65	\$ (553,092.84)	\$ (980,615.35)	\$ (1,364,430.00)	\$ 383,814.65	0.00%	\$ (989,809.05)
Accrued Expenses	\$ 472,716.41	\$ -	\$ 472,716.41	\$ 218,816.30	\$ 319,411.86	\$ -	\$ 319,411.86	100.00%	\$ 305,680.34
2007 Payroll tax payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ (383,493.41)
Springvale Meadows Expense	\$ -	\$ -	\$ -	\$ (87,531.94)	\$ -	\$ -	\$ -	0.00%	\$ (147,995.78)
Minority Interest	\$ -	\$ -	\$ -	\$ (246,263.02)	\$ (715.65)	\$ -	\$ (715.65)	100.00%	\$ (246,783.82)
Prepaid Expenses	\$ (51,338.64)	\$ -	\$ (51,338.64)	\$ 98.44	\$ (108,957.18)	\$ -	\$ (108,957.18)	100.00%	\$ 11,649.31
Prepaid Real Estate Taxes	\$ (360,232.53)	\$ -	\$ (360,232.53)	\$ (348,749.93)	\$ (11,099.52)	\$ -	\$ (11,099.52)	100.00%	\$ (15,375.30)
Prepaid Insurance	\$ 6,582.31	\$ -	\$ 6,582.31	\$ 6,310.45	\$ (699.93)	\$ -	\$ (699.93)	100.00%	\$ (5,267.61)
Accounts Payable	\$ 145,578.57	\$ -	\$ 145,578.57	\$ 68,446.05	\$ 59,103.42	\$ -	\$ 59,103.42	100.00%	\$ 53,439.04
Security Deposits	\$ (10,150.00)	\$ -	\$ (10,150.00)	\$ (6,301.57)	\$ 61,917.25	\$ -	\$ 61,917.25	100.00%	\$ 23,420.71
Prepaid RE Tax Income	\$ (9,281.97)	\$ -	\$ (9,281.97)	\$ 3,227.49	\$ 2,546.54	\$ -	\$ 2,546.54	0.00%	\$ 3,227.49

Prepaid Rent Income	\$ (5,644.74)	\$ -	\$ (5,644.74)	\$ (487,616.74)	\$ 180,908.16	\$ -	\$ 180,908.16	100.00%	\$ (142,382.10)
Deposit on Refinance of Shops at Sumner Place	\$ (600,000.00)	\$ -	\$ (600,000.00)	\$ -	\$ -	\$ 600,000.00	\$ (600,000.00)	-100.00%	\$ (600,000.00)
Deferred Loan Charges	\$ 30,570.05	\$ -	\$ 30,570.05	\$ 91,613.70	\$ (71,712.11)	\$ -	\$ (71,712.11)	100.00%	\$ 91,613.70
Deferred Loan Correction	\$ 576,378.00	\$ -	\$ 576,378.00	\$ -	\$ 576,378.00	\$ -	\$ 576,378.00	100.00%	\$ -
Deferred Tax Asset	\$ -	\$ -	\$ -	\$ (332,661.00)	\$ -	\$ -	\$ -	0.00%	\$ (332,661.00)
Unrealized Investment Gain/Loss	\$ (159,849.17)	\$ -	\$ (159,849.17)	\$ -	\$ (324,079.94)	\$ -	\$ (324,079.94)	100.00%	\$ -
Prior Tenant Clearing	\$ -	\$ -	\$ -	\$ -	\$ 1,525.00	\$ -	\$ 1,525.00	100.00%	\$ -
Closing Cost for Refinance	\$ -	\$ -	\$ -	\$ -	\$ (481,133.75)	\$ (486,081.80)	\$ 4,948.05	-1.02%	\$ -
<b>Total Adjustments</b>	<b>\$ (384,492.54)</b>	<b>\$ (100,869.00)</b>	<b>\$ (283,623.54)</b>	<b>\$ (1,111,737.70)</b>	<b>\$ 862,292.17</b>	<b>\$ (236,761.80)</b>	<b>\$ 1,099,053.97</b>	<b>-464.20%</b>	<b>\$ (902,642.86)</b>
<b>Net Cash provided from Operations</b>	<b>\$ (159,729.43)</b>	<b>\$ 354,010.93</b>	<b>\$ (513,740.36)</b>	<b>\$ (418,720.24)</b>	<b>\$ 3,094,223.33</b>	<b>\$ 2,687,325.35</b>	<b>\$ 488,127.78</b>	<b>18.16%</b>	<b>\$ 391,226.65</b>
<b>Increase or (Decrease) in Long Term Debt</b>	<b>\$ (153,304.23)</b>	<b>\$ (147,709.24)</b>	<b>\$ (5,594.99)</b>	<b>\$ (112,226.52)</b>	<b>\$ 9,918,733.41</b>	<b>\$ 7,611,823.59</b>	<b>\$ 2,306,909.82</b>	<b>30.31%</b>	<b>\$ (1,320,188.21)</b>
<b>Net Increase (Decrease) in Cash (FREE CASH FLOW)</b>	<b>\$ (313,033.66)</b>	<b>\$ 206,301.69</b>	<b>\$ (519,335.35)</b>	<b>\$ (530,946.76)</b>	<b>\$ 13,012,956.74</b>	<b>\$ 10,299,148.94</b>	<b>\$ 2,795,037.60</b>	<b>27.14%</b>	<b>\$ (928,961.56)</b>
<b>Shareholder Distribution</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,350,000.00)</b>	<b>\$ (6,350,000.00)</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (200,000.00)</b>
<b>Investments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,500,000.00)</b>	<b>\$ -</b>	<b>\$ (2,500,000.00)</b>	<b>100.00%</b>	<b>\$ -</b>
<b>Cash Balance at Beginning of Period</b>	<b>\$ 5,910,673.47</b>	<b>\$ 5,085,222.46</b>	<b>\$ 825,451.01</b>	<b>\$ 1,965,629.83</b>	<b>\$ 1,434,683.07</b>	<b>\$ 1,434,683.07</b>			<b>\$ 2,563,644.63</b>
<b>Increase (Decrease) in cash during period</b>	<b>\$ (313,033.66)</b>	<b>\$ 206,301.69</b>	<b>\$ (519,335.35)</b>	<b>\$ (530,946.76)</b>	<b>\$ 4,162,956.74</b>	<b>\$ 3,856,841.08</b>	<b>\$ 306,115.66</b>	<b>7.94%</b>	<b>\$ (1,128,961.56)</b>
<b>Cash at End of Period</b>	<b>\$ 5,597,639.81</b>	<b>\$ 5,291,524.15</b>	<b>\$ 306,115.66</b>	<b>\$ 1,434,683.07</b>	<b>\$ 5,597,639.81</b>	<b>\$ 5,291,524.16</b>	<b>\$ 306,115.65</b>	<b>5.79%</b>	<b>\$ 1,434,683.07</b>

11/7/2013 10:08

W.C. and A.N. Miller Development Company  
2012/2013  
**CONSOLIDATED CASH FLOW STATEMENT**  
**As of September 30, 2013**

	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	Total Actual 2012/2013	Total Budget 2012/2013	Difference Budget v Actual	Total Actual 2011/2012	Variance
<b>Rental Activities</b>																	
Rent Income	\$ 1,255,393.67	\$ 1,269,064.92	\$ 1,250,494.02	\$ 1,237,676.64	\$ 1,268,626.87	\$ 1,444,819.50	\$ 1,256,599.09	\$ 1,298,220.72	\$ 1,346,697.96	\$ 1,303,581.20	\$ 1,385,481.34	\$ 1,290,858.31	\$ 15,607,514.24	\$ 16,410,685.00	\$ (803,170.76)	\$ 15,179,456.10	-4.89%
Rent Expenses	\$ (323,710.45)	\$ (364,166.44)	\$ (328,585.44)	\$ (382,796.45)	\$ (328,882.80)	\$ (400,255.46)	\$ (335,748.46)	\$ (342,635.30)	\$ (313,005.28)	\$ (348,985.02)	\$ (355,449.03)	\$ (450,647.04)	\$ (4,274,867.17)	\$ (4,406,877.00)	\$ 132,009.83	\$ (4,218,700.37)	3.00%
Real Estate Taxes	\$ (113,437.55)	\$ (113,437.56)	\$ (113,437.56)	\$ (113,437.55)	\$ (113,437.56)	\$ (113,426.54)	\$ (113,435.54)	\$ (113,435.70)	\$ (113,435.72)	\$ (114,668.98)	\$ (114,668.97)	\$ (114,668.96)	\$ (1,364,928.19)	\$ (1,364,430.00)	\$ (498.19)	\$ (1,297,062.36)	-0.04%
Amortization/Depreciation	\$ (176,011.72)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (176,011.75)	\$ (2,112,140.97)	\$ (1,960,020.00)	\$ (152,120.97)	\$ (2,033,472.71)	-7.76%
Debt Service - Interest	\$ (394,664.15)	\$ (380,788.31)	\$ (382,277.10)	\$ (381,802.94)	\$ (375,523.99)	\$ (383,100.47)	\$ (380,608.54)	\$ (382,112.69)	\$ (379,628.10)	\$ (381,115.81)	\$ (380,617.63)	\$ (378,132.26)	\$ (4,580,371.99)	\$ (4,555,742.00)	\$ (24,629.99)	\$ (5,025,335.30)	-0.54%
														\$ -			
<b>Net Rental Income</b>	\$ 247,569.80	\$ 234,660.86	\$ 250,182.17	\$ 183,627.95	\$ 274,770.77	\$ 372,025.28	\$ 250,794.80	\$ 284,025.28	\$ 364,617.11	\$ 282,799.64	\$ 358,733.96	\$ 171,398.30	\$ 3,275,205.92	\$ 4,123,616.00	\$ (848,410.08)	\$ 2,604,885.36	-20.57%
<b>Gross Profit</b>	\$ 247,569.80	\$ 234,660.86	\$ 250,182.17	\$ 183,627.95	\$ 274,770.77	\$ 372,025.28	\$ 250,794.80	\$ 284,025.28	\$ 364,617.11	\$ 282,799.64	\$ 358,733.96	\$ 171,398.30	\$ 3,275,205.92	\$ 4,123,616.00	\$ (848,410.08)	\$ 2,604,885.36	-20.57%
<b>Operating Expenses</b>																	
Bank Charges	\$ 24.19	\$ 12.84	\$ 112.36	\$ 61.09	\$ 150.05	\$ 154.42	\$ 155.98	\$ 157.84	\$ 161.20	\$ 168.10	\$ 157.00	\$ 164.52	\$ 1,479.59	\$ 300.00	\$ 1,179.59	\$ 120.48	393.20%
Schwab - ABPFee/Mgt Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,482.30	\$ 127.25	\$ 131.39	\$ 1,869.25	\$ 6.35	\$ 138.07	\$ 4,754.61	\$ -	\$ 4,754.61	\$ -	100.00%
Computer Consultant	\$ 800.00	\$ 2,164.29	\$ 800.00	\$ 2,006.25	\$ 1,312.50	\$ 800.00	\$ 1,950.00	\$ 800.00	\$ 1,906.25	\$ 800.00	\$ 800.00	\$ 2,475.00	\$ 16,614.29	\$ 9,600.00	\$ 7,014.29	\$ 14,525.00	73.07%
Computer Supplies	\$ -	\$ -	\$ 1,885.27	\$ 2,590.54	\$ 360.00	\$ -	\$ 831.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,666.97	\$ -	\$ 5,666.97	\$ 2,213.66	100.00%
Executive Compensation	\$ 21,000.00	\$ 24,833.34	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 22,916.67	\$ 275,000.04	\$ 275,000.04	\$ -	\$ 252,000.00	0.00%
Executive Bonus (2011/2012 Fiscal Year)		\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 40,000.00	0.00%
Office Administration	\$ 8,500.00	\$ 8,500.00	\$ 18,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 112,000.00	\$ 102,000.00	\$ 10,000.00	\$ 94,000.00	9.80%
Payroll Burden	\$ 954.75	\$ 2,460.33	\$ 1,747.54	\$ 3,892.87	\$ 2,403.37	\$ 2,403.37	\$ 2,148.37	\$ 2,348.61	\$ 982.54	\$ 982.54	\$ 982.54	\$ 982.54	\$ 22,289.37	\$ 19,700.00	\$ 2,589.37	\$ 18,232.20	13.14%
Equipment Rental	\$ 549.37	\$ 549.37	\$ 550.56	\$ (949.01)	\$ 510.75	\$ 513.51	\$ 516.15	\$ 470.91	\$ 472.00	\$ 506.39	\$ 475.10	\$ 352.77	\$ 4,517.87	\$ 7,200.00	\$ (2,682.13)	\$ 6,829.23	-37.25%
General Insurance		\$ 27,449.00	\$ 331.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,780.00	\$ 25,000.00	\$ 2,780.00	\$ 24,780.57	11.12%
Legal - General	\$ 7,993.19	\$ 6,168.27	\$ 5,129.50	\$ -	\$ 3,362.00	\$ 9,255.17	\$ (1,539.67)	\$ -	\$ 8,873.32	\$ 1,806.00	\$ -	\$ 6,045.00	\$ 47,092.78	\$ 60,000.00	\$ (12,907.22)	\$ 56,916.41	-21.51%
Legal - Loans/Lenders			\$ 17,050.00	\$ -	\$ -	\$ -	\$ 6,981.07	\$ 68.36	\$ -	\$ -	\$ -	\$ -	\$ 24,099.43	\$ -	\$ 24,099.43	\$ -	0.00%
Legal - Commercial Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,065.00	\$ -	\$ -	\$ -	\$ -	\$ 7,065.00	\$ -	\$ 7,065.00	\$ -	100.00%
Legal - Haymount	\$ 14,647.90	\$ 45,380.05	\$ 1,019.73	\$ 2,365.76	\$ 650.96	\$ -	\$ 3,905.69	\$ 1,034.00	\$ 503.90	\$ -	\$ 1,602.84	\$ 9,639.27	\$ 80,750.10	\$ 125,000.00	\$ (44,249.90)	\$ 253,952.21	-35.40%
Benefits	\$ 1,595.10	\$ 2,706.86	\$ 1,548.07	\$ 1,779.76	\$ 1,640.95	\$ 2,011.95	\$ 1,826.08	\$ 1,811.99	\$ 1,843.20	\$ 1,829.97	\$ 1,870.88	\$ 13,535.19	\$ 34,000.00	\$ 34,000.00	\$ (0.00)	\$ 19,184.75	0.00%
Management Meals	\$ 364.21	\$ 449.11	\$ 1,238.64	\$ 1,014.71	\$ 372.84	\$ 285.90	\$ 857.61	\$ 95.03	\$ 238.13	\$ 459.64	\$ 130.16	\$ 416.57	\$ 5,922.55	\$ 4,500.00	\$ 1,422.55	\$ 6,490.60	31.61%
Offices Supplies	\$ 433.93	\$ 1,192.74	\$ 3,467.42	\$ 1,204.41	\$ 1,251.37	\$ 221.99	\$ 469.80	\$ 16.17	\$ 2,538.74	\$ 235.99	\$ 198.32	\$ 1,379.23	\$ 12,610.11	\$ 6,000.00	\$ 6,610.11	\$ 13,567.36	110.17%
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,104.00	0.00%
Other Taxes and Licenses	\$ -	\$ -	\$ 966.00	\$ -	\$ 200.00	\$ -	\$ 300.00	\$ 721.41	\$ 150.00	\$ 479.00	\$ -	\$ 250.00	\$ 3,066.41	\$ 3,620.00	\$ (553.59)	\$ 120,393.09	-15.29%
Other Real Estate Taxes			\$ 2,799.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,799.72	\$ -	\$ -	\$ -	\$ 5,599.44	\$ 5,600.00	\$ (0.56)	\$ 5,383.06	-0.01%
Public Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,017.68	0.00%
Postage	\$ 444.26	\$ 295.21	\$ 574.91	\$ 317.28	\$ 346.21	\$ 336.45	\$ 85.38	\$ 102.64	\$ 109.95	\$ 96.28	\$ 195.72	\$ 347.56	\$ 3,251.85	\$ 4,500.00	\$ (1,248.15)	\$ 4,748.54	-27.74%
Accounting	\$ 245.00	\$ -	\$ 1,648.20	\$ 1,643.30	\$ 390.00	\$ -	\$ 390.00	\$ 2,250.00	\$ -	\$ 420.00	\$ 970.00	\$ 250.00	\$ 8,206.50	\$ 9,000.00	\$ (793.50)	\$ 4,378.38	-8.82%
Promotion & Entertainment	\$ 1,541.40	\$ -	\$ 110.58	\$ 35,455.95	\$ 445.88	\$ 241.59	\$ 1,300.00	\$ 218.64	\$ 108.46	\$ 146.62	\$ -	\$ -	\$ 39,569.12	\$ -	\$ 39,569.12	\$ 2,903.80	100.00%
Internal Control Audit/Review			\$ 3,385.00				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385.00	\$ 6,000.00	\$ (2,615.00)	\$ 4,315.00	-43.58%
Audit and Tax Returns	\$ -	\$ -	\$ 42,838.75				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,838.75	\$ 51,000.00	\$ (8,161.25)	\$ 45,507.63	-16.00%
Rent	\$ 6,831.27	\$ 7,402.88	\$ 7,403.08	\$ 7,402.88	\$ 7,403.08	\$ 7,536.63	\$ 7,257.89	\$ 8,548.81	\$ 8,297.92	\$ 8,297.92	\$ 8,297.92	\$ 8,297.92	\$ 92,978.20	\$ 90,000.00	\$ 2,978.20	\$ 238,387.18	3.31%
Telephone	\$ 650.36	\$ 618.58	\$ 346.81	\$ 254.97	\$ 506.85	\$ 582.89	\$ 594.72	\$ 1,339.55	\$ 616.13	\$ 617.41	\$ 619.62	\$ 696.58	\$ 7,444.47	\$ 5,100.00	\$ 2,344.47	\$ 4,612.39	45.97%
Management Travel	\$ 2,059.78	\$ 1,678.23	\$ 2,060.68	\$ 3,709.68	\$ 3,093.90	\$ 1,122.60	\$ 960.90	\$ 1,944.89	\$ 713.66	\$ 4,961.92	\$ 2,005.54	\$ 447.93	\$ 24,759.71	\$ 36,000.00	\$ (11,240.29)	\$ 23,791.28	-31.22%
Payroll Processing Fees	\$ 507.51	\$ 338.34	\$ 507.51	\$ 455.64	\$ 338.34	\$ 354.94	\$ 316.34	\$ 329.08	\$ 346.08	\$ 329.08	\$ 329.08	\$ 346.08	\$ 4,498.02	\$ 3,600.00	\$ 898.02	\$ 3,498.80	24.95%
Board of Directors Fees	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 19,500.00	\$ 17,000.00	\$ 19,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 222,000.00	\$ 214,000.00	\$ 8,000.00	\$ 162,000.00	3.74%
Shareholders Annual Meeting				\$ 1,210.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,210.66	\$ 7,000.00	\$ (5,789.34)	\$ 10,404.65	-82.70%
Board Travel and Meals		\$ 8,892.84		\$ 8,204.05	\$ -	\$ -	\$ 9,518.83	\$ -	\$ -	\$ 7,289.44	\$ -	\$ -	\$ 33,905.16	\$ 40,000.00	\$ (6,094.84)	\$ 39,422.65	-15.24%
Repairs & Maintenance				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800.00	0.00%
Charitable Contributions	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800.00	\$ 11,800.00	\$ 2,000.00	\$ 9,800.00	\$ 1,000.00	490.00%
<b>Total Operating Expenses</b>	\$ 88,642.22	\$ 260,592.28	\$ 141,388.00	\$ 150,587.46	\$ 74,155.72	\$ 76,238.08	\$ 90,725.27	\$ 78,866.85	\$ 80,209.26	\$ 80,712.22	\$ 68,057.74	\$ 95,980.90	\$ 1,286,156.00	\$ 1,245,720.04	\$ 40,435.96	\$ 1,489,480.60	3.25%
<b>Net Operating Income</b>	\$ 158,927.58	\$ (25,931.42)	\$ 108,794.17	\$ 33,040.49	\$ 200,615.05	\$ 295,787.20	\$ 160,069.53	\$ 205,158.43	\$ 284,407.85	\$ 202,087.42	\$ 290,676.22	\$ 75,417.40	\$ 1,989,049.92	\$ 2,877,895.96	\$ (888,846.04)	\$ 1,115,404.76	-30.89%
<b>Other Income and Expenses</b>																	
Miscellaneous Income	-	-	-	-	-	-	-	100.00					\$ 100.00	\$ -	\$ 100.00	\$ -	100.00%
Unamortized Loan Fee's																0	
Accrued Interest HLP LOC															\$ -	\$ 245,673.63	0.00%
Deferred Tax Expense															\$ -	\$ 331,320.00	0.00%
Gain/Loss Sale of Asset															\$ -	\$ (388,887.83)	0.00%
Pr Yr Adj - 2007 Pay Tax Liability															\$ -	\$ (13,878.85)	0.00%
Debt Service Interest (Other)					\$ (12,731.51)	\$ (11,656.83)	\$ (11,560.97)	\$ (11,464.88)	\$ (11,368.54)	\$ (11,271.95)	\$ (11,175.13)	\$ (11,078.06)	\$ (92,307.87)	\$ (92,307.86)	\$ (0.01)	\$ -	0.00%
Unrealized Investment Gain/Loss					\$ (6,268.13)	\$ 68,060.66	\$ 36,602.98	\$ 34,436.37	\$ (54,456.37)	\$ 100,619.34	\$ (10,147.54)	\$ 159,987.24	\$ 328,834.55	\$ -	\$ 328,834.55	\$ -	100.00%
Interest Income	\$ 754.12	\$ 918.74	\$ 849.97	\$ 574.52	\$ 172.93	\$ 325.02	\$ 443.29	\$ 449.44	\$ 426.60	\$ 457.97	\$ 445.43	\$ 436.53	\$ 6,254.56	\$ 46,191.19	\$ (39,936.63)	\$ 4,237.80	-86.46%
<b>Total Other Income and Expenses</b>	\$ 754.12	\$ 918.74	\$ 849.97	\$ 574.52	\$ (18,826.71)	\$ 56,728.85	\$ 25,485.30	\$ 23,520.93	\$ (65,398.31)	\$ 89,805.36	\$ (20,877.24)	\$ 149,345.71	\$ 242,881.24	\$ (46,116.67)	\$ 288,897.91	\$ 178,464.75	626.45%
<b>Net Income</b>	\$ 159,681.70	\$ (25,012.68)	\$ 109,644.14	\$ 33,615.01	\$ 181,788.34	\$ 352,516.05	\$ 185,554.83	\$ 228,679.36	\$ 219,009.54	\$ 291,892.78	\$ 269,798.98	\$ 224,763.11	\$ 2,231,931.16	\$ 2,831,779.29	\$ (599,948.13)	\$ 1,293,869.51	-21.19%
<b>Adjustments to reconcile net income</b>																	

to net cash provided by Operations

Amortization/Depreciation	\$	165,803.67	\$	169,063.70	\$	162,729.00	\$	168,063.71	\$	169,063.70	\$	169,063.70	\$	169,063.70	\$	169,063.70	\$	121,015.94	\$	1,970,121.92	\$	1,960,020.00	\$	10,101.92	\$	1,797,314.56		0.52%	
Accounts receivable	\$	108,228.95	\$	(15,042.41)	\$	(59,939.19)	\$	115,242.31	\$	24,246.79	\$	(176,597.38)	\$	202,214.55	\$	46,287.85	\$	(55,747.24)	\$	12,909.70	\$	(90,473.14)	\$	61,089.49	\$	172,420.28	\$	(96,493.56)	100.00%
Required Building Improvements	\$	(14,990.83)	\$	(6,898.00)	\$	(117.63)	\$	(11,322.37)	\$	(50,362.83)	\$	(25,620.28)	\$	(1,848.00)	\$	(270,156.09)	\$	(2,159.10)	\$	-	\$	(10,269.29)	\$	(256,171.63)	\$	(649,916.05)	\$	(445,069.00)	46.03%
Optional Building Improvements		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-		\$	-	\$	(430,376.00)	\$	430,376.00	-100.00%
Tenant Improvements	\$	(7,744.76)	\$	3,331.10	\$	(5,621.17)	\$	(6,571.07)	\$	(12,366.00)	\$	(37,548.25)	\$	(5,636.08)	\$	(1,920.88)	\$	(15,103.37)	\$	(192,106.22)	\$	(12,862.16)	\$	(196,977.94)	\$	(491,126.80)	\$	(891,914.00)	-44.94%
Leasing Commission	\$	(52,561.41)	\$	(58,998.57)	\$	(30,090.09)	\$	(718.00)	\$	(64,628.72)	\$	(9,600.98)	\$	(14,559.23)	\$	-	\$	(33,418.91)	\$	-	\$	(56,096.00)	\$	(71,479.50)	\$	(392,151.41)	\$	(573,019.00)	-31.56%
Development of 49th Street Lot									\$	(17,630.00)				\$	(16,743.40)				\$	(605.21)		\$	(1,760.00)		\$	(36,738.61)		180,867.59	
Notes Receivable	\$	3,759.38	\$	3,774.91	\$	3,790.54	\$	3,806.30	\$	3,822.18	\$	3,838.17	\$	3,854.28	\$	3,870.51	\$	2,220.21	\$	2,236.68	\$	2,253.27	\$	2,269.99	\$	39,496.42	\$	39,319.00	0.45%
Real Estate Tax Escrows	\$	(55,619.23)	\$	(56,202.11)	\$	(59,883.00)	\$	(59,887.88)	\$	(59,894.83)	\$	(59,897.18)	\$	(45,656.36)	\$	(59,877.83)	\$	(59,881.62)	\$	(59,885.46)	\$	(59,891.03)	\$	(59,891.03)	\$	(696,467.56)	\$	(9,641.00)	-7124.02%
Escrow Fund Release		\$	-		\$	-		\$	-		\$	307,910.60		\$	-		\$	-		\$	-		\$	435,351.23	\$	743,261.83	\$	-	805,076.98
Accrued Real Estate Taxes	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	74,645.00	\$	53,692.00	\$	60,405.13	\$	74,643.15	\$	74,643.15	\$	114,668.98	\$	114,668.97	\$	114,668.97	\$	980,615.35	\$	1,364,430.00	-28.13%
Real-estate Tax Payments		\$	-		\$	-		\$	-		\$	(412,679.00)		\$	-		\$	-		\$	-		\$	(567,936.35)	\$	(980,615.35)	\$	(1,364,430.00)	-28.13%
Accrued Expenses	\$	(215,978.91)	\$	37,874.19	\$	(87,094.64)	\$	16,945.41	\$	23,633.94	\$	82,027.99	\$	(75,229.37)	\$	255,122.07	\$	(177,679.93)	\$	197,475.00	\$	(210,400.30)	\$	472,716.41	\$	319,411.86	\$	-	305,680.34
2007 Payroll tax payments											-			\$	-					\$	-		\$	-	\$	-	\$	-	(383,493.41)
Springvale Meadows Expense											-			\$	-					\$	-		\$	-	\$	-	\$	-	(147,995.78)
Minority Interest	\$	(119.97)		(\$168.00)		(\$213.84)					-		\$0.00	\$	-		(\$213.84)					\$	(715.65)	\$	-	\$	(715.65)	\$	(246,783.82)
Prepaid Expenses	\$	(16,233.90)		(\$64,365.18)		\$103,468.04		(\$74,849.22)		(\$22,159.79)		\$5,189.85		\$2,210.97		\$12,776.31		\$16,154.79		(\$20,756.90)		\$946.49		(\$51,338.64)	\$	(108,957.18)	\$	-	11,649.31
Prepaid Real Estate Taxes	\$	38,792.55		\$38,792.56		\$38,792.56		\$38,792.55		\$38,792.56		\$38,792.55		\$38,792.56		\$38,792.55		\$38,792.57		\$0.00		\$0.00		(\$360,232.53)	\$	(11,099.52)	\$	-	(15,375.30)
Prepaid Insurance	\$	6,478.88		\$6,478.88		\$6,478.88		\$6,478.88		\$6,478.87		\$6,421.00		\$6,421.06		(\$629.98)		(\$65,053.34)		\$6,582.31		\$6,582.32		\$6,582.31	\$	(699.93)	\$	-	(5,267.61)
Accounts Payable	\$	(39,916.46)		\$81,553.00		(\$150,621.09)		\$28,953.56		(\$11,047.27)		\$2,735.94		\$1,602.97		\$9,867.16		(\$10,167.86)		(\$5,192.91)		\$5,757.81		\$145,578.57	\$	59,103.42	\$	-	53,439.04
Security Deposits	\$	(8,115.00)		\$1,151.00		\$32,050.00		\$2,302.00		\$2,250.00		\$2,401.00		(\$1,250.00)	\$	-		\$35,752.00		\$0.00		\$5,526.25		(\$10,150.00)	\$	61,917.25	\$	-	23,420.71
Prepaid RE Tax Income	\$	-						\$0.00		\$0.00	\$	-		\$0.00		\$0.00		\$0.00		\$0.00		\$11,828.51		(\$9,281.97)	\$	2,546.54	\$	-	3,227.49
Prepaid Rent Income	\$	81,975.77		\$46,021.22		(\$9,623.54)		\$77,618.23		(\$32,577.85)		(\$80,124.60)		\$140,201.87		(\$101,348.87)		(\$10,748.44)		\$12,048.90		\$63,110.21		(\$5,644.74)	\$	180,908.16	\$	-	180,908.16
Deposit on Refinance of Shops at Sumner Place	\$	600,000.00				\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$	600,000.00	\$	600,000.00	-
Deferred Loan Charges	\$	-		(\$3,471.31)		\$6,948.05		\$6,948.05		\$6,948.05		(\$154,395.25)		\$6,948.05		\$6,948.05		\$6,948.05		\$6,948.05		\$6,948.05		\$6,948.05	\$	(95,334.11)	\$	-	91,613.70
Deferred Tax Asset	\$	-						\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	\$	-	\$	-	(332,661.00)
Unrealized Investment Gain/Loss								\$6,268.13		(\$68,060.66)		(\$34,120.68)		(\$34,309.12)		\$54,587.76		(\$98,750.09)		\$10,153.89		(\$159,849.17)	\$	(324,079.94)	\$	-	\$	(324,079.94)	-
Prior Tenant Clearing								\$1,525.00														\$	1,525.00						
Closing Cost for refinance		(\$481,133.75)																				\$	(481,133.75)	\$	(486,081.80)	\$	4,948.05		-
Total Adjustments	\$	187,269.98	\$	257,539.98	\$	25,697.88	\$	386,447.46	\$	103,111.93	\$	(368,555.78)	\$	453,415.42	\$	132,385.18	\$	(32,011.42)	\$	144,636.53	\$	(43,152.45)	\$	(384,492.54)	\$	862,292.17	\$	(236,761.80)	479.08%
Net Cash provided from Operations	\$	346,951.68	\$	232,527.30	\$	135,342.02	\$	420,062.47	\$	284,900.27	\$	(16,039.73)	\$	638,970.25	\$	361,064.54	\$	186,998.12	\$	436,529.31	\$	226,646.53	\$	(159,729.43)	\$	3,094,223.33	\$	2,595,017.49	20.59%

Cash Flows from Financing Activities

Cardinal Bank (Spring Valley Retail)	\$ 14,444,000.78	\$ 14,426,117.18	\$ 14,406,215.37	\$ 14,388,179.32	\$ 14,370,062.58	\$ 16,600,000.00	\$ 16,576,028.72	\$ 16,532,687.71	\$ 16,525,806.01	\$ 16,499,565.79	\$ 16,475,218.30	\$ 16,450,779.62																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
--------------------------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

**September 2013 Variance Report**

	Variance	Explanation
Rental Income	\$ (216,943.69)	1. Higher vacancy at Sumner Highlands along with concessions (\$12,684) 2. Budgeted to have 1st floor of 4301 50th leased by now as well as lower level of 4315 50th Street (\$42,260) 3. Budgeted for USRC to be occupied (\$20,085) 4. Unbudgeted concession to Case Design, Burdeshaw, USR, Bethesda Market, Pralines, and Miller Corporate Offices (\$14,446) 5. Expenses are less than budget so recoveries are therefore less than budget on all commercial properties. (\$147,205) 6. Chicken Out vacated premises owing (\$44,957.49)
Rental Expenses	\$ (132,626.04)	1. Sumner Highlands has unbudgeted plumbing issues (\$13,078) 2. Shops: Concrete and Asphalt repairs over budget (\$39,600); Painting of Service hallway & pylon signs over budget (\$13,027); upgrade parking lot lighting over budget (\$7,686) 3. Spring Valley Retail: Bad Debt expense of \$41,186; expense to clean out Chicken Out (\$4,135); repairs to garage door (\$3,177)
Net Rental Income Variance	\$ (362,048.70)	
Operating Expenses Variance	\$ 24,255.90	
Net Income Variance	\$ (230,116.82)	
Increase/(Decrease) in cash	\$ (313,033.66)	

---

**Year to Date Variance Report**

Rental Income	\$ (803,170.86)	1. Higher vacancy at Sumner Highlands (\$115,123) 2. Delayed openings of several stores at Shops at Sumner Place (\$61,117) 3. Unbudgeted Vacancy in Spring Valley Offices Buildings (\$99,751) (4900, 4301 & 4315 50th) 4. Unbudgeted concession to Case Design (reduced rent for December & January [\$37,574]), Burdeshaw (unused TI [\$3,358]), USRC (free rent [\$111,559]), Bethesda Market (six months of 1/2 rent), Pralines (concession for top floor space [\$00,072]), and Miller Corporate Offices (free rent [\$17,847])(\$246,305) 5. Expenses are less than budget so recoveries are therefore less than budget on all commercial properties. (\$147,205) 6. Chicken Out vacated premises owing \$44,957.49
Rental Expenses	\$ 132,009.83	1. Brick work and tuck pointing at Sumner Highlands deferred to later in Spring. 2. Snow Removal less than budgeted. 3. Water & Sewer and Electric less than Budget 4. Repairs to Plaza level deck at Shops at Sumner Place has been deferred to a later date 5. Tenant Improvements delayed to a later date

Net Rental Income Variance	\$ (848,410.08)	
Operating Expenses Variance	\$ 40,435.96	<ol style="list-style-type: none"> <li>1. Unbudgeted gifts to Bud Miller (\$10,000 Charitable Contribution; \$35,000 in Promotion and Entertainment)</li> <li>2. Unbudgeted Fees to Cardinal Bank for refinance (\$16,500)</li> <li>3. Unbudgeted Computers, printers and software updates (\$5,666.97)</li> <li>4. Haymount Legal less than budget (\$55,995.91)</li> <li>5. Higher Computer Consultant costs due to reconfiguring new computers and printers as well as brining e-mail in house (\$5,339.29)</li> <li>6. Management Meals are over budget due to unbudgeted Christmas luncheon with McShea employees (\$1,316.18)</li> </ol>
Net Income Variance	\$ (610,926.19)	
Increase/Decrease in cash	\$ 306,115.65	

Unbudgeted Expenses Approved by Board  
2012/2013

Bud gifts	45,000.00
Mike Fallon	<u>8,000.00</u>
	53,000.00

Unbudgeted Capitalized Expenses Approved by Board  
2012/2013

USRC additional w	200,000.00
Cardinal Refinance	161,343.00
Pay on foot	100,000.00
Slab Review	<u>50,000.00</u>
	511,343.00