

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE
October 8, 2010

Participants:

Robert (Bob) Beers, Jr.	Robert (Rob) Beers, III
Katharine (Kathy) Kile	Ernest (Bud) Miller
Geoffrey (Geoff) Miller	Robert (Rob) Miller
James (Jim) Myers, Jr.	Monica Satrape
Deborah Vaughan	

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 Prior Meetings' Minutes:**

Motion was made to approval the minutes of the August 6, 2010 and the September 10, 2010 by Robert Beers, Jr. and seconded by Geoffrey Miller. All were in favor, none opposed.

2. **August 2010 Financial Statements:**

Rob Miller stated that our current cash is \$1,776,000 which is down @\$500,000 due to the payment of the Burke & Herbert curtailment. Net rental Income is down @\$118,000. He also explained that the debt balance has been off all year due to the fact that when the budget was prepared the debt balances where calculated on a 365 day year/30 day month and in fact are to be calculated on a 360 day year/actual days in month. He explained that the Cash Flow Statement that McShea had been providing had become to unreliable a statement so we will be using a 12 month rolling statement similar to what the budget looks like but has the actual information for the months closed with the budgeted amount for future months.

3. **2010/2011 Budget Discussion**

Rob Beers, as Chairman of the Audit & Finance Committee, explained what had transpired during the Committee meeting on September 29, 2010. He stated that it was a unanimous decision of the Committee to recommend to the Board that the dividend be suspended commencing December 1, 2010. After a lengthy discussion, it was decided that a letter should be sent to the Shareholders explaining the possibility of the reduction and/or suspension of the dividend. Further, the budget will be discussed in detail at the Board of Directors meeting on November 11, 2010 where a final decision will be made regarding the dividend.

4. **Update on Company**

- a. Reznick Matter: Rob Miller explained that he had finally received a response from Reznick's attorneys and that he will be meeting with our attorney later today. It is agreed by both sides that a lawsuit is not practical but that the door appears to be open for some type of settlement negotiations. Rob Miller explained that he will recommend to our attorney that we ask for reimbursement of the costs associated with Reznick preparing our financial statements.
- b. Lots in Montgomery County: Rob Miller explained that he had a lengthy discussion with our realtor and it was determined that there is not a market for the lots at this time. He stated that there is no harm in leaving them on the market at \$600,000 and just wait it out.
- c. Springvale Meadows: Rob Miller said that we are still working with County and State in trying to get them to accept the common areas back. He explained that he hopes to have a final punch list within the next 2 to 3 weeks.
- d. Haymount Litigation: Rob Miller explained that this matter has been quiet this month but that all information requested from opposing counsel has been provided.
- e. Leasing Activity: Rob Miller explained that the leasing activity has significantly picked up in both the commercial and retail ends. He further went on to explain what activity is occurring on each property as well as what deals have been completed to date.
- f. PNC Bank: Rob Miller explained that PNC has filed a declaratory judgment lawsuit against us. The only issue here is whether or not PNC was in default when they exercised their option to renew. Rob Miller explained that we will be reaching out to them to try to settle this matter prior to trial but will most likely not communicate with them until after the first of the year, closer to their trial date and renewal.
- g. Sumner Highlands: Rob Miller explained that we have a new manager who is doing a terrific job. The property is 100% leased and the next vacancy is not until December with 2 anticipated in January. He further explained that the rental rates have been raised to \$1,805 for a 2 bedroom and \$1,595 for a one bedroom.

There being no other business the meeting adjourned at 11:30 am.

Patricia R. Emory, Corporate Secretary

November 11, 2010

Approved