

**MINUTES**  
**W.C. & A.N. MILLER DEVELOPMENT COMPANY**  
**BOARD OF DIRECTORS TELECONFERENCE**  
**March 8, 2013**

**Participants:**

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

Robert Beers, III was absent. The Board meeting began at 10:00 am via Teleconference. 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 Geoffrey Miller to approve the January 25, 2013 Meeting Minutes, as corrected. All were in favor, none opposed.
- b. **Motion** was made by Geoffrey Miller and seconded by Deborah Vaughan to approve the January 26, 2013 Meeting Minutes. All were in favor, none opposed.

2. **Review of January 2013 Financials:**

Rob Miller stated that year to date income is down by \$116,663.75 primarily due to vacancies that had been budgeted to be filled by now. They include US Renal, Simon Says Yoga and Bethesda Market opening late and 4301 50<sup>th</sup> Street not leased as well as Sumner Highlands showing a higher than normal vacancy. He noted that Net Rental Income is down by \$16,074.22. Corporate expenses are over budget by \$63,352.45 primarily due to \$16,500 for the extension of the Cardinal Bank loan, new computer in Rob Miller's office, HLP lawsuit legal expenses and unbudgeted gifts to Bud Miller at his retirement (\$35,000 to Mary Miller and \$10,000 donation for pew at Marine Corps Memorial Chapel). It is to be noted that Cash is up over Budget by \$831,462.51 primarily due to not having spent the money budgeted for Capital Improvements and Tenant improvements as of yet.

3. **Company Update:**

- a. Update on US Renal was given by Rob Miller.

**Motion** was made by Robert Beers, Jr. and seconded by James Myers, Jr. to:

- a) authorize management to allocate \$125,000 to the repairs needed on the Plaza Level of the Shops at Sumner Place for US Renal; and

b) approve the expenditure of \$45,000 for the thank you gifts for outgoing Chairman Ernest (Bud) Miller. All were in favor, none opposed.

b. Leasing Activity:

1. Executed a Lease with the FBI for 4 years at \$46 a foot with \$8 in tenant improvements for 2,242 square feet of space.
2. Long & Foster renewed their leases early for an additional 5 years. Their space at Shops at Sumner Place renewed at \$34 a foot up from \$27 and in Spring Valley they renewed at \$52 up from \$42. They are though giving back the space they have on the 2<sup>nd</sup> floor of 4910 Massachusetts Avenue as of February 2014 (4,443 square feet) which we hope to lease to their subtenant occupying the space currently.
3. At 4301 50<sup>th</sup> Street, we have signed a letter of intent with an oral surgeon for to take all of the first floor at \$42 a foot and \$80 in tenant improvements of which \$35 is for the common areas of the floor.

c. Cardinal Bank

The loan should close on March 15, 2013. The new amount will be \$16,600,000 which the Company will net about \$2 million. Rate has been lowered from 4.85% to 4.35% and extended term for an additional 10 years, 7 of which are fixed. Payments are increased slightly due to the loan is amortized over 28 years and loan amount increased but rate decreased.

**Motion** was made by James Myers Jr. and seconded by Deborah Vaughan to authorize Patricia R. Emory as Corporate Secretary to execute the attached Resolution to be made part of the Cardinal Bank Loan package. All were in favor, none opposed.

4. **Committee Assignments:**

Mike Fallon noted that he had spoken with most of the Board members regarding their committee assignments. He hopes to have all conversations completed by next week at which time a memorandum will be sent out to all Board members. Said memorandum will detail the new committee structures, who is to be chairman of each committee and each committee will be given a focus area on top of their normal assignments.

5. **April 11, 2013 Board Meeting**

Mike Fallon suggested that all Board members read Bud Miller's parting thoughts so that a discussion can be had at the meeting.

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

The meeting adjourned at 10:46 am.

Patricia R. Emory, Corporate Secretary

April 11, 2013

Approved