

MINUTES
OF THE
BOARD OF FIRE AND POLICE COMMISSIONERS
SPECIAL MEETING – JULY 11, 2002

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, July 11, 2002.

REAL ESTATE COMMITTEE

MEMBERS PRESENT:

Mike Carter, Chair
Sim Farar, Co-Chair
Gay L. Harwin
William H. Jackson

OTHER COMMISSIONERS:

PRESENT:

George V. Aliano
Thomas A. Dawson
Sam Diannitto
Peggy Moore
Louis F. Moret

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Gary Mattingly, General Manager
D. Edward Griffiths, Asst. General Manager
Tom Lopez, Chief Investment Officer

CITY ATTORNEY'S OFFICE: Michael Wilkinson, Deputy City Attorney

Chair Carter called the meeting to order at 8:07 a.m.

Chair Carter said the Real Estate Committee will be noted as a Special Board meeting since there are more than four Commissioners present.

Chair Carter requested the public to leave the room for the Board to meet in closed session.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 FOR THE DISCUSSION OF THE SALE PRICE APPROVAL OF THE WESTLAKE SPECTRUM CENTER I AND II IN WESTLAKE, CALIFORNIA BY LOWE ENTERPRISES INVESTMENT MANAGEMENT, INC.

Ms. Kathy Briscoe and Mr. Richard Newman made a brief presentation to the Board. Messrs. Ron and Jeff Karp agree with the sale price Lowe recommends.

After discussion, Chair Carter moved that the Committee recommend to the Board the approval of the sale for the minimum sale price set, which motion was seconded by President Harwin.

After the presentation, Ms. Briscoe requested the Board to consider a resort property in Gleneden Beach, Oregon. The Board agreed to hear the presentation at the next regularly scheduled Board meeting.

Chair Carter invited the public back to the meeting.

REPORT ON OAKTREE'S CURRENT REAL ESTATE FUND

Mr. Ronald Karp of Ronald A. Karp Associates, Inc. discussed the fund. Mr. Karp said that Oaktree is seeking investments for new funds and brought to the Board a proposal about a new Oaktree Fund. Mr. Karp said we have been in four of their prior funds which have had fairly favorable results but they are now all in the liquidating state. Referred to the memorandum regarding the amount that has been distributed from the prior funds. Mr. Karp compared Oaktree Funds to all other real estate accounts without annual appraisals on their property. Mr. Karp said Oaktree does a very good job of selecting modest size opportunistic properties and he recommends that we continue this allocation. Commissioner Carter asked about the commingled policy and asked if this would be funded with that new allocation. Mr. Karp said that it would not. It would be considered as an alternative investment. Mr. Karp explained that Oaktree funds are introduced through the real estate program, but at the time that the investment was made a decision was made to put the series of funds in the alternative investment category. He said it is close enough that it might make more sense to bring it back together, but it would depend on what the asset allocation plan will reveal. Mr. Karp feels it might make more sense to take it back to the real estate allocation as a result of the asset allocation process.

Chair Carter recommended directing Oaktree to make a presentation to the Board.

UPDATE ON LEND LEASE'S VALUE ENHANCEMENT FUND IV REAL ESTATE FUND

Mr. Ronald Karp and Jeff Karp said that Lend Lease has informed investors regarding investments that they made in Value Enhancement Fund IV. Lend Lease has decided to suspend operations on this multi-use development project. Lend Lease expects to have a more detailed plan on how to proceed in the next four to six weeks.

REPORT ON THE PROPOSED USE OF JOINT VENTURE STRUCTURES IN THE SENTINEL REAL ESTATE PORTFOLIO

Mr. Karp said that Sentinel tried to pursue an opportunistic strategy in the real estate area by seeking investments with modest risk and chance of higher return. Mr. Karp said Sentinel is working on some transactions they would like to present to the Board. An outline and proposed general criteria that would be required in any deal of this sort were presented to the Board. Mr. Karp thinks it is worth doing if it can be made to work right.

Commissioner Carter recommended that the Board take a look and all agreed.

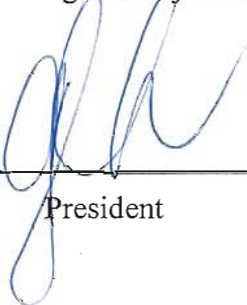
EXAMINATION OF THE REAL ESTATE PROGRAM HAD MORE LEVERAGE BEEN USED

Mr. Jeff Karp said he redid a table that was presented at a prior meeting and reviewed for the Board what the results show.

PUBLIC COMMENTS

There were none.

The meeting was adjourned at 8:50 a.m.



President



Secretary