

**MINUTES**  
**W.C. & A.N. MILLER DEVELOPMENT COMPANY**  
**BOARD OF DIRECTORS**  
**May 10, 2013**

**Participants:**

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

James Myers, Jr. was not present. 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 of April 11, 2013:**

**Motion** was made by Paul Maddock, Jr. and seconded by Deborah Vaughan to approve the April 11, 2013 Meeting Minutes. All were in favor, none opposed.

2. **Review of February 2013 Financial Statements:**

Rob Miller explained that our Net Operating Income is \$352,516.05 versus a budget of \$375,869.29 which is primarily due to lower than budgeted occupancy at Sumner Highlands, delay in US Renal Care occupancy and the delay in leasing 4301 50<sup>th</sup> Street. He noted that our Investments had a gain of \$68,060.66 this month. He explained that Year to Date we are \$102,423.84 below budget. He noted that we closed the Cardinal Bank refinance of the Spring Valley retail portfolio and that the proceeds were a little over \$2 million. The Company has cash of \$4,822,048 plus our investments of \$2,561,793. Rob Miller stated that he will get together with Jim Myers to discuss a more efficient place for the money.

3. **Company Update:**

a. Leasing Updates:

1. Shops at Sumner Place

Rob Miller explained that we will not be renewing the cleaners but that we have a proposal out to another operator at the same rental rate of \$65.00 per foot. He further explained that we have approximately 4,000 square feet of office space to lease and that an additional 1,000 square feet by the end of October in that we will not be renewing the Spanish teaching class operator due to the disruptive nature of the business to the other tenants on that floor.

2. 4910 Massachusetts Avenue is 100% leased up. He noted that Long & Foster, as part of their renewal, did not renew their lease on approximately 4,443

square feet of space which we will get back in February 2014. We will be working with their subtenant, VIKa, to have them lease the space directly from us.

3. 4900 Massachusetts Avenue has 4,575 retail space on the ground floor available. Rob Miller explained that he is still working with Righttime and has enlisted the help of Holland & Knight to work with DC regarding whether or not Righttime would need of a "Certificate of Need". Preliminary talks have shown that one will not be needed and a letter of intent will be issued to Righttime shortly with rent north of \$65 a foot with a tenant improvement allowance of \$20 to \$30 a foot.

Rob Miller noted that we renewed Children's Hospital lease for one year at \$42 per foot. The reason the lease was renewed for only 1 year is due to the fact that they have hired new brokers who want to look at all of their leased properties to ascertain whether or not all is needed.

4. The lease has been presented to the proposed tenant for the first floor of 430150<sup>th</sup> Street for comments. We are also working with the proposed tenant and Pepco (electrical company for area) to see what their electrical needs to make sure that the property will be able to meet the proposed tenant's needs.
5. Sumner Highlands is now 95% leased. Rob Miller noted that we have a new manager who has done a terrific job in leasing up the property. Rob Miller noted that the rents for some of the units that have been available longer have been lowered. He noted that the website has been revamped. Further, he stated that the accounts receivable is at \$0.
6. Rob Miller noted that he has had preliminary conversations with Walgreens and Right Aid for the proposed building on 49<sup>th</sup> Street.
7. Rob Miller explained that he has looked at some value added properties in Maryland and Virginia but at present has not found the right property. He noted that McShea works for an investment group who has taken up to two years to find the right property.
8. USRC motions:
  - a. **Motion** was made by Michael Fallon and seconded by Paul Maddock, Jr. to approve an additional \$75,000 in expenses for the completion of the work on USRC's space. After a brief discussion all were in favor, none opposed.
  - b. **Motion** was made by Paul Maddock, Jr. and seconded by Michael Fallon to approve additional expenses of \$50,000 for analyzing and recommending a solution for the remainder of the Plaza Level slab. After a brief discussion all were in favor, none opposed.

Michael Fallon noted that Executive Sessions would occur at the face to face meetings unless their becomes a need during teleconferences.

**Motion** was made by Paul Maddock, Jr. and seconded by Robert Beers, III to adjourn the meeting at 10:55 am. All were in favor, none opposed.

Patricia R. Emory, Corporate Secretary

June 7, 2013

Approved