

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS TELECONFERENCE
February 10, 2012

Participants:

Robert (Bob) Beers, Jr.	Robert (Rob) Beers, III
Michael (Mike) Fallon	Katharine (Kathy) Kile
Paul (Jay) Maddock, Jr.	Geoffrey (Geoff) Miller
Robert (Rob) Miller	James (Jim) Myers, Jr.
Deborah (Debbie) Vaughan	

Ernest Miller was absent, thus James Myers, Jr. as Vice Chairman led the meeting. 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 January 19, 2012 Minutes:

Motion was made by Robert Beers, Jr. to approve the January 19, 2012 Meeting Minutes and seconded by Robert Beers, III. All were in favor, none opposed.

2. Review of December 2011 Financial Statements

Rob Miller explained that the Financial Statements received are a more condensed version which was prepared at the request of the Audit & Finance Committee. He further explained that if a Board member wishes to look at anything else please just contact him.

Rob Miller explained that Rental Income is down over Budget by approximately \$180,000 for the year primarily due to the timing of the receipt of the pass through expenses paid by the retail tenants in Spring Valley who are billed annually but the Budget has them being billed monthly.

He further explained that Haymount Legal Expenses on the Income Statement are over Budget primarily due to the fact that the Motion for Summary Judgment was more than Budget. Rob Miller explained that the expenses should level out and be on target with Budget over the next few months.

It was noted that our cash position increased by \$43,346 with an overall increase in cash by \$400,000 year to date. Rob Miller noted that this number will go down due to upcoming tenant improvements and building improvements that are scheduled over the course of the next few months.

3. Company Update

- a. Haymount Litigation: Rob Miller explained that the Plaintiff presented a settlement offer for the entire Judgment amount which was rejected by us.

- b. Leasing Activity: Rob Miller explained that we have had an extremely active quarter and that we are now 96% leased. He noted that we are far out pacing our competitive set on both occupancy and rate.
- c. Refinance of the Shops @Sumner Place: Rob Miller explained that there appears to be a potential lender looking at the property. Current rates are 4.1 to 4.2% and if we are able to lock into that rate there would be an annual interest savings of \$600,000.
- d. Chicken Out: Rob Miller explained that an agreement has been reached and that all of the stores are being sold to one purchaser. He explained that we should receive some money at closing and the remainder owed spread-out over the next 12 months. Rob Miller noted that the purchaser is not a proven operator but that he will retain the Chicken Out name and will be adding delivery service. It was further noted that should this operator fail we will receive the store back and there are several credit worthy companies that want the space.
- e. Crate & Barrel: Rob Miller explained that a demand notice was sent out to Crate & Barrel detailing the amount of money they owe for the improper calculation of rent at anniversary dates, improper calculation of percentage rent, Starbucks sublease rent and outstanding parking validation monies owed for a total due of approximately \$600,000. Further, a notice of default had previously been sent regarding the radius restriction default with CB2 in Georgetown. Since receipt of these letters, the head of development for Crate & Barrel, Mr. Hense, has contacted the Company and requested a face to face meeting at our office which will take place on March 8, 2012. At the meeting, Rob Miller stated that he hopes that an amendment to the lease will be made in principal and all monies owed will be paid. After a lengthy discussion the following motion was made.

Motion to allow President/Chief Executive Officer, Robert Miller, to negotiate a settlement with Crate & Barrel regarding outstanding issues and to renegotiate the existing lease and/or negotiate a new lease with them provided that the settlement and lease negotiation is reviewed by Chairman of the Board. A Motion was made by Michael Fallon and seconded by Robert Beers, Jr.. All were in favor, none opposed.

4. **Revised By-Laws**

It was asked that the attorney from Holland & Knight look at the indemnity language in the indemnity agreement that all Board members have signed be compared to the new language in the By-Laws to make sure that it is stating the same thing. Response to this is to be shared with the entire Board.

5. **Strategic Planning**

Mike Fallon explained that he hopes to have composed the collective thinking of all Committee members into one document to be shared with the entire Board in early March with the hope that there will be a document to share with the Shareholders in April.

There being no other business, at 11:15, a **Motion** was made by James Myers, Jr. and seconded by Michael Fallon that meeting was adjourned.

Patricia R. Emory, Corporate Secretary

March 9, 2012

Approved