

POLICE AND FIRE RETIREMENT PLAN

Summary of Real Estate Committee

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

PRESENT:

Police and Fire Board

**Ken Heredia
Bret Muncy
Scott Johnson**

Also Present:

Russell U. Crosby	-Secretary/Director	Leslie Horenburger	-MIG
Tom Webster	-Deputy Director	Bob Ratliffe	-Kennedy
Donna Busse	-Staff	Joe Shea	-Kennedy
Ron Kumar	-Staff	David Kimport	- Nossaman, Guthner et al
Udaya Rajbhandari	-Staff	Danielle Gensch	- Nossaman, Guthner et al
Cristin James	-Staff		

MEETING SUMMARY

RECOMMENDATIONS

None

DISCUSSION ITEMS

1. 2007 Year-in-Review Presentation **a. MIG Realty Advisors**

Leslie Horenburger presented.

Camelback Pointe

- 2007 NOI was \$1,587,57913, 13.6% over budget.
- Occupancy averaged 94.0%.
- Capital expenses were lower than budget due to fewer roof shingle repairs, appliance replacements and savings on fitness/business center upgrades.
- Performance in 2008 will be positively affected by the decline in single family home sales. Building permits are at their lowest levels in 16 years and multifamily development is constrained. The anticipated population growth in the area (24,000 projected by 2009) is also encouraging.

Deerwood

- 2007 NOI was \$1,018,010, 2.9% below budget.
- Occupancy averaged 93.5%.
- Capital expenses were about \$95,000 below budget due to lower repair costs for water tank and deferred parking garage expense.
- Performance in 2008 will be positively affected by continued positive employment growth predicted due to strength of energy sector, the expansion of Texas Medical Center and Port of Houston activity. Significant multifamily development will negatively impact performance.

The Committee approved MIG's report.

b. Kennedy Associates

Bob Ratliffe presented.

Citibank – 1900 Spring Road

- 94.6% leased
- Budgeted 2008 Income Return: 5.4%
- 2008 Goal: Continue to benchmark utility usage while considering ways to improve building energy efficiency.
- Capital expenditures for 2008: Elevator cab renovation and parking lot improvements.

Crescent VII – 8390 E. Crescent Parkway

- 86.9% leased
- Budgeted 2008 Income Return: 1.8%
- 2008 Goal: Re-establish ENERGY STAR benchmarking after occupancy is stabilized and minimize Operating Expenses to keep base years low.
- Capital expenditures for 2008: Locker room refurbishment, replace variable frequency drives and replacement of energy management system.

The Committee approved Kennedy's report.

INFORMATIONAL ITEMS

2. Occupancy Report – MIG

3. Status Report – Kennedy

a. Citibank – 1900 Spring Road

b. Crescent VII – 8390 E. Crescent Parkway

CLOSED SESSION – Conference with Real Property Negotiator for Deerwood Apartments Pursuant to Government Code Section – 54956.8

To be reported at the next Real Estate meeting.

Approved:



RUSSELL U. CROSBY, SECRETARY
BOARD OF ADMINISTRATION

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BOARD OF DIRECTORS

SJ Progress Point, LLC

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

Present:

Directors

Ken Heredia
Russell Crosby

Also Present:

Bret Muncy
Tom Webster -Deputy Director
Donna Busse -Staff
Ron Kumar -Staff
Udaya Rajbhandari -Staff
Cristin James -Staff

Bob Ratliffe -Kennedy Associates
Leslie Horenburger -MIG Realty Advisors
David Kimport -Nossaman, Guthner et al
Danielle Gensch -Nossaman, Guthner et al
Joe Shea -Kennedy Associates

MEETING SUMMARY

RECOMMENDATIONS

None

INFORMATIONAL ITEMS

1. Current Status Report.

Approved:



RUSSELL U. CROSBY, CHIEF FINANCIAL OFFICER

BOARD OF DIRECTORS

6

3169 Dodd Road Corporation

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

Present:

Directors

Ken Heredia
Russell Crosby

Also Present:

Bret Muncy
Tom Webster -Deputy Director
Donna Busse -Staff
Ron Kumar -Staff
Udaya Rajbhandari -Staff
Cristin James -Staff

Bob Ratliffe -Kennedy Associates
Leslie Horenburger -MIG Realty Advisors
David Kimport -Nossaman, Guthner et al
Danielle Gensch -Nossaman, Guthner et al
Joe Shea -Kennedy Associates

MEETING SUMMARY

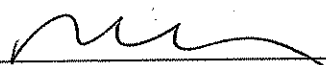
RECOMMENDATIONS

None

INFORMATIONAL ITEMS

1. 2007 Year-in-Review Presentation.
 - 100% leased
 - Budgeted 2008 Income Return: 8.2%
 - No capital expenditures for 2008.
2. Current Status Report.

Approved:



RUSSELL U. CROSBY, CHIEF FINANCIAL OFFICER

BOARD OF DIRECTORS

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3201 C Street, LLC

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

Present:

Directors

Ken Heredia
Russell Crosby

Also Present:

Bret Muncy
Tom Webster -Deputy Director
Donna Busse -Staff
Ron Kumar -Staff
Udaya Rajbhandari -Staff
Cristin James -Staff

Bob Ratliffe -Kennedy Associates
Leslie Horenburger -MIG Realty Advisors
David Kimport -Nossaman, Guthner et al
Danielle Gensch -Nossaman, Guthner et al
Joe Shea -Kennedy Associates

MEETING SUMMARY

RECOMMENDATIONS - None

APPROVAL ITEM

1. Resolution concerning distributions to be adopted by 3201 C Street, LLC.

Ms. Gensch explained that since the entity was amended from a corporation to a Limited Liability Company at the end of 2007, the funds paid to the Plan are no longer a corporate dividend but a Limited Liability Company distribution.

The Committee approved this item. (2-0)

INFORMATIONAL ITEMS

2. 2007 Year-in-Review Presentation.

- 92.6% leased collectively with Calais II
- Budget 2008 Income Return: 7.9%
- Capital expenditures for 2008: Minor security system upgrades and ADA door hardware.

3. Current Status Report.

Approved:



RUSSELL U. CROSBY, CHIEF FINANCIAL OFFICER

BOARD OF DIRECTORS

3301 C Street, LLC

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

Present:

Directors

Ken Heredia
Russell Crosby

Also Present:

Bret Muncy		Bob Ratliffe	-Kennedy Associates
Tom Webster	-Deputy Director	Leslie Horenburger	-MIG Realty Advisors
Donna Busse	-Staff	David Kimport	-Nossaman, Guthner et al
Ron Kumar	-Staff	Danielle Gensch	-Nossaman, Guthner et al
Udaya Rajbhandari	-Staff	Joe Shea	-Kennedy Associates
Cristin James	-Staff		

MEETING SUMMARY

RECOMMENDATIONS - None

APPROVAL ITEM

1. Resolution concerning distributions to be adopted by 3301 C Street, LLC.

Ms. Gensch explained that since the entity was amended from a corporation to a Limited Liability Company at the end of 2007, the funds paid to the Plan are no longer a corporate dividend but a Limited Liability Company distribution.

The Committee approved this item. (2-0)

INFORMATIONAL ITEMS

2. 2007 Year-in-Review Presentation.

- 92.6% leased collectively with Calais I
- Budget 2008 Income Return: 11.3%
- Capital expenditures for 2008: Minor security system upgrades, HVAC upgrades and ADA door hardware.

3. Current Status Report.

Approved:



RUSSELL U. CROSBY, CHIEF FINANCIAL OFFICER

BOARD OF DIRECTORS

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1737 North First Street

THURSDAY

SAN JOSE, CALIFORNIA

MARCH 20, 2008

Present:

Directors

Ken Heredia
Russell Crosby

Also Present:

Bret Muncy		Bob Ratliffe	-Kennedy Associates
Tom Webster	-Deputy Director	Leslie Horenburger	-MIG Realty Advisors
Donna Busse	-Staff	David Kimport	-Nossaman, Guthner et al
Ron Kumiar	-Staff	Danielle Gensch	-Nossaman, Guthner et al
Udaya Rajbhandari	-Staff	Joe Shea	-Kennedy Associates
Cristin James	-Staff		

MEETING SUMMARY

RECOMMENDATIONS

None


INFORMATIONAL ITEMS

1. 2007 Year-in-Review Presentation.

- 93.0% leased
- Budgeted 2008 Income Return: 4.8%
- 2008 Goal: Maintain ENERGY STAR designation.
- Capital Expenditures for 2008: New swing-stage tie-back system (required by Cal/OSHA), re-caulk exterior panels and wet seal windows, and replace/repair front sidewalk.

2. Current Status Report.

Approved:



RUSSELL U. CROSBY, CHIEF FINANCIAL OFFICER