

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
SPECIAL BOARD OF DIRECTORS TELECONFERENCE
July 2, 2014

Participants:

Robert (Bob) Beers, Jr.
Katharine (Kathy) Kile
Robert (Rob) Miller
Deborah (Debbie) Vaughan

Robert (Rob) Beers, III
Geoffrey (Geoff) Miller
James (Jim) Myers, Jr.

Michael (Mike) Fallon and Paul (Jay) Maddox, Jr. were absent. The Special 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.

Sale of Spring Valley Retail properties to Washington Real Estate Investment Trust (WRIT)

Rob Miller explained that the Investment Committee had held a meeting on Monday, June 30, 2014 at 10 am to review the modifications to the WRIT Purchase Contract. The Investment Committee unanimously approved the modifications and agreed to present to the full Board for its approval.

Rob Miller then went on to explain that the change is in the sales price changing it from \$43 million to \$40.5 million which is based on the net difference from the Wells Fargo deal and the new potential tenant for 4866 Massachusetts Avenue of \$130,000. He further explained that the loss carry forward is less than was anticipated and that a 1031 Exchange will need to occur for at least a portion of the proceeds so that the Company does not have to pay taxes on this sale. Finally, Rob Miller explained that he is asking WRIT to extend the closing date at least ninety (90) days so that we have an opportunity to identify and put under contract a property(s) for a 1031 Exchange.

MOTION was made by James Myers, Jr. and seconded by Robert Beers, Jr. to authorize Robert Miller to proceed with the sale of the Spring Valley Retail properties (4820, 4860, 4866, 4872, 4874 Massachusetts, 4325 and 4301 49th Street, and 4300 Fordham Road, all in Washington, DC) to Washington Real Estate Investment Trust for \$40.5 million subject to an extended closing after October 1, 2014 with a 1031 Exchange under contract under the same terms and conditions as set forth in the Purchase and Sale Agreement dated April 22, 2014 as Amended. All were in favor, none opposed. Further, Michael Fallon and Paul Maddock, Jr. although not present at the meeting approved the sale via e-mail and said approvals are attached to these minutes and made a part thereof.

Meeting adjourned at 10:30 am.

Patricia R. Emory
Corporate Secretary

July 17, 2014
Approved