

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS
January 25, 2013

Participants:

Robert (Bob) Beers, Jr.	Robert (Rob) Beers, III
Michael (Mike) Fallon	Katharine (Kathy) Kile
Paul (Jay) Maddock, Jr.	Ernest (Bud) Miller
Geoffrey (Geoff) Miller	Robert (Rob) Miller
James Myers, Jr.	Deborah (Debbie) Vaughan

The Board meeting began at 10:00 am at Company's Corporate Office. Attached is the supporting documentation that was given to all members in advance of the meeting.

1. **Approval of Meeting Minutes:**

- a. **Motion** was made by Robert Beers, Jr. and seconded by Robert Beers, III to approve the November 15, 2012 Meeting Minutes, as corrected. All were in favor, none opposed.
- b. **Motion** was made by Paul Maddock, Jr. and seconded by Michael Fallon to approve the December 14, 2012 Meeting Minutes. All were in favor, none opposed.
- c. **Motion** was made by Robert Beers, III and seconded by Michael Fallon to approve the December 27, 2012 Meeting Minutes. All were in favor, none opposed.

2. **Approval of 2012/2013**

The following additions have been made to the 2012/2013 Budget:

- a. Executive Compensation raised to \$22,916.67 per month;
- b. Executive Bonus of \$100,000 for 2011/2012 Fiscal Year;
- c. Executive Benefits of \$2,833.33 per month;
- d. Monthly Payments of \$50,000 for Interest and Principal to the Shareholder's Promissory Notes;
- e. Expenses for refinance of Shops at Sumner Place of \$486,081.80;
- f. Dividend Payments to the shareholders of \$6,250,000; and
- g. Starting cash changed to actual of \$1,434,683.07.

Motion was made by Michael Fallon and seconded by James Myers, Jr. to approve these additions to the 2012/2013 Budget. All were in favor, none opposed.

3. **Company Update:**

- a. December 2012 Financial Statements

Rob Miller reviewed the financials:

1. Income is down primarily due to Sumner Highlands;
2. Income year to date is on track;
3. Cash is in line with Budget year to date;

It was asked that a variance column be added to the financials from this point forward.

b. Leasing Activity:

Rob Miller explained that we have a prospective tenant for the retail portion of 4900 Massachusetts Avenue. Additionally, there is strong interest by an oral surgeon for the entire first floor of 4301 50th Street.

A discussion occurred regarding the rental rates and leasing commissions that are in place at this time for our portfolio.

c. Cardinal Bank

Rob Miller explained that the loan balance is \$14.4 million with a rate of 4.85%. The Bank is willing to refinance the property giving us the ability to take an additional \$2.2 million out along with a reduction of rate to 4.35% with closing costs to be approximately \$150,000 with closing to be in March 2013. Rob Miller explained that this is the best time to renew in that we have no leases coming up for renewal for a few years.

Motion was made by Paul Maddock, Jr. and seconded by Deborah Vaughan to authorize Robert R. Miller to proceed with the refinance of the Cardinal Bank Loan with Cardinal Bank. All were in favor, none opposed.

d. Discussion regarding the proposed Building on 49th Street

Rob Miller explained that the attached drawings are preliminary and that he is working with the architect to reduce the number of residential units from 6 to 4 and provide more stores on the first floor in that 4,000 square foot bays are too large. He further explained that there is a 12' culvert pipe (storm and regular sewer) that runs through the site and that he is working with DC to see if we are able to build on top of the culvert pipe. Additionally, Rob Miller noted that the project's approval with the citizens will rely on the homeowner who is adjacent to the property (4988 Warren Street, NW). Prior to meeting with all of the citizens, Rob Miller proposes that a meeting with the residents of Warren Street occur showing them what they approved to be constructed in 2005 and the smaller foot print of what we would like to have built. Once they have approved the plans, a formal presentation with the Spring Valley-Wesley Heights Citizens' Association would be the next step.

4. **Discussion about placing the reserve funds with Matson Financial Group**

Rob Miller explained that there is \$1.5 million that can be invested as a minimum. Jim Myers and Rob Miller met with Mark Matson and it was felt that this would be a better place to grow the Company's monies than in the market in that they have a wide diversification and the fees are reasonable. A discussion occurred whereby it was decided that all money should be placed in some type of investment account. It was recommended that Jim Myers and Rob Miller put together a plan for where the rest of the money should be placed.

Motion was made by James Myers, Jr. and seconded by Paul Maddock, Jr. to authorize Robert R. Miller to invest \$2.5 million with Matson Money in their Aggressive Growth fund. All were in favor, none opposed.

5. **Discussion regarding Annual Shareholders Meeting**

A review of the agenda occurred.

6. **Discussion regarding April's Board Meeting**

It was decided that the meeting will occur on Thursday, April 11, 2013 with no committee meetings the prior day.

Motion was made by Michael Fallon and seconded by Paul Maddock, Jr. to adjourn the meeting. All were in favor, none opposed.

Patricia R. Emory, Corporate Secretary

March 8, 2013

Approved