

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE
April 9, 2010

Participants:

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

Robert (Rob) Beers, III
Ernest (Bud) Miller
Robert (Rob) Miller
Deborah Vaughan

Monica Satrape was absent. The Board meeting began at 10 am. Attached is the e-mail detailing the purpose of the meeting and supporting documentation that was given to all members in advance of the meeting. Patricia R. Emory acted as Corporate Secretary for the meeting.

1. February 2010 Financial Statements:

Rob Miller explained that the Balance Sheet and Cash Flow statements had been revised placing the dividend on a separate line. Rob Miller explained that the variance in income is due to the fact that the adjustments to the CAMs was posted in September but budgeted for in February. He stated that we are in line with the budget with the exception of the snow removal costs. Rob Miller explained that it had a large effect on our cash flow but that we are hoping to gain some cash from the receipts of payment of the corrected CAM billings. He further explained that we are hoping to make an adjustment to the current CAM billings to the national tenants to try and recover the money now versus at the end of the fiscal year.

2. New Hampshire Avenue Lots:

Rob Miller explained that the lots have been listed for sale for over a year and we have had no offers. Rob Miller asked for approval to lower the price to \$720,000 for all 3 lots and every 3 weeks lower the price by 3% until sold. The lots are currently listed at \$325,000 per lot but budgeted at \$275,000. The Board asked that the price only go as low as \$600,000 which Rob Miller explained should take approximately 18 weeks to achieve. After a lengthy discussion, all were in agreement that this is the best course of action.

3. Haymount:

Rob Miller explained that the Plaintiff in the case in NJ has received a judgment for 4.5 million and he is now trying to enroll the judgment in Virginia. He sent discovery requests that we had to respond to under federal law so there will be unbudgeted legal fees for this in the coming months. Additionally, the Company received a package from Bank of America and it appears that John Clark is using the HLP tax id. We are now looking into this matter as well.

4. **IRS Payroll Tax Issue:**

Rob Miller explained that we have filed the appropriate paper work with the IRS but are awaiting the assignment of a revenue agent so that we can hopefully work out a payment plan. We have paid \$11,000 towards this debt and plan on continuing to do this monthly until other arrangements with the IRS have been made. Rob Miller explained that we have no guarantee that they will settle but are hopeful.

5. **Sumner Highlands:**

Rob Miller explained that they are 97% leased from a low of 92%. He further explained that a new manager has been hired and that the property is looking fantastic.

6. **Leasing at Shops at Sumner Place:**

Rob Miller explained that PetCo's new concept "Unleashed" has signed a letter of intent for the space formerly occupied by Damon & Draper. The deal is for 10 years with 1 five year option for a net effect of \$36 per foot. Additionally, no tenant improvement money will be required only leasing commission will be due. He explained that if for any reason this deal falls through he has a back-up deal with a restaurant who would like the space plus Ritz Camera's old space. Rob Miller further explained that we are continuing to work with our smaller tenants but things are progressing very slowly.

7. **Shops at Sumner Place into a Single Purpose Entity (SPE):**

Rob Miller explained that he would like to explore the possibility of placing Shops at Sumner into a SPE for refinancing purposes. He explained that most lenders are not interested in lending to C Corps who have multiple assets. In order to not have to pay capital gains taxes, the SPE would be wholly owned by the C Corp. We would, though, have to pay recording fees that are fairly expensive – 1 to 2%. He explained that from conversations with our lender, MetLife, it appears that they are only dealing with SPEs. The loan is up on January 1, 2013. Rob explained that he will be meeting with the MetLife representative the 1st week of May to see if they are interested in refinancing the property early. He explained that we have equity in the property and it would be nice to pull some of it out to have cash to pursue other activities.

8. **Agenda for May Board Meeting:**

- a. Governance and Nominating Committee report
- b. Audit & Finance Report on whether to have an audit and/or a review for this fiscal year.
- c. Summary of 10 year projections
- d. Discussion on frequency of meetings and teleconferences for 2011 forward
- e. Review of Business Continuation plan

Meeting will start at 10am and we plan on ending between 2 – 3pm.

9. **Crate & Barrel:**

Debbie Vaughan asked how they were doing. Rob explained that they are @40% below where they were in their hay-day but that it appears they have stabilized. He explained that there is inherent value in their lease in that they are leasing at such a low rate and that should they close the store they would want to keep the lease and sublease it making money on the transaction.

10. **Business Continuation Plan:**

Geoff Miller asked that a business continuation plan be put into place should something happen to Rob Miller and Patty Emory. Rob Miller explained that the Company is in competent hands with McShea handling the day to day operations. Rob Miller said that he would put something together for review at the May Board Meeting.

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