

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

**Participants:**

Michael (Mike) Fallon	Katharine (Kathy) Kile
Paul (Jay) Maddock, Jr.	Ernest Miller
Robert (Rob) Miller	James Myers, Jr.
Deborah (Debbie) Vaughan	

Robert Beers, Jr., Robert Beers, III and Geoffrey Miller were absent. The Board meeting began at 10:00 am via teleconference. 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 July 12, 2012 Minutes:**

A discussion occurred regarding some of the phrasing in the minutes. It was decided that Jim Myers would work with Patty Emory to revise the minutes and that the full Board would vote on them at the September 7, 2012 meeting.

2. **Schedule of Board Meetings**

The attached schedule for Board meetings through 2013 has been accepted by the Board.

3. **June 2012 Financial Statements**

Rob Miller explained that the reason that the year to date Rental Income is off is due primarily to the fact that some of the retail tenants are billed on an annual basis but the Budget is accruing an amount monthly. Rental Expenses is higher than budget due to the write off of a bad debt expense relating to the prior year CAM billings, legal fees and plumbing repairs due to a pipe break at Sumner Highlands. Under Operating Expenses, the Legal Loan expense is the Guardian fee and Other Taxes is due to the 2<sup>nd</sup> payment to DC for the 2007 payroll taxes. Cash Flow reflects a decrease in cash of \$83,770 which isn't bad considering that we paid \$89,105 in improvements to the buildings and \$48,068 in leasing fees along.

4. **Company Update**

a. Leasing Update:

1. Sumner Highlands is 100% occupied.

2. Shops at Sumner Place:

The Retail is 100% occupied and the Offices are 96.4% occupied and at present we are working with a potential tenant which if signed will leave us with less than 1% vacancy.

3. Spring Valley Retail is 100% occupied and Crate and Barrel has commenced paying the increased rent.

4. Spring Valley Offices:

4910 Massachusetts Avenue:

98% occupied with less than 1,500 to lease.

4900 Massachusetts Avenue:

89% occupied with approximately 4,500 to lease on the first floor of the Building. The reason such a large space is vacant is that we are positioning this space for a single retail user versus multiple office tenants. There is serious interest by TD Bank at the present time.

4301 50<sup>th</sup> Street:

67% occupied with the first floor vacant. There is some interest by a prospective tenant to take one-half of the available space.

4315 50<sup>th</sup> Street:

100% occupied.

Rob Miller stated that overall our vacancy is very low. He further explained that rental rates are reviewed every six months and that we just recently had a meeting with McShea whereby we raised the rates in Spring Valley Offices from \$39.50 to \$42 per square foot and at the Offices of the Shops at Sumner Place the rates went from \$27.50 to \$32 per square foot.

b. **Haymount Litigation:**

Rob Miller explained that the Plaintiff has filed a Notice of Appeal so that he can preserve his rights. At present, it is not known whether or not the Plaintiff will try to settle the case or file an Appeal.

c. **Guardian Life Insurance Company of America (refinance of Shops at Sumner Place)**

Rob Miller stated that we have a signed commitment from Guardian and that the process is moving along. Close is to occur on October 1, 2012 at which time the \$600,000 will be returned.

d. **Tax Analysis of Transferring Sumner Highlands LLC to the Shareholders**

Rob Miller explained that he has made some progress but that he would like to meet with Jim Myers to gain some insight into this matter.

e. **2012/2012 Budget**

Rob Miller explained that the McShea Budget has been approved and that he is close to completing the Company Budget and hopes to have it to the Audit & Finance Committee by early next week.

f. **New Building at 4900 Massachusetts Avenue upper parking lot**

Rob Miller explained that he has met with Chip Glasgow of Holland & Knight as well as VIKa and now waiting for a preliminary site plan.

5. **Succession Plan**

Debbie Vaughan asked to have changes made to it and then for the Plan to be posted on the Company's website.

6. **Governance & Nominating Committee**

A note from Bob Beers was read and is attached to these minutes. It stated that his Committee has met and that he will have their recommendation for Chairman and Vice Chairman to the full Board prior to our meeting in September.

**Motion** to adjourn was made by Michael Fallon and seconded by Robert Miller. All in favor, none opposed. The meeting adjourned at 10:46 am.

Patricia R. Emory, Corporate Secretary

September 7, 2012

Approved