

**MINUTES**  
**W.C. & A.N. MILLER DEVELOPMENT COMPANY**  
**BOARD OF DIRECTORS TELECONFERENCE**  
**December 11, 2009**

**Participants:**

Robert (Bob) Beers, Jr.  
Katharine (Kathy) Kile  
Geoffrey (Geoff) Miller  
Monica Satrape

Robert (Rob) Beers, III  
Ernest (Bud) Miller  
Robert (Rob) Miller  
Deborah Vaughan

James Myers was absent. The Board meeting began at 9 am. Attached is the e-mails detailing the purpose of the meeting and supporting documentation that was given to all members in advance of the meeting. Patricia R. Emory acted as Corporate Secretary for the meeting.

**1. Financial Statements:**

- a. Rob Miller noted that there will be adjustments to the 9/30/09 numbers. These are cleaning up the books further from the 09/30/08 numbers. He said that he hopes to have them by early next week. Once the review is complete, the statements will be sent to the Finance & Audit Committee and Rob Miller simultaneously and once approved by them to the Board. The goal is to have them to the Shareholders prior to the meeting so that they can review them.
- b. Rob Miller noted that there is a @\$300,000 outstanding tax check that has not cleared the Bank. In that the check is over a year old, Alan Gordon has recommended that we remove this outstanding check from our Bank account and show the liability on the Balance Sheet in case the Bank realizes the error in the future. Rob Miller wanted to assure everyone that the County has assured us that our taxes are paid but the Bank says that the check never cleared the account.
- c. Income is off by \$90,000 due to the booking of the Real Estate Tax reimbursement from the tenants. Budgeted for October but booked in September.
- d. Rental Expenses are higher than budget due to the timing of the change-over of the cleaning contractor, the power washing of the Crate & Barrel building and additional landscaping that was needed to clean up the properties.
- c. rent amount is higher than budget in that our subtenant was given one free month's rent at start of lease and that was not factored into the budget.
- d. Cash is off from budget due to the timing of collecting the pass through expenses from the tenants. We had budgeted full collection in October and the income was not realized until November.
- e. The debt service and depreciation amounts are off from budget and we are working with McShea to correct this error.

2. **Other Matters:**

- a. The dividends will be paid out at the Shareholders meeting with a date of February 1, 2010.
- b. Proposed tenants:
  - 1. The deal with Haverford Homes at the Shops has gone dead.
  - 2. Pet Co is still interested in the Shops and will be touring the property the week of the 14<sup>th</sup>.
  - 3. Rob Miller explained that there is little activity due to the time of year. Hopefully it will pick up after the first of the year.
  - 4. Rob Miller explained that we have cleaned out the vacant spaces at the Shops so that they show better. He explained that there will be broker tours going on over the course of the next 2 weeks. The initial feed-back is that we are off the beaten path but that we have lower rates and free parking.
- c. Sumner Highlands is currently 100% leased and cash flow positive.

3. **November Board Minutes:** Rob Miller explained that they were sent out to early in that there were several errors in them. Once corrected they will be reissued.

There being no other business the meeting adjourned at 9:45 am.

Patricia R. Emory