

**Minutes of the
Special Meeting of the
Board of Trustees of the
Fire and Police Pension Fund, San Antonio
311 Roosevelt Avenue
San Antonio, Texas
June 4, 2010**

PRESENT: Chairman Larry A. Reed, Fire Retiree Representative; Vice Chairman Shawn Ury; Police Representative; Councilman/Secretary Justin Rodriguez; Councilwoman Mary Alice P. Cisneros; Donald R. Wagoner and Bart Moczygemba, Fire Representatives; and Alex Perez, Police Retiree Representative.

ABSENT: Mayoral Designee Art A. Hall, and Harry Griffin, Police Representative.

**OTHERS
PRESENT:** Warren Schott, Executive Director; Mark Gremmer, Deputy Director; Aubrey Berry; Richard Matye, Pension Fund Staff; Pete Tassos and Jaime Sullivan, Sullivan Commercial; Charles Tuttle and Frank B. Burney, Martin & Drought, P.C.

At 1:05 p.m., Chairman Reed called the meeting to order. Roll was called, and a quorum was declared present.

Pursuant to state law, the Board recessed to Executive Session at 1:07 p.m. to discuss Attorney-Client Matters including, but not limited to, the following issues (Real Estate, Litigation, Contracts, Personnel and Security) and to have an attorney-client consultation regarding legal issues pertaining to: Real Estate Acquisition (551.071, 551.072).

Mr. Wagoner entered the meeting at 1:10 p.m.
Councilwoman Cisneros entered the meeting at 1:40 p.m.

The Board reconvened at 1:44 p.m.

**DISCUSSION &
POSSIBLE
ACTION:**

Mr. Ury made a motion to approve the following:

1. Resolution

WHEREAS, it is the opinion of the Board that the Pension Fund offices situated at 311 Roosevelt Avenue, San Antonio, Texas have become inadequate from a facilities standpoint due to a lack of adequate space and other factors to enable the Pension Fund Staff to continue to effectively and efficiently carry out the administrative functions of the Pension Fund; and

WHEREAS, the Board believes that it is in the best interest of the Pension Fund and its Members and Beneficiaries that the Pension Fund offices be relocated to a more suitable facility; and

WHEREAS, the Board has undertaken an extensive market study to determine the feasibility of relocating the Pension Fund offices to another facility in the San Antonio, Texas area, either by leasing or purchasing alternative office space; and

WHEREAS, as a result of such market study the Board has determined that the current commercial office building market in the San Antonio area presents a unique opportunity for the Pension Fund to acquire a high-quality office property at an advantageous cost; and

WHEREAS, the Board has determined that the Parkway Center Office Building, situated at 11603 W. Coker Loop, San Antonio, Texas (the "Property") is a facility that meets or exceeds each of the criteria established by the Board for a suitable headquarters facility for the Pension Fund, including (i) adequate space for Staff and Board functions and other Pension Fund-related activities, (ii) sufficient parking for Staff, Board members, Pension Fund Members and Beneficiaries, and visitors, and (iii) convenient access by Pension Fund Members and Beneficiaries as well as Staff, Board members and visitors; and

WHEREAS, the Pension Fund's legal counsel has advised that it would be advantageous for legal title to the Property to be held in the name of SA F&P Property Holding Corp. (the "Holding Corporation"), a wholly-owned subsidiary of the Pension Fund; and

WHEREAS, the Holding Corporation entered into a Purchase and Sale Agreement (the "PSA") dated March 11, 2010, between the Holding Corporation, as Buyer, and Chase Merritt San Antonio Portfolio I, LP, as Seller, whereby the Holding Corporation agreed to purchase the Property for the sum of up to \$9,350,000.00; and

WHEREAS, the Board has conducted an extensive due-diligence review of the Property to confirm that the Property is suitable from a legal, engineering, accessibility, financial and functionality standpoint; and

WHEREAS, the Board believes that the Property will not only provide adequate office space for the Pension Fund's current and future needs, but will also be a prudent acquisition from an investment standpoint in that the Pension Fund will be able to generate revenue by leasing unused portions of the Property to third-party tenants.

THEREFORE, IT IS RESOLVED, that the acquisition of the Property by the Holding Corporation pursuant to the terms of the PSA is hereby approved, and that the Executive Director of the Pension Fund, and the Board of Directors and Officers of the Holding Corporation, are hereby authorized and directed to take any and all

action as may be necessary or convenient in order to effectuate the acquisition of the Property by the Holding Corporation pursuant to the terms of the PSA, including, without limitation, the transfer from the Pension Fund to the Holding Corporation of the amount of funds necessary to effectuate such acquisition.

IT IS FURTHER RESOLVED, that all actions taken by the Executive Director, any other member of the Pension Fund Staff, or any Director or Officer of the Holding Corporation on behalf of the Pension Fund or the Holding Corporation relating to the transactions described above prior to the date hereof are hereby ratified, confirmed and approved.

2. Approve Purchase of Parkway Center Office Building (“Parkway Building”) for up to \$9,350,000, located at 11603 W. Coker Loop, San Antonio, TX 78216 through SA F&P Property Holding Corp. (“Holding Corporation”).
3. Authorize Executive Director to take all actions necessary to negotiate, execute and close acquisition of Parkway Building by the Holding Corporation, including, but not limited to, execution of contract of sale and closing documents, payment of purchase price and related expenses, and transfer of funds to the Holding Corporation for the purchase.

The motion was seconded by Mr. Wagoner, and it carried unanimously.

**EXECUTIVE
DIRECTOR
REPORT:**

**PENSION CONTRIBUTIONS AS IT RELATES TO WORKERS
COMPENSATION PAY**

Mr. Schott reported on an issue that the City is currently dealing with in regards to workman’s compensation. Mr. Schott stated that the Pension Fund and City are currently working together on how to best deal with this issue.

**MEMBERS TO
BE HEARD:**

None.

ADJOURNMENT: Being that there was no further business; Vice Chairman Ury moved to adjourn the meeting at 2:07 p.m. Mr. Moczygamba seconded the motion, and it carried unanimously.