

**MINUTES OF THE
W.C. and A. N. MILLER DEVELOPMENT COMPANY**

ANNUAL SHAREHOLDERS MEETING

January 30, 2010

The annual meeting of the Shareholders of the W.C. and A.N. Miller Development Company, a Delaware Corporation (the "Company") was held at Columbia Country Club in Chevy Chase, Maryland.

I. Participants

The following Shareholders of record were present and no stockholder objected to lack of notice:

Robert W. Beers, Jr.	Robert W. Beers, III	Mary Church
Duncan Hood	Katharine P. Kile	Katharine Jones
Allison Miller, III	Geoffrey T. Miller	Thomas Cholis for Jean Miller Estate
Patricia Miller	Robert R. Miller	William C. Miller
James L. Myers, Jr.	James L. Myers, III	Helen Nee
Monica M. Satrape	Bryan Seay	Frances M. Seay
Michael Seay, Jr.		

Others in attendance included: Chairman of the Board of Directors, Ernest (Bud) Miller, Jr., and Patricia Emory served as secretary.

II. Call to Order

A quorum being present, Bud Miller, Chairman of the Board of Directors, called the meeting to order at approximately 10:05 am, immediately bringing attention to the Agenda (Attachment A).

III. Consideration of Business

Bud Miller referenced the Minutes of Annual Shareholders Meeting of January 24th, 2009. A motion was made by James Myers, Jr. to approve the minutes which was seconded by Allison Miller, III and unanimously carried.

IV. Company Update

The floor was turned over to Robert R. Miller to report on the status of the Company.

- a. Financial Statements as of September 30, 2009: Robert Miller stated that the Company was profitable for the first time in quite a few years.
- b. 2010 Budget: Robert Miller explained that Net Income will be less than 2009 due to less money for sales and there will not be a loan-buy back this year. Robert Miller noted that

there is a normal curtailment of term debt plus a onetime curtailment to Burke & Herbert Bank for \$675,000.

- c. First Quarter Update: Robert Miller stated that we have \$2.5 million in the bank. He noted that the HLP note of \$8,250,000 is still on our books and will be as long as we are involved with Haymount Limited Partnership. He noted that the Income is behind budget due to a bookkeeping matter in that the real estate taxes were booked in September 2009 but were budgeted for in October 2009. Additionally, the snow removal costs of @\$50,000 in December and legal fees for tenant related matters were not budgeted for.
- d. Review of Activities of 2008/2009 Fiscal Year:
 - 1. Board of Directors met 18 times;
 - 2. Terminated all former executives;
 - 3. Moved corporate offices to Shops at Sumner Place and sublet space on East West Highway;
 - 4. Refinanced loan for Spring Valley Offices with TIAA;
 - 5. New tenant in retail space in Spring Valley – LPQ;
 - 6. Hired McShea to handle management of Miller commercial properties on October 1, 2008;
 - 7. Hired McShea to handle the management of Sumner Highlands on November 1, 2008;
 - 8. Springvale, Virginia – sold all lots and are in the process of returning common areas to the City, County and/or State;
 - 9. Changed accounting systems;
 - 10. Prepared a Budget/Cash Flow model;
 - 11. Billed out back common area maintenance billings [2004 – 2007] for retail tenants at the Shops at Sumner Place;
 - 12. Hired accounting malpractice attorney to review to see if we have a case against former auditors;
 - 13. Negotiated two (2) severance packages with former executives saving the Company approximately \$200,000.
 - 14. Worked with F&R to receive prepayment on their Note.
 - 15. Sold Chandlee Mill house and lot;
 - 16. Refinanced Spring Valley Retail loan from Chevy Chase line of credit to secured financing with Burke & Herbert Bank;
 - 17. The following capital improvements were done:
 - a. Replacement of the roofs at 4900 and 4910 Massachusetts Avenue;
 - b. Repainted and carpets the common areas of 4910 Massachusetts Avenue and the Shops at Sumner Place;
 - c. Power washed all buildings in Spring Valley;
 - d. Painted the retail buildings in Spring Valley;
 - e. New Energy Management System was installed in 4910 Massachusetts Avenue; and
 - f. New thermostats at the Shops at Sumner Place;

18. Leasing Activity:

- a. Spring Valley is 100% leased with the exception of @400 square feet of interior space;
- b. Sumner Highlands is @95% leased
- c. Shops at Sumner Place has @14,000 square feet vacant in the offices and @8,000 of retail space.
 1. PetCo will hopefully take the former Damon and Draper and Ritz Camera spaces with Edible Arrangements moving to the former Pet Store location.
 2. We are working with expanding the Beauty Salon with a different operator.

e. Report from Audit & Finance Committee by Robert Beers, III.

Robert Beers, III explained that James Myers, Jr. and Monica Satrape are on the Committee as well and that he serves as the Chairman. He explained that the Committee was tasked with explaining what Free Cash Flow is and what to do with it.

He explained that Free Cash Flow is the money remaining after the following has been addressed:

1. \$2,000,000 in cash
2. Operating Expenses
3. Depreciation
4. Deferred Maintenance
5. Deferred replacement reserve
6. Tenant Improvements
7. Leasing Commissions
8. Amortization of the loans.

The Committee asked the Board members to speak with their families to see how they would like to see the money split. Robert Beers, III stated that it was unanimous that there should be a 50/50 split between sustainable dividends and excess cash going to pay down debt and reserved for future growth. He noted that this was not a policy but a goal and/or guideline that the Board will follow. Further, it was discussed that the Company will grow organically automatically with the leases and the amortization of the loans. James Myers, Jr. stated that the calculation of Free Cash Flow is very conservative however it is appropriate for our Company.

f. Dividend Presentation: The Board of Directors approved as part of the 2010 Budget to declare a dividend in the amount of \$400,000 payable in equal monthly installments of \$50,000 payable over eight (8) months starting with February 2010.

- g. Robert Miller Bonus: Robert Beers, Jr. explained that the Board had decided to give Robert Miller a onetime bonus of \$200,000 in recognition of his hard work for the Company. The timing of the payment will be at the Board's discretion and will be paid out over two years in that Robert Miller wanted dividends to be paid first.

V. Slate for Board of Directors

Bud Miller asked if there were any nominations from the floor for the 2010 Board of Directors. None were noted and the floor was closed. Michael Seay, Jr. volunteered to be the Shareholder representative to work with Patricia Emory and Richard Fisher of Alan Gordon, CPA PA's office in tallying the votes.

VI. Voting Results

After tallying the votes, Michael Seay, Jr. and Patricia Emory rejoined the meeting; Michael Seay, Jr. reported the results:

Directors of the Board:

Ernest Miller, Chairman
Robert W. Beers, III
Geoffrey T. Miller
James L. Myers, Jr.
Deborah O. Vaughan

Robert W. Beers, Jr.
Katharine P. Kile
Robert R. Miller
Monica Satrape

Ernest Miller congratulated all the new Directors.

VII. Call for Annual Board of Director's Meeting

Bud Miller noted that the By-Laws require that an Annual Board meeting occur and invited all Shareholders to attend the meeting set for January 30, 2010 immediately following the Shareholders meeting. The meeting will be to elect Robert Miller as President and Patricia Emory as Corporate Secretary; reaffirm the actions of management for the past year and elect the members of the Audit & Finance Committee and Governance and Nominating Committee.

VIII. Change Date of Annual Shareholders Meeting

It was suggested that the Annual Meeting be moved to a later date so that the weather would not be a factor. It was further suggested that the meeting could be in the morning and a Family Reunion could happen in the afternoon. Bud Miller explained that the By Laws would have to be amended for this to occur.

IX. Adjourn

Finally, Ernest Miller asked for a motion to adjourn the Shareholders meeting. Robert Beers, Jr. so moved and William C. Miller seconded and all were in favor, none opposed.

There being no further business, the meeting was adjourned at 12:05 am.

Patricia R. Emory, Corporate Secretary

April 30, 2011
Approved

W.C. AND AN. MILLER DEVELOPMENT COMPANY
2010 ANNUAL SHAREHOLDERS MEETING

JANUARY 30, 2010

AGENDA

1. Welcome
2. Approval of Minutes of 2009 Annual Meeting
3. Update on Company
4. Nomination from Floor for 2010 Board of Directors
5. Election of Board of Directors
6. Report of Outcome of Election
7. Set Annual Meeting of the Board of Directors
8. Discussion of the future
9. Adjourn
10. Board of Directors Meeting (All Shareholders are invited)
11. Luncheon
12. Tour of Company owned properties