

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE
March 9, 2012

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
Deborah (Debbie) Vaughan	

James Myers, Jr. was absent. The Board meeting began at 10 am. Attached is the supporting documentation that was given to all members in advance of the meeting. Patricia R. Emory acted as Corporate Secretary for the meeting.

1. Approval of February 10, 2012 Minutes:

Motion was made by Paul Maddock, Jr. to approve the February 10, 2012 Meeting Minutes and seconded by Deborah Vaughan. All were in favor, none opposed. Ernest Miller abstained from voting in that he was not in attendance at the meeting.

2. Review of January 2012 Financial Statements

Due to the tight Agenda, Rob Miller explained that he was not going to give an in-depth analysis of the Financial Statements but explained that our cash position was strong with over \$400,000 more than was budgeted in our accounts and should there be any specific questions regarding the financial statements for the Board members to either call or e-mail him.

3. Company Update

- a. Leasing Activity: Rob Miller explained that we had just received a Letter of Intent for the beer/wine location at the Shops @Sumner Place which will bring the vacancy in the retail section to 4%. He stated that there is interest in the remaining 2 locations but nothing firm. The office portion of this property has a 0% vacancy due to the signing of the Letter of Intent with US Renal. 4910 Massachusetts Avenue has 3% vacancy and that 4900 Massachusetts Avenue will have 4,000 square feet coming available for a retail user. Demolition of the 1st floor of 4301 50th Street will occur shortly.
- b. Crate & Barrel: Rob Miller explained that he had a meeting with the Vice President of Real Estate and International Development for Crate and Barrel on March 8, 2012. He explained that we are far apart in terms of a settlement agreement but that we have opened a dialogue with them. We hope to have a written offer from them by the end of the month.

- c. IRS – 2007 Payroll Tax Matter: Rob Miller explained that we received a call from the IRS that they had assigned a Revenue Agent to our case. We contacted the Revenue Officer who stated that we needed to pay the debt off or they would place a lien on our properties and garnish out bank accounts. So, we paid \$331,372.26 on March 5th. This payment includes a @\$70,000 penalty which we will be appealing. Rob Miller requested that a Motion be made regarding this matter so that we are in compliance with the Agreed Upon Procedures rules.

Motion was made by Michael Fallon to give Robert Miller the authority to pay an additional \$265,372.30 in addition to the budgeted amount of \$132,000 to the IRS to pay-off the 2007 Payroll Tax Liability and seconded by Robert Beers, III. All were in favor, none opposed.

4. Governance & Nominating Committee

- a. By-Law Changes: Bob Beers thanked Kathy Kile for her hard work in compiling the changes that need to be made. A discussion occurred and they following have been agreed to.

1. It was agreed by the Board that all the By-Laws need to be changed so that it is stated that all Stockholders' meetings should be face to face.

Motion was made by Robert Beers, Jr. to approve the requirement that the Company By-Laws in Article II, Section 3 be changed so that that all meetings with the Stockholders will be face to face and seconded by Robert Beers, II. All were in favor, none opposed.

2. It was agreed that instead of unanimous consent required from the Stockholders that it would be reduced to 80% consent.

Motion was made by Robert Beers, Jr. to change The By-Laws in Article II, Section 6 (d) from unanimous consent to 80% of the Stockholders and seconded by Robert Beers, III. All were in favor, none opposed.

3. It was agreed that Article III, Section 1 (a) be changed to reflect that the number of Board members will be ten (10) instead of nine (9) and that the remaining language be reviewed further by the Committee and full Board.

Motion was made by Robert Beers, Jr. to change the number of Board members in Article II, Section 1 (a) from 9 to 10 and seconded by Robert Beers, II. All were in favor, none opposed.

4. Discussion occurred whereby changes to the By-Laws in the following Articles/Sections need to be made with the assistance of the attorneys at Holland & Knight and once made to be approved by the Governance &

Nominating Committee and then the full Board prior to sending to the Shareholders.

- a. Article III, Section 4 (c);
 - b. Article IV, Section 6;
 - c. Article IV, Section 9; and
 - d. Article IV, Section 10
- b. Entity Structure: Bob Beers requested that Rob Miller put together a spreadsheet showing how the current tax structure affects dividends under our current corporate structure as well as show the tax consequences that would occur should the Company change its structure from a C Corporation.

There being no other business, at 11:40, a **Motion** was made by Michael Fallon and seconded by Robert Beers, Jr. that meeting was adjourned.

Patricia R. Emory, Corporate Secretary

April 20, 2012
Approved