

**POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM**

**2335 EAST ATLANTIC BLVD.  
SUITE 400  
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES  
SPECIAL MEETING  
JANUARY 29, 2015**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:15 PM.

**PRESENT:** Chairman Paul O'Connell  
Vice-Chairman Richard Samolewicz  
Trustee Sharra Aaronian  
Trustee Daniel Christophers  
Trustee Vincent Femia  
Trustee David Hall  
Trustee Peter McGinnis

**ABSENT:** Trustee Patrick Fletcher  
Trustee Jorge Rossi

**ALSO PRESENT:** Pedro Herrera, Esq., Board Attorney (via conf call)  
Glenda Rowley, Executive Director  
Debra Tocarchick, Deputy Director  
Gary Morton, Police Retiree Liaison  
Norman Leopold, Leopold Korn, PA (via conf call)

**AUDIENCE TO BE HEARD**

None

**APPROVAL OF AGENDA**

**MOTION:** To approve the agenda for January 29, 2015, as presented.  
**PASSED 7-0.**

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers	X		X	
Femia			X	
Hall		X	X	
McGinnis			X	

**APPROVAL OF FINAL DOCUMENTS FOR SALE OF BANK OF AMERICA PROPERTY TO GROVER CORLEW**

Mr. Leopold reported that the terms of the purchase and sale agreement of the property were negotiated with Grover Corlew. The highlights of the terms of the note and mortgage are as follows:

- The Agreement provides for the holding of a \$3 million note, with 4.25% per annum interest only, paid monthly, and a balloon payment due at maturity in five years.
- Prepayment of the note during the five year term is not permitted except under certain considerations which are:

<b>M O T I O N</b>	<b>S E C O N D</b>	<b>V O T E D Y E S</b>	<b>V O T E D N O</b>
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<p><b>Board of Trustees Minutes</b> <b>Page Two</b></p> <p style="text-align: right;"><b>January 29, 2015</b></p>	<b>TRUSTEES</b>	<b>M</b>	<b>S</b>	<b>Y</b>	<b>N</b>
<ul style="list-style-type: none"> <li>• In the event the buyer defaults and the Board requests that the Court accelerate the note and mortgage. In this situation, the buyer will pay a 5% penalty.</li> <li>• In the event the buyer desires to sell the property and wants to pay off the note and mortgage at that time. The note may be assumed provided the Board approves the next buyer.</li> <li>• In the event the Board desires to sell the note and mortgage, the buyer will be permitted to pay off the note and mortgage along with a yield amount to present value to allow the Board to recoup a portion of interest that otherwise would have been lost.</li> <li>• Prepayment may occur in the last 90 days of the loan period.</li> </ul> <p>The buyer requested that rather than escrow the funds for taxes and insurance on a monthly basis, they be permitted to pay these items annually at their due date (taxes by November 30 for the maximum discount). They have agreed that if the note ever goes into default, the Board can require that the escrows be put back in. Mr. Leopold is comfortable with this arrangement due to the fact that the buyer is escrowing a significant amount for tenant improvements which adds money equity to the property. The Executive Director will calendar the due dates to ensure that taxes and insurance are paid timely.</p>					
<p><b>MOTION:</b> To permit Grover Corlew to pay the taxes and insurance directly provided they provide PBPFRS with proof of payment. PASSED 7-0.</p>	<p>O'Connell Samolewicz Aaronian Christophers Femia Hall McGinnis</p>	<p>X</p>	<p>X</p>	<p>X X X X X X X</p>	<p>X X X X X X X</p>
<p>The Chairman advised the Board that the recommendation to not permit prepayment of the note and mortgage (except in the circumstances set forth) came from the Investment Consultant.</p>					
<p>Mr. Leopold reported that the buyer is on track to close by February 27.</p>					
<p>In the event that the buyer defaults, the Board would commence foreclosure proceedings. Assuming the buyer did not fulfill their obligation, the property would go up for sale on the courthouse steps. Generally, the lender is the successful bidder. If outbid, the bidder would have to make the lender 100% whole on outstanding funds, legal fees and delinquent interest. The lender still retains the right to outbid.</p>					
<p>There was discussion about whether the mortgage note should be held in the name of the LLC or the Fund. There was a concern that the LLC might be a taxable entity and therefore it would be better to have the Fund hold the mortgage. However, Mrs. Rowley noted that the IRS has accepted the LLC as being exempt from tax because it is for investment purposes only and is wholly owned by the Retirement System, which is tax exempt. Ultimately, it was agreed that the Fund would hold the mortgage, which would allow the LLC to be closed at some point following the sale of the BOA property.</p>					

**MOTION:** To approve the Purchase and Sale Agreement and related exhibits by and between Grover & Corlew, LLC and Pompano Beach Investors, LLC, and to authorize the Chairman to execute the Agreement as the sole member of the Pompano Beach Investors, LLC, as reviewed by Sugarman & Susskind, and recommended by Leopold Korn, PA. PASSED 7-0 IN A ROLL CALL VOTE.

O'Connell			X	
Samolewicz			X	
Aaronian			X	
Christophers		X	X	
Femia			X	
Hall			X	
McGinnis	X		X	

ADJOURNMENT

**MOTION:** To adjourn the January 29, 2015 special meeting at 3:38 PM. PASSED 7-0.

O'Connell				X
Samolewicz				X
Aaronian				X
Christophers	X			X
Femia				X
Hall				X
McGinnis		X		X

Respectfully submitted,

  
Glenda Rowley, Executive Director

Distribution:

- Board of Trustees
- Robert A. Sugarman, Esq.
- Pedro Herrera, Esq.
- David Harris, Actuary
- City Manager
- Mayor and City Commission
- City Clerk
- Assistant City Attorney
- City HR Director
- President IAFF Local 1549
- Marcum
- Webmaster