

**MINUTES**  
**W.C. & A.N. MILLER DEVELOPMENT COMPANY**  
**BOARD OF DIRECTORS TELECONFERENCE**  
**DECEMBER 22, 2008**

**Participants:**

Robert (Bob) Beers, Jr.	Katharine (Kathy) Kile
Ernest (Bud) Miller	Geoffrey (Geoff) Miller
Robert R. Miller	James (Jim) Myers, Jr.
Monica Satrape	Deborah (Debbie) Vaughan
Benjamin (Ben) Wafle	

The Board meeting began at 9 am in the corporate offices. Attached is an Agenda that was given to all members in advance of the meeting but has been revised to reflect the order of business during the meeting. Patricia R. Emory acted as Corporate Secretary for the meeting.

1. Update on Transition:

a. Accounting: Rob Miller explained that we have had a hard time dealing with JD Edwards software. He explained that he hired a temp to help us determine our position. Rob further explained that he is confident on the profit and loss statements and cash flow but no confidence with the balance sheet. We are working in truing up the numbers but not a priority at this time.

b. New Office: Rob Miller explained that the new office is working out well. Tenants are stopping by all of the time.

c. Reznick: Rob Miller explained that we need the year-end adjustments as of 9/30/07 so that we can make sure the 10/1/08 numbers are correct. McShea found out while doing the budget process that the Company had been using the wrong denominator when billing the CAM resulting in @\$500,000 loss of revenue. Rob Miller explained that it will be hard to have an audit done until we get true beginning balances. Rob Miller further explained that he is working with Holland & Knight who has a line to Mr. Reznick so that hopefully issues may be resolved.

2. Budgets: Rob Miller explained that the budgets look good but still not quite right. He explained that he hopes to have them to the Board by start of 2<sup>nd</sup> week in January. Rob Miller explained that we are factoring in the budget some rate of collection on outstanding/undercharged CAM but not all realizing that we will not be able to collect all.

3. October Statements: Rob Miller explained that the Inventory on the Balance Sheet was correct but he was not comfortable with the other numbers. Bud Miller explained that a lot of expenses over the years were capitalized not expensed so that they could be hidden. Bud Miller further explained that the Balance Sheet will improve and that write-offs will have to occur. There was a discussion as to the write-offs and making sure that the Company is in compliance with all of our note obligations and Rob Miller stated that he is watching this closely and that at present the only note we are close on is the MetLife note with Sumner Highlands.

A discussion occurred about our cash position and Rob Miller stated that we have \$3,500,000 with Bank of America and anything in excess of that is used to pay down the Chevy Chase line of credit. Rob Miller also explained that he still desires to replace the Chevy Chase Bank line of credit but we are not in a position to do so now. He has spoken with the Bank and we are in compliance with them through April 2009 at which time they have stated that they would renew it – they have not put anything in writing though.

4. Springvale Meadows: Rob Miller explained that we have sold all of the lots and last settlement is scheduled for February 27, 2009. When all is said and done we should have a positive cash flow from the project of @\$858,000 but still have approximately \$300,000 worth of site work to complete in the Spring.

As for the Montgomery County lots, Rob Miller explained that he has asked the realtor who handled Springvale Meadows to assist us with the selling of the lots.

As for Chandlee Mill, Rob Miller explained that the tenant has been asked to vacate and then we will get the property cleaned up and more marketable.

Rob Miller explained that if we cannot sell either of these that he would like to convert the loans to a 30 year fixed loan

5. Sumner Highlands: Rob Miller explained that we have 63 units rented making us 50% occupied. There are four leases awaiting approval and three move outs scheduled. Rob Miller explained that everyone is confident that once Spring arrives, the property will lease up.

Bob Beers asked where we stood with additional costs to get the property completed and Rob Miller explained that all of the work is complete but that the work is not up to par. Any work needed to be done is being done by in-house personnel resulting in little deferred maintenance.

6. Annual Meeting: The meeting is scheduled for Saturday, January 24, 2009 at 10 am at Columbia County Club. Rob Miller explained that the proxy notices will go out the week of January 5, 2009. Proxies will be handled by Alan Gordon, CPA. Rob Miller explained that at the end of the meeting he would like to invite the shareholders to the Board meeting. Not much will be done at the meeting except nominations to committees etc. Rob Miller explained that in anticipation of Rob Beers being nominated to the Board he had sent information to him so that he was up to speed.

7. New Items:

a. Vincent Pasko & Jim Farrell: Rob Miller explained that they have both hired counsel in that they are both looking for lump sum payments versus payout over 12 months like others. Hopefully, we will settle with them for less than they are asking for now and pay overtime and later in year.

Meeting concluded at 10:10 am.