

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE
December 10, 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 the November 11, 2010 Minutes:**

Motion was made to approval the minutes of the November 11, 2010 by Robert Beers, Jr. and seconded by James Myers, Jr. All were in favor, none opposed.

2. **October 2010 Financial Statements:**

Rob Miller noted that Deferred Leasing Commission was up by \$140,000 due to the commissions due on the Spring Valley Pediatrics deal and a few smaller deals. On the Cash Flow Statement, the same is true for Acquisition of Deferred Financing Charges. On the Income Statement, our Rent is off due to the fact that our subtenant short paid us in October but made up the difference in November. Rob Miller further explained that our cash is below Budget due to the timing of receiving accounts receivable monies. He stated that McShea is hopeful that we will collect these monies in November and December.

3. **2010/2011 Budget Discussion**

Rob Miller stated that he would like to wait for final ratification of the Budget until the Review process is complete so that we are starting with the correct beginning numbers.

4. **Questions from the Board Meeting of November 11, 2010**

- a. Pagination on the Financial Statements prior to putting them into PDF format; this **will be done.**
- b. Can the lots be written down to market on our books or do we need to wait until they are sold?; **No the lots cannot be written down to market in that it is our policy to carry them at cost. The Financial Statements could carry them at market but our tax returns cannot.**
- c. Why is depreciation different on Cash Flow then on Income Statement? **Cash flow is depreciation for the entire Company and Income Statement is only the properties McShea handles.**

- d. Do you think the Company will need to have cash reserves in 2013 for the renewal/replacement of the MetLife loan? **No.** e. A review of the MetLife loan is needed to advise if the loan can be prepaid and when without too much of a significant penalty; **No the loan may not be prepaid without a significant prepayment penalty. Rob Miller stated we can look at this closer to the expiration date if there is an opportunity out there.**
- f. Need to add an additional face to face meeting to the Budget; **An additional meeting has been added in August to the Budget. The face to face meetings are established as: April 21, 2011, August 11, 2011 and November 17, 2011.**
- g. They want a color copy of the Stacking plan. **These are being mailed with the Final Budget.**

5. **Report from Governance and Nominating Committee**

A discussion occurred in regards to the size and make-up of the 2011 Board of Directors. It was noted that the Board makes the recommendation but that the Shareholders ultimately decide on the composition of the Board.

Motion was made by Robert Beers, Jr. that the 2011 Board of Directors Slate to be presented to the Shareholders will be comprised of 9 members consisting of the current Board of Directors with the Allison N. Miller, Jr. family being reduced to one member and an additional outside member to be added in its place. The motion was seconded by James Myers, Jr. and the vote was 7 for and 2 against.

After a lengthy discussion it was decided that the following time line will be adhered to:

End of 2010: Qualifications for being a member of the Board of Directors be finalized.

End of January 2011: All recommendations for the outside Board member are to be submitted to the Governance and Nominating Committee (Bob Beers, Kathy Kile and Geoff Miller).

February 2011: Evaluation of all candidates

March 2011: Formal slate determined by the entire Board and sent to Shareholders.

6. **Report from Executive Compensation Committee**

Debbie Vaughan reported that her Committee members (Jim Myers, Jr., Geoff Miller and Debbie Vaughan) are interviewing prospective companies and hope to have narrowed them down to 2. She said that she will present to the Board the budget once all companies have been interviewed. Additionally, she stated that she hopes to have this completed by mid April 2011 so that it can be presented to the Shareholders at the Annual Meeting on April 22, 2011.

7. **Update on Company**

- a. Kohn Lawsuit: It was explained that our insurance companies have all been put on notice and we are hoping to hear back from them shortly as to whether or not they will be defending the Company in this suit. Rob Miller said that he will ask Holland & Knight what our costs should be initially so that that amount may be added to the Budget. Rob Miller further stated that he wanted the Board to be aware that if our insurance company does not defend us the legal fees will be significant.
- b. Reznick Matter: Rob Miller explained that Reznick's attorney has made an offer of \$25,000 to settle our claim. Our initial claim is for over \$800,000. Our attorney will go back and propose that they pay for the extra costs we incurred to prepare the 2007 tax returns due to the fact that Reznick would not provide their work papers.
- c. Leasing: Rob Miller stated that leasing has picked up in the past 30 days. We have various Letters of Intent out there along with the Subway lease which is in final lease negotiations. He further stated that leasing has picked up significantly from this time last year.
- d. PNC Bank: Rob Miller explained that we are working on a settlement with them.
- e. Chicken Out: Rob Miller explained that they have missed their notice period to renew their lease. This would be good for the Company in that we should be able to pick up additional income from the property with a new tenant.

8. **Board Teleconference and Face to Face Meeting Dates**

January 14, 2011	Teleconference Meeting
February 11, 2011	Teleconference Meeting
March 11, 2011	Teleconference Meeting
April 21, 2011	Face to Face Board Meeting
April 22, 2011	Annual Shareholders Meeting
August 11, 2011	Face to Face Board Meeting
November 17, 2011	Face to Face Board Meeting

There being no other business the meeting adjourned at 11:15 am.

Patricia R. Emory, Corporate Secretary

January 20, 2011
Approved