

**MINUTES**  
**W.C. & A.N. MILLER DEVELOPMENT COMPANY**  
**BOARD OF DIRECTORS**  
**December 14, 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
James Myers, Jr.	Deborah (Debbie) Vaughan

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. **October 2012 Financial Statements**

Rob Miller stated that we are on Budget. He stated that cash increased by \$4,741,411 due to the refinance of the Shops at Sumner Place. He noted that the deferred financing charges are due to the refinance as well.

2. **Company Update**

- a. Rob Miller stated that all of the retail stores at the Shops at Sumner Place are open with the exception of Bethesda Market who is waiting for final inspections. Additionally, he noted that the construction for US Renal has begun.
- b. There was a Brokers Open approximately 2 weeks ago at the vacant retail space at 4900 Massachusetts Avenue. 41 brokers attended the event and we received great feedback. There are about a half a dozen strong leads for tenants for the space.

3. **Unsecured Subordinated Promissory Note (“the Note”)**

A lengthy discussion occurred regarding the distribution of \$5 million to the Shareholders in the form of a Note. Rob Miller explained that it is the intention of the Company to pay off the principal of the Note along with monthly interest through free cash flow over a 5 year period. It was noted that the Note has a 20 year term to give the Company maximum flexibility. Interest will be paid monthly no matter what but the return of principal can be stopped should the Company dip below our cash threshold. It is proposed in this year’s budget that \$50,000 per month will be paid to the Shareholders with interest to be paid first and then principal.

**Motion** was made by James Myers, Jr. and seconded by Robert Beers, Jr. to accept the language of the unsecured Subordinated Promissory Note. All in favor, none opposed.

4. **Annual Shareholders Meeting**

Rob Miller asked that only Audit & Finance have a report at the Annual Meeting. He further stated that he will explain the changes to the By-Laws and it will be noted that the Board has approved subject to Shareholders' approval. The letter regarding the Annual Meeting will state that if they have any questions regarding the By-Laws to ask them now versus at the meeting.

It was noted that the meeting commences at 10 am and should be done by noon for lunch.

5. **Discussion regarding funding of Promissory Note and Taxes**

A discussion occurred as to whether or not the monies being given to cover taxes (\$1.2 million) should not be raised to \$2 million. It was discussed that the Company needs sufficient funds to be able to grow and should the additional dividend be raised, the Company will be hampered in what they can do. It was decided that the Company will follow the Strategic Plan and only disburse \$1.2 million.

6. **Board of Director's Meeting on January 25, 2013**

It was decided that there would not be any Committee meetings on the 25<sup>th</sup> so the Board of Directors meeting will start at 1 pm at Company's Corporate Offices.

Bud Miller left the call at 11:10 am.

A discussion occurred regarding Bud Miller's years of service to the Company.

7. **Company's Financial Statement as of September 30, 2012/2011 and the Agreed Upon Procedures Report**

Rob Beers noted that the Audit & Finance Committee held a call last week with Alan Gordon and that there was nothing materially different from what Rob Miller has reported. He did note that the Cash Flow Statement in the reviewed report differs from the monthly one due to how annual reporting is treated versus monthly reporting.

**Motion** was made by Robert Miller and seconded by Michael Fallon that the Board of Directors approves the reviewed Financial Statements as of September 30, 2012/2011 along with the Agreed Upon Procedures Report. All in favor, none opposed. Ernest Miller was not on the call for this vote.

Meeting adjourned at 11:30 am.

Patricia R. Emory, Corporate Secretary

January 25, 2013

Approved