A Meeting of the Real Estate Subcommittee was held Monday, January 16, 1984, at 9:00 A.M., in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. E. Flowers  Mr. J. Weatherspoon
Mr. D. Perk

Messrs. C. Andersen, R. Andrzejewski, R. Jania, and R. O'Connor were present. Messrs. G. Nagle, J. Mullen and Ms. C. Cox were present. Mr. W. Ashley was also present. Mr. J. Fitzpatrick of Continental Bank was present. Mr. R. Burke, the Plan Attorney was present. Mr. M. Hornbrook of the Plan Attorney's Office was present. Dr. R. Zerbst and Mr. S. Grant of Pension Real Estate Services, Inc. were present.

In the absence of the Committee Chairman, Mr. Weatherspoon called the meeting to order at 9:42 A.M.

The Assistant Secretary recommended that the current contract with Pension Real Estate Services, Inc. be extended until the next meeting. Mr. Perk made a motion that the contract with Pension Real Estate Services, Inc. be extended until the February Committee Meeting at which time renewal of the contract will be voted on by the full Committee. Mr. Flowers seconded the motion. On the question, Mr. Andersen asked if a copy of the contract could be made available to all Committee Members and Alternates. Mr. Weatherspoon responded that it would be made available prior to the next meeting. The Committee unanimously approved the
Dr. Zerbst brought to the Committee's attention a proposal for a direct investment in five industrial properties located in the Woodfield Business Center in Schaumburg, Illinois. Dr. Zerbst stated that this type of investment would add good diversification to the Plan's portfolio. Dr. Zerbst further stated that the status at the moment was a verbal agreement on the basic economic issues with Great West Life Assurance Company of Winnipeg.

Mr. Grant presented a report on the industrial market in the northwest suburbs and described the properties presently located in the Woodfield Center and how the properties in which the Plan would invest would fit into the area. Mr. Grant noted that this type of area was very attractive to high technology corporations. Mr. Grant further noted that many of these corporations are interested in "build to suit" properties which basically means the building will be built according to their specifications and this would assure secure leasing.

A discussion ensued during which Mr. Perk asked when the Plan would actually appropriate monies for the project. Dr. Zerbst stated that no monies from the Plan would go into the project until all buildings were completed, leased and occupied. He further noted that there is a clause in the contract which states that if the buildings are not completed by a certain date, the Plan is not obligated to purchase the buildings. Dr. Zerbst then explained the financial expenditures and rates of return involved in the proposed investment. Dr. Zerbst further noted that the Plan would pay Great West Life Assurance to perform management services of the
A discussion ensued between the Committee after which Mr. Perk made a motion that a recommendation for investment in the Woodfield Business Center in Schaumburg, Illinois be presented to the Full Committee for approval. Mr. Flowers seconded the motion, and the Committee unanimously agreed.

There being no further business, Mr. Weatherspoon adjourned the meeting at 10:40 A.M.