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MINUTES OF AN ANNUAL MEETING OF THE
BOARD OF DIRECTORS OF
AMERICANS FOR EFFECTIVE LAW ENFORCEMENT, INC.

November 4, 1993

An annual meeting of the Board of Directors and Trustees was called for 3:00 p.m. on the 4th day of November, 1992 at the Boardroom of CEM Insurance, 1098 S. Milwaukee Ave., Suite 400, Wheeling, IL 60090. The meeting began at 3:15 p.m.

Those Directors who were present are:

Clarence E. Molloy, Vice-President, and
Arthur H. Daniels, Treasurer.

Also present was:

Wayne W. Schmidt, Secretary.

The meeting was chaired by, and all motions were made by Vice-President Molloy. All motions were seconded by Treasurer Daniels. Because two Directors constitute a quorum, all motions were passed unanimously.

The Board then took the following action:

1. Reelected the following persons as Directors:

- * Arthur H. Daniels,
- * George P. Graves,
- * Charles A. Gruber,
- * Daniel B. Hales,
- * Fred E. Inbau, and
- * Clarence E. Molloy.

2. Elected the following Officers:

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- * Fred E. Inbau, Chairman of the Board
- * Daniel B. Hales, President
- * Arthur H. Daniels, Treasurer
- * Clarence E. Molloy, First Vice President
- * William B. Randall, Second Vice President
- * Wayne W. Schmidt, Executive Director and Corporate Secretary
- * Lisa M. Hackett, Business Manager and Staff Vice President,
- * James P. Manak, Amicus Advocate and Assistant Secretary, and
- * Bernard J. Farber, Special Counsel and Assistant Secretary.

3. Reelected the following non-voting Trustees:

- * Carl R. Ball,
- * Arthur F. Brandstatter,
- * Don R. Dering,
- * Tyrone H. Fahner Esq.,
- * William K. Lambie, Esq.,
- * Harry T. Mahoney, Esq.
- * Malcolm W. Martin, Esq.,
- * Theodore L. Sendak, Esq. and
- * Richard N. Williams, Esq.

4. Excused the absence of the following Directors:

- * George Graves
- * Charles A. Gruber
- * Daniel B. Hales, and
- * Fred E. Inbau.

5. Mr. Schmidt (in his capacity of Executive Director) announced staff wage and fee increases of 3.5 percent for 1994. The Board took no exception; the Executive Director has prior authority to set all salaries of subordinates, and to raise all staff wages and fees (including his own) for annual cost-of-living adjustments.

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6. In view of a projected revenue in excess of expenses of approximately \$75,000, the Board authorized a performance bonus for the Executive Director in the sum of \$7,500 to be paid on or after January 1, 1994.

7. Mr. Schmidt discussed a plan he conceived to enhance the appearance of the corporation's investment in the Spectrum Offices of Lincolnshire. AELE would increase its loan (secured by a second mortgage) from \$650,000 to \$725,000, by paying \$75,000 into a ``construction escrow account" at Chicago Title and Trust Co.

The purpose of the escrow is to visually improve the building's entry way. Brooks Kellogg, the partnership manager, agreed to fund any cost overruns. Mr. Schmidt noted that the Benihana Restaurant and the Village of Lincolnshire administrative offices had moved out recently, and it would be easier to attract a replacement restaurant and new office tenants with an improved appearance.

Mr. Schmidt noted he discussed the plan with Robert Vladem, who is CPA for AELE and the Spectrum partnership. Mr. Vladem expressed a favorable view toward the additional investment, provided it was in the form of a secured loan. Mr. Vladem was aware that if the \$75,000 was in the form of equity capital, there was a potential for a greater return. If in the form of a loan, the potential profits of the partners would be greater.

To avoid any conflict of interest problems, Mr. Schmidt explained he is an equity investor in the partnership, and there would be a slight advantage to him if the building is sold at a profit and the \$75,000 is in the form of a non-equity loan.

Mr. Molloy stated that AELE had ``no choice" but to protect its second mortgage and its equity shares by adding the additional capital, which should be in the form of a secured loan. The plan was approved.

There being no further business, the meeting was adjourned at 3:45 p.m.

Wayne W. Schmidt

Wayne W. Schmidt, Secretary

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