

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY

BOARD OF DIRECTORS

May 7, 2010

Participants:

Robert (Bob) Beers, Jr.
Katharine (Kathy) Kile
Geoffrey (Geoff) Miller
James (Jim) Myers, Jr.
Deborah (Debbie) Vaughan

Robert (Rob) Beers, III
Ernest (Bud) Miller
Robert R. Miller
Monica Satrape

The Board meeting began at 10 am at the Corporate Offices in Bethesda, Maryland. Attached is an Agenda that was given to all members in advance of the meeting but has been revised to reflect the order of business during the meeting. Patricia R. Emory acted as Corporate Secretary for the meeting.

1. Approval of Board of Directors Meeting Minutes:

The March 5, 2010 minutes were approved through a Motion made by Robert Beers, Jr., seconded by Deborah Vaughan. All were in favor, none opposed.

2. March 2010 Financial Statements:

a. 2007 Payroll Tax Liability: Robert Miller stated that these are new financial statements in that we just completed the mid-year review of the books with Alan Gordon's office. The biggest change is the addition of the 2007 payroll tax liability of \$539,032.68. Robert Miller noted that our case has not yet been assigned to a "Revenue Agent" but that we are paying \$11,000 a month, starting in April towards this debt. Robert Miller stated that we will most probably have to pay interest but hopefully they will waive the penalty.

b. Actual vs. Budget: Robert Miller stated that the financials are in line with Budget with the exception of the \$539,032.68 payroll tax liability and snow removal expenses of @\$380,000.

c. Cash Flow: Robert Miller presented a revised Cash Flow Statement showing that the 3 lots have not sold, the snow removal costs, the removal of Robert Miller's bonus and the Burke and Herbert curtailment which shows that by the end of September 2010 we will be below our threshold of \$2 million in cash. He did state that we should be over \$2 million no later than the 1st of January 2011. Additionally, Robert Miller stated that he has asked the people at Phillips to talk with Burke and Herbert to see if we could extend the curtailment.

d. Update to Shareholders: Robert Miller explained that in his half-year update to the Shareholders, he will explain our situation and that we anticipate that we will be back on track shortly.

e. MetLife: Robert Miller stated that he met with MetLife [lender for Shops at Sumner Place] yesterday and that she will present our proposal of putting the property into a SPE and keep the rate current if they renew the loan now. They will get back to us with their answer.

3. Leasing Activity:

a. Unleashed/Petco: We have a letter of intent with them but they are to go to their real estate approval committee on June 10th. They would take Damon's old space.

b. Burton's Grill: While waiting for the Petco decision, a full service restaurant has shown interest in taking the former Ritz Camera space as well as all of the Damon space.

c. Edible Arrangements will be moving to the former pet store location.

d. Lorenzo's Hair Salon: He is in default for over \$200,000.

e. Acqua Nails: Working on a letter of intent for them to take the Edible Arrangements location through to his current location as a full salon. He will take possession once Lorenzo leaves.

f. Booktopia former space: We have heard from Potomac Video that they will not be renewing their lease and that they are willing to vacate early if that would help us and with their space abutting the former Booktopia space we are now looking at Massage Envy for that location.

4. Update on Haymount Lawsuit:

Robert Miller explained that the trustee of the bankruptcy case in this matter has received a Judgment for 4.5 million against, Haymount Corporation, Haymount Limited Partnership (HLP) and Westminster Associates II. He is currently trying to enroll the Judgment in Virginia as well as try to find any assets for these entities through discovery requests. Since, we terminated our attorneys late last year, Robert Miller signed the answers to the discovery which the Trustee did not like. A meeting was held with the Judge who ruled that McGuire Woods has to still represent us. The Trustee's attorney will be coming down the 19th and 20th of May to review the documents requested. Robert Miller explained that he is working with Holland & Knight to make sure that they cannot come after the Development Company.

Robert Miller explained that the only assets of HLP is the 5 acres and house in Haymount that John Clark is living in. There is the \$41 million debt owed to the Miller Company that is in a preferred position.

5. Response to Allison Miller's letter of January 26, 2010:

Robert Miller explained that Allison (Butch) Miller had contacted him via e-mail still looking for a response from the Board for his letter of January 26, 2010. It was discussed that the level of detail that he is looking for is not appropriate for a Shareholder to receive. If he has questions, he should approach his specific family members that are on the Board for more in-depth answers. Ernest Miller will draft a response early next week and send to Board members for their comments and then send to Butch only as a response.

6. Report from the Audit & Finance Committee:

A lengthy discussion occurred in regards to the need for an Audit versus having a Review done like last year. Further, a discussion occurred as to whether we should have Alan Gordon, our current accountant, perform the work. It was explained that any Company that comes in to do an Audit and/or a Review will also be the person to prepare our tax returns whereby they are stating that the information accurately and fairly reflects our records. They are bound by a Code of Professional Standards. It was noted that an Audit would have to be for 2 years, verification of last years' numbers and then the current year. The biggest difference between the two is that a Review does not render an opinion. Robert Miller noted that none of our lenders require an Audit only quarterly updates on the property and an annual statement on the Company. It was also noted that McShea is another independent entity looking at our financial information. Additionally, it was noted that several of our major tenants require an Audit of our books through the CAM process, thereby, providing yet another set of eyes on our books.

A Motion was made by Ernest Miller that the Board of Directors have decided to go forward with a Review versus an Audit for the fiscal year 2009/2010 by engaging our current accountant, Alan L. Gordon, CPA, PA. and approved the engagement letter dated May 4, 2010 but are requesting that the accountant provide a review of the controls that have been established by the Board of Directors been done and a statement as to managements practices in regards to these controls be presented to the Board of Directors. The Motion was seconded by James Myers, Jr. All were in favor, none opposed.

7. Report from the Governance and Nominating Committee:

Robert Beers, Jr. presented the following information for the Board to discuss with their family members and bring back to the full Board at our Fall Meeting.

a. Need for succession planning for both management and Board. One thought was to nominate two (2) Board members to step in should something happen to Robert Miller.

b. Move Annual Meeting to Summer Month and have some type of reunion. The thought here is to have a tour of the properties as well as to show/explain the Company's family history. It was suggested that Katharine Jones and Rosemary Miller be spoken with in regards to what they know of the Company's history. Deborah Vaughan and Katharine Kile volunteered to work on getting the word out to the Shareholders about an event in the Summer of 2011 and to look at the initial planning of such an event.

c. Need and value of outside directors. Robert Beers, Jr. stated that his Committee unanimously agreed that there is a need for non family members on the Board.

d. Orderly transition for next generation of family board members.

e. Role of Directors:

1. Family Communication.

2. Recognition of Board Members Contribution.
 3. Hold management accountable for company performance and meeting expectation of stockholders.
 4. Determine dividend, cash re-investment policy.
 5. Define future direction of the company.
- f. Agreement on minimum number of face to face meetings. It was discussed that having a dinner the night before the meetings is a great way to get to know each other outside of the boardroom, accomplish more in the meetings.
- g. Family director compensation to remain at current level.
- h. Board representation – ownership interest versus family lineage. Robert Beers, Jr. asked that all Board members speak with their respective families and get back to him by mid-summer as to their thoughts in regards to Board size; representation [family versus ownership interest]; and use of outside members so that his Committee can have a meeting prior to our fall full Board meeting. It was asked by James Myers, Jr. that each Board member weigh the following components: (1) expertise; (2) family; and (3) cost.

Motion was made by Robert Beers, Jr. that the Annual Shareholders meeting be moved to Summer of 2011. Second was made by Robert Beers, III. The Board discussed that to accomplish this change Article II, Section 1 of the By-Laws would have to be changed to call for the annual meeting within 10 months (versus the 6 now). According to Article IX, Section 2 the Board can change the By-Laws provided the shareholders have the right to accept or reject such change at the next annual meeting. The Board voted unanimously to adopt such changes.

Motion was made by James Myers, Jr., that that year-end financial statements be given to the Shareholders in January of each year. Second was made by Monica Satrape. All were in favor, none opposed.

There being no other business the meeting a Motion was made by Monica Satrape to adjourn. Second was made by James Myers, Jr. All were in favor, none opposed.

Meeting adjourned at 2:50 pm.

Patricia R. Emory, Corporate Secretary

July 2, 2010

Approved