

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE MEETING
April 4, 2014

Participants:

Robert (Bob) Beers, Jr.
Michael (Mike) Fallon
Paul (Jay) Maddock, Jr.
Robert (Rob) Miller

Robert (Rob) Beers, III
Katharine (Kathy) Kile
Geoffrey (Geoff) Miller
Deborah (Debbie) Vaughan

James Myers, Jr. was absent. The Board meeting began at 10 am. Attached is the supporting documentation that was given to all members in advance of the meeting.

1. **Approval of Meeting Minutes of February 7, 2014 and February 8, 2014**

Motion was made by Paul Maddock, Jr. and seconded by Deborah Vaughan to approve the Meeting Minutes of February 7, 2014 and February 8, 2014 meetings. All were in favor, none opposed.

2. **Approval of the March 6, 2014 Meeting Minutes**

Motion was made by Deborah Vaughan and seconded by Robert Beers, III to approve the meeting minutes of the March 6, 2014 meeting. All were in favor, none opposed.

2. **Company Update**

a. February 2104 Financial

Rental Income is down by (\$70,000) but is offset by Rental Expenses being down by \$70,000 for a Net Rental Income of \$298,213.41 which is \$4,734.41 over budget. Year to date the Net Rental Income is under budget by (\$29,850.18). Net Income at the end of February 2014 is \$165,994.99 over budget and year to date it is \$256,650.85 over budget. If Investment Gains is taken out we are in line with budget. It was noted that although Rental Expenses is below budget at this time, it will be in line with budget by end of year now that the weather is better. Although there was a decrease in cash flow of (\$202,000) it is in line with budget.

b. Leasing Update

1. Sumner Highlands – with the weather have been so bad the property remains flat at 90% occupancy. Traffic will pick up once Spring decides to arrive.

2. Shops at Sumner Place

Offices – 8% vacancy but we have seen a significant amount of traffic. There are currently 5 Letters of Intent out and if we get 2 of the 5 we will be 100% occupied.

Retail – We remain at 0% vacancy. Aidan Design will be vacating at the end of May. We are currently working with the International School of Music to take Aidan's space along with an additional 1,000 square feet of space that is storage and never been rented before. Bank of America will not be leasing space for an ATM in that their requirements were too broad.

3. 4910 Massachusetts Avenue, NW – Remains at 100% occupied.

4. 4900 Massachusetts Avenue, NW – There is 4,500 square feet available on the first floor which we had been holding for a single user but are now looking at multi-tenant users. The second and third floor will have approximately 4,200 square feet of space coming available this summer and we hope to have it completely leased up prior to the lease expirations. Children's Hospital's lease is up at the end of August (only renewed for 1 year last year) and we have still not heard anything about their renewal.

5. 4866 Massachusetts – Wells Fargo's Letter of Intent is working its way through their process of approvals.

c. Haymount Limited Partnership and CNA litigation

CNA has requested that the case be transferred to Federal Court and awaiting for CNA to file their answer. Even though the case has been transferred to federal court our position does not change at all.

d. Stuart Florida transaction

Rob explained that he will be meeting with our attorney to draft the contract soon and hope to have everything signed by May 1, 2014. It should take 4 to 6 months to complete the project. The Company will fund post construction. We will be posting a deposit of \$200,000 and put a security interest on the land that will not be subordinate to the construction loan.

e. Washington Real Estate Investment Trust (WRIT)

The Letter of Intent has been executed for \$43 million. They are now working on their due diligence. There is one issue that is not addressed in the Letter of Intent is the deal with Wells Fargo. Should Wells Fargo not go to lease WRIT will reduce the purchase price which is unacceptable in that we will not be receiving the premium price. If deal doesn't close with WRIT they are not the only company out there.

f. June Board meeting

Meeting needs to be moved to July due to conflict in plans for Rob Miller. All Board members are to provide dates that do not work for them so a date can be selected.

There being no further business the meeting adjourned at 10:50 am.

Patricia Emory
Corporate Secretary

July 17, 2014
Approved