

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

BOARD OF DIRECTORS

January 29, 2010

Participants:

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

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

The Board meeting began at 1:10 pm at the Corporate Offices of the Company. Deborah Vaughan was absent. Patricia R. Emory acted as Corporate Secretary for the meeting.

1. Review of the December Financial Statement:

Rob Miller explained that the October and November Financial Statements were revised after the input of the changes/corrections from the Review of the Company books as of September 30, 2009. They are included in today's package.

Cash is up by \$300,000 due to the push back of the tenant improvements money that was budgeted. Rental Income is behind budget due to real estate taxes being budgeted for October but billed in September. Rental Expenses are up due to the blizzard in December pushing us \$50,000 over budget as well as legal fees for tenant related matters which were not budgeted but will be passed through to the tenants. Office Administration is over budget due to Christmas bonus to Patty Emory. Insurance is over budget this month due to budgeted for in November. Review/Audit/Tax Return is over budget in that it was budgeted as a lump sum to be paid in January and have been billed progress billings. Rent is the difference from what is owed and what we received from subtenant. Storage is the cost to move the boxes to Corporate Offices. Net Income is a loss of \$109,000. Rob Miller explained that even though we are behind in the budget we are doing well. The legal fees and snow removal costs we will recoup from the tenants.

2. Common Area Maintenance Under Billing:

Rob Miller explained that McShea had gone back for the past fiscal year [2007/2008] and reconciled the statements and collected the majority of that. They have now gone back and billed the tenants for the past 3 years. Those bills went out this past week. The billing is approximately \$1,000,000 that was not budgeted. It will be posted in January 2010 and there will be a bad Debt Expense posted of \$500,000 in that we feel that we can collect from the national tenants but will have to work with the smaller ones. Rob Miller explained that this is the basis of our suit against Reznick.

3. Reznick Lawsuit:

Rob Miller explained that we met with our attorney, Steve Lynch from McShea and a forensic accountant to review the case. We have provided the documentation that was requested and should be meeting with them in February to review where we stand. Rob Miller explained that McShea will receive a percentage of the monies collected as well as a fee for preparing the documentation for the billings in that it was outside of the scope of their contract.

4. Tour of Properties at Annual Shareholder Meeting:

Due to the weather forecast for tomorrow is was agreed that the tours should be cancelled.

5. Annual Shareholder Meeting:

It was discussed that the Annual Meeting should be moved to April so that the weather is not a factor. It was requested that this matter be brought up at the meeting tomorrow. Rob Miller said that we would just have to make sure that the financial statements went to the Shareholders in a timely manner.

6. Response to Butch Miller's letter:

Rob Miller said that he sent a response to Butch Miller regarding the financial information, a copy of which is in your package. It was discussed and all felt that management should have a seat on the Board just as we have a separation of the Chairman of the Board and the CEO. It was further agreed that an outside real estate expert who is locally based would be a competitor of the Company and not a good idea. At present, Bud Miller, Geoff Miller Rob Miller, and McShea Management act as our real estate experts. A letter needs to be sent responding to his other questions. Rob Miller offered to draft response for alls input.

7. Indemnification Agreement:

All members need to sign two originals. Once Rob Miller signs, one original will be sent back to you. Bud Miller will sign Rob Miller's on behalf of the Company.

8. Chart of Past 10 Years of Company Financials:

Rob Miller presented charts/graphs that he had put together from the audited Financial Statements for the past 10 years. Debt rose over \$34 million to finance Shops at Sumner Place and Sumner Highlands. Net Operating Income shows that we did not make money in the best real estate market in the history of this area. Dividends, though, were paid out even though the Company was not making money.

9. 10 Year Projection:

Rob Miller explained that he had just received the reports from McShea this morning and that once he has had a chance to review he will share with the Board.

10. Agenda for Annual Shareholders Meeting:

Bud Miller explained that there will be Opening Remarks; Company Update; Elections and a discussion about the Future. Rob Beers was asked to give a report from Audit & Finance Committee as to Free Cash Flow. Explanation will be given that dividends are sustainable. Bob Beers was asked to explain to the Shareholders after the elections about Rob Miller's bonus.

11. Committee Assignments:

Audit & Finance Committee:	Rob Beers, Chairman Jim Myers Monica Satrape
Governance & Nominating Committee:	Bob Beers, Chairman Kathy Kile Geoff Miller

12. Board of Directors Size:

It was decided that should a Shareholder raise the question of size of the Board at the Annual Shareholder's meeting that all would be told that the Governance and Nominating Committee has been tasked with addressing the size of the Board.

13. Board Meetings:

It was agreed that the face to face Board Meetings will be May 7, 2010 and November 5, 2010. Our teleconferences will be held on the 1st Friday of every month at 10 am.

Motion was made by Bud Miller and seconded by Bob Beers that the Board Meeting adjourn. All were in favor, none opposed.

There being no other business the meeting adjourned by 3:15 pm.

Patricia R. Emory, Corporate Secretary

March 5, 2010
Approved