

MINUTES
W.C. & A.N. MILLER DEVELOPMENT COMPANY
BOARD OF DIRECTORS
September 9, 2012

Participants:

Robert (Bob) Beers, Jr.	Robert (Rob) Beers, III
Michael (Mike) Fallon	Katharine (Kathy) Kile (at 10 am)
Paul (Jay) Maddock, Jr.	Ernest (Bud) Miller
Geoffrey (Geoff) Miller	Robert (Rob) Miller
James Myers, Jr.	Deborah (Debbie) Vaughan

The Board meeting began at 9:00 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:**

Motion was made by Robert Beers, III and seconded by Paul Maddock, Jr. to approve the July 12, 2012 Meeting Minutes. All were in favor, none opposed. Katharine Kile was not present for voting.

2. **Approval of August 10, 2012 Minutes:**

Motion was made by Robert Beers, III and seconded by James Myers, Jr. to approve the August 10, 2012 Meeting Minutes. All were in favor, none opposed. Katharine Kile was not present for voting.

4. **July 2012 Financial Statements**

Rob Miller explained that Cash is down by (\$769,108) due primarily to the Guardian Loan deposit fee of \$600,000. Rental Income is under Budget by (\$457,769.64) year to date due primarily to the timing of the billing and receipt of payment of the Common Area Maintenance Fees and Real Estate Taxes to our retail tenants. Currently, they are billed on a monthly basis but payment is paid in lump sum. Operating Expenses are over Budget by (\$112,011.38) year to date due primarily to the 2007 payroll withholding tax paid to DC of \$109,000. It was suggested that Leasing Commission be on a separate line on the Statement of Cash Flow effective with the October 2012 financial statements.

5. **Company Update**

a. Leasing Update:

1. Sumner Highlands is 96.4% occupied. The picnic area has been cleaned up and new pavers installed as well as a sand box.

2. Shops at Sumner Place:

The Retail is 100% occupied. Weight Watchers should open October 1 and Simon Says Yoga November 1st. The Offices are 97% occupied.

3. Spring Valley Retail is 100% occupied and Ski Center has executed his renewal.

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 for this space. Rob Miller noted that he has hired an architectural firm to produce some renderings of the floor for prospective tenants.

4301 50th Street:

65% occupied with the first floor vacant. Rob Miller noted that there was some interest from a firm but the tenant improvements were too high so we have steered them to another space in our portfolio.

4315 50th Street:

100% occupied. Rob Miller noted that we have renewed McEneaney and Associates for two floors of the Building but they will be giving back the lower level space effective January 1, 2013. There are currently 2 subtenants occupying the lower level space but we have found out that one subtenant has had their firm purchased by Humana and will be relocating to the Humana location and the other one needs less space so we are showing them other space available in our portfolio.

b. **Haymount Litigation:**

Rob Miller explained that the Appellate Court has given us a schedule. The Plaintiff's brief is due October 1, 2012 with our reply do on November 2, 2012 and then Plaintiff's response to our brief due November 30, 2012. By the end of the year, the Court will have everything and hopefully they will not insist on oral argument. Rob explained that the majority of our work has already been done. Our insurance carrier will be notified of the Appeal and once that process is over go back to collect all legal fees. He noted that the lower Court has granted our Motion for out of pocket expenses. He further stated that the Plaintiff issued additional Post Judgment Interrogatories basically trying to determine what assets remain in HLP.

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

Rob Miller stated that we are scheduled to close on October 4, 2012.

6. **By-Laws**

Motion to accept the By-Laws as modified was made by Robert Miller and seconded by Paul Maddock, Jr. All in favor, none opposed. Kathy Kile was not present for voting.

It was decided that a clean copy of the By-Laws along with a brief explanation of the changes will be sent to the Stockholders.

7. **2012/2013 Budget**

Rob Miller explained that the Audit & Finance Committee has reviewed and approved the Budget. He noted that once the year end books have been completed that the Budget will need to be updated with the actual year end numbers.

It was noted that the Rental Income will increase by \$1,781,703 primarily due to higher occupancy and the increased rents that will be received for Bank of America, United Bank and Crate & Barrel. Rental Expenses will increase by \$314,385 primarily due to tenant improvements on lease renewals. Debt Service will decrease due to refinance of Shops at Sumner Place.

Review of Operating Expenses occurred and a lengthy discussion among the family Board members transpired regarding the increase of the family Board members fees from \$1,000 to \$2,000 per month.

Motion to increase the family members of the Board of Directors fees to \$2,000 per month was made by Paul Maddock, Jr. and seconded by Michael Fallon. All in favor, none opposed. All family Board of Directors abstained from this vote.

Rob Miller noted that there will be an increase in cash of approximately \$6 million dollars. It is to be noted that the Audit & Finance Committee did not make a decision regarding a distribution of a dividend to the Stockholders. A lengthy discussion occurred regarding how much of a monthly dividend should be given.

Motion was made by Robert Beers, Jr. that effective October 1, 2012 a \$50,000 a month dividend will be issued to the Shareholders with an additional Special Dividend to be given so that the total dividend payment for the fiscal year 2012/2013 will be equal to \$1 million dollars and seconded by Michael Fallon. All in favor, none opposed.

Motion was made by Robert Beers, III to accept the 2012/2013 Budget noting that the following will need to be adjusted once the final numbers are available: (1) opening balances as of October 1, 2012; (2) dividend payments as established above; (3) Executive Compensation; and (4) Executive Bonus and seconded by Michael Fallon. All in favor, none opposed.

Motion made by Michael Fallon and seconded by Geoffrey Miller, and unanimously approved by the Board of Directors, the following dividends were declared due and payable to Stockholders of record as of the first day of each month that they are so paid:

October 1, 2012:	\$50,000
November 1, 2012:	\$50,000
December 1, 2012:	\$50,000

Motion to adjourn was made by Michael Fallon and seconded by Paul Maddock, Jr. All in favor, none opposed. The meeting adjourned at 11: 05 am.

Patricia R. Emory, Corporate Secretary

October 12, 2012
Approved