

MEETING NO. 3721
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
HELD WEDNESDAY, **December 19, 2007**
9:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226

PRESENT

Wendell Anthony	Trustee
Jeffrey Beasley	Ex-Officio Trustee & Treasurer
David Clark	Trustee & Chairman
Monica Conyers	Ex-Officio Trustee & Councilwoman
Gerald Fischer	Trustee
Susan Glaser	Trustee
Ronald Gracia	Trustee
Sheila Kneeshaw	Trustee
Kathleen Leavey	Trustee & Vice-Chairperson
DeDan Milton	Ex-Officio Alternate Trustee
Reginald O'Neal	Medical Director
Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst
Terrie D. Lawrence	Recording Secretary
Pamela S. Edwards	Recording Secretary

Chairperson Clark called the General Retirement System Board of Trustees meeting to order at 10:02 a.m.

SERVICE RETIREMENTS

By: Trustee Kneeshaw – Supported By: Trustee Gracia

RESOLVED, that the following applications for Service Retirement be hereby APPROVED, as reflected below.

NAME, TITLE, DEPARTMENT	Lavern Jefferson – Office Assistant II - Water
SERVICE CREDIT	28-10
EFFECTIVE DATE	01-17-08

NAME, TITLE, DEPARTMENT	Ronald R. Ruffin – Director-Municipal Parking Department – Municipal Parking
SERVICE CREDIT	29-0
EFFECTIVE DATE	11-17-07

NAME, TITLE, DEPARTMENT	Josephine Walters – Clerk - Law
SERVICE CREDIT	18-0
EFFECTIVE DATE	12-29-07

NAME, TITLE, DEPARTMENT	Ci Q Zhou – Associate Mechanical Engineer-WS - Sewerage
SERVICE CREDIT	12-09
EFFECTIVE DATE	12-28-07

Yeas – Trustees Anthony, Fischer, Gracia, Kneeshaw, Leavey and Chairman Clark - 6

VESTED RETIREMENTS

By: Trustee Leavey – Supported By: Trustee Gracia

RESOLVED, that the following applications for Vested Retirement be hereby APPROVED, as reflected below.

NAME, TITLE, DEPARTMENT	Cheryl L. Bowlson – Principal Governmental Analyst – Human Rights
SERVICE CREDIT	08-10
EFFECTIVE DATE	03-29-15

VESTED RETIREMENTS (cont'd)

NAME, TITLE, DEPARTMENT	Ralph J. Oden – Street Maint. Helper - DPW
SERVICE CREDIT	08-06
EFFECTIVE DATE	01-01-08

Yeas – Trustees Anthony, Fischer, Gracia, Kneeshaw, Leavey, and Chairman Clark – 6

Nays – None

CONFIRMATIONS

By: Trustee Gracia - Supported By: Trustee Fischer

RESOLVED, that the Receipts, Disbursements, Pay-Offs and Draws, reflected as follows be hereby CONFIRMED:

RECEIPTS

Behringer Harvard – December 14, 2007 – Remittance, November 2007 - \$54,794.71
Capozzoli – December 12, 2007 – Remittance, November 2007 - \$218,494.10
Inland American – December 14, 2007 – Distribution, November 2007 - \$82,500.04
MetLife – December 10, 2007 – Distribution - \$7.40
Pepperwood – December 10, 2007 – Remittance (MMA), November 2007 - \$13,561.28
Police and Fire – December 10, 2007 – Reimbursement of ADP Services - \$48.65
The Sheffield – December 11, 2007 – Remittance (MMA), November 2007 - \$53,840.00

DISBURSEMENTS

Allen & Associates (Milestone) – December 14, 2007 – Appraisal of 7850 E. Jefferson – \$1,750.00
Banyan Realty – December 13, 2007 – Advisory Fees – 3rd Quarter 2007 - \$5,121.98
Banyan Realty – December 13, 2007 – Retainer Fee (Re: Kona & Kahalu'u), William Kramer - \$5,000.00
Capozzoli Advisors – December 13, 2007 – Monthly Fees, December 2007 – \$65,941.00
CB Richard Ellis – December 14, 2007 – Appraisal Fees – Re: Kona & Kahalu'u – \$7,000.00
Cromwell Communications – December 14, 2007 – Cromwell Communications (Annual Report), 2006 - \$6,500.00
Detroit Office Interiors – December 14, 2007 – Office Renovation - \$1,100.90
F. Logan Davidson – December 13, 2007 – Legal Fees (Re: Kona & Kahalu'u, September 2006 thru October 2007 - \$5,242.00'
LaMont Title Corp (Milestone) – December 14, 2007 – Legal Service Re: Greening Park - \$315.00
PDS – December 14, 2007 – Computer Supplies - \$3,066.12

CONFIRMATIONS (cont'd)

DISBURSEMENTS (cont'd)

Watanbe Ing & Komeiji – December 13, 2007 – Legal Fees (Re: Kona & Kahalu'u), July
2007 thru October 2007 - \$23,329.56
X O Communications – December 14, 2007 – Computer Supplies - \$1,888.71

Yeas – Trustees Anthony, Fischer, Gracia, Kneeshaw, Leavey, and Chairman Clark – 6

Nays – None

CLOSED SESSION–MEDICAL REPORTS

By: Trustee Gracia – Supported By: Trustee Kneeshaw

RESOLVED, that the Board enter into Closed Session for the purpose of hearing and discussing the disability medical records and re-examinations as presented by their Medical Director.

Yeas – Trustees Anthony, Fischer, Gracia, Kneeshaw, Leavey, and Chairman Clark - 6

Nays – None

- *The Board entered into Closed Session at 10:05 a.m.*
- *Trustee Glaser entered the meeting at 10:07 a.m. during the report on Tenika Jackson.*
- *Trustee Milton entered the meeting at 10:10 a.m. during the report on Phyllis Jones.*
- *Trustee Beasley entered the meeting at 10:47 a.m.*

CLOSED SESSION-ENDING

By: Trustee Glaser – Supported By: Trustee Gracia

RESOLVED, that the Board come out of Closed Session discussion for the purpose of voting on the medical reports as reported and recommended by their Medical Director.

Yeas – Trustees Anthony, Beasley, Conyers, Glaser, Gracia, Kneeshaw, Leavey, Milton, and Chairman Clark - 9

Nays – None

- *The Board came out of Closed Session at 10:55 a.m.*

After listening to the reports and recommendations of the Medical Director regarding the disability examinations and disability re-examinations, the Trustees voted on the following cases as reported and recommended by the Medical Director:

INITIAL DISABILITIES

Re: Tenika L. Jackson – No. 254921 - Fire Dept. – Duty

By: Trustee Gracia – Supported By: Trustee Fischer

RESOLVED, that the report of the Medical Director on the case of Tenika L. Jackson be ACCEPTED, and

RESOLVED, that based on the recommendation of the Medical Director the Board APPROVES the application for Duty Disability Retirement filed by Ms. Jackson, and be it further

RESOLVED, that Tenika L. Jackson returns to the Medical Director for re-examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, and Chairman Clark – 7

Nays – None

Abstention – Trustees Beasley and Milton - 2

INITIAL DISABILITIES (cont'd)

Re: Phyllis A. Jones – No. 222723 – Public Works – Non-Duty

By: Trustee Gracia – Supported By: Trustee Fischer

RESOLVED, that the report of the Medical Director on the case of Phyllis A. Jones be ACCEPTED, and

RESOLVED, that based on the recommendation of the Medical Director the Board APPROVES the application for Non-Duty Disability Retirement filed by Ms. Jones, and be it further

RESOLVED, that Phyllis A. Jones returns to the Medical Director for re-examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and
Chairman Clark – 8

Nays – None

Abstention – Trustee Beasley - 1

Re: Alberta Lloyd – No. 214108 - Finance – Non-Duty

By: Trustee Kneeshaw – Supported By: Trustee Gracia

RESOLVED, that the report of the Medical Director on the case of Alberta Lloyd be ACCEPTED, and

RESOLVED, that based on the recommendation of the Medical Director the Board APPROVES the application for Non-Duty Disability Retirement filed by Ms. Lloyd, and be it further

RESOLVED, that Alberta Lloyd returns to the Medical Director for re-examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and
Chairman Clark – 8

Nays – None

Abstention – Trustee Beasley - 1

INITIAL DISABILITIES (cont'd)

Re: Linda Copeland – No. 196213 – Human Resources – Non-Duty

By: Trustee Gracia – Supported By: Trustee Fischer

RESOLVED, that the report of the Medical Director on the case of Linda Copeland be ACCEPTED, and

RESOLVED, that based on the recommendation of the Medical Director the Board APPROVES the application for Non-Duty Disability Retirement filed by Ms. Copeland, and be it further

RESOLVED, that Linda Copeland returns to the Medical Director for re-examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 8

Nays – None

Abstention – Trustee Beasley - 1

Re: Katherine Corker – No. 225694 – Water and Sewerage – Non-Duty

By: Trustee Gracia – Supported By: Trustee Glaser

RESOLVED, that the report of the Medical Director on the case of Katherine Corker be ACCEPTED, and

RESOLVED, that based on the recommendation of the Medical Director the Board APPROVES the application for Non-Duty Disability Retirement filed by Ms. Corker, and be it further

RESOLVED, that Katherine Corker returns to the Medical Director for re-examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 8

Nays – None

Abstention – Trustee Beasley - 1

ANNUAL RE-EXAMINATIONS

By: Trustee Fischer – Supported By: Trustee Gracia

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be CONTINUED on the Disability Retirement Payroll with an examination in one (1) year,

Bobbie Avington-Johnson
Therion Carter
Murphy Ewing
Cynthia E. Hardy-Barney
James Hawthorne
Derek T. Johnson

Robert Lewis
Billy D. Patterson
Janet Richmond
Gerald J. Schweigel
Keith Shobe
Calvin E. Waller

And be it further,

RESOLVED, that in accordance with the recommendation of the Medical Director the following be CONTINUED disabled with NO FURTHER EXAMINATIONS NECESSARY,

Denise Glenn
Maurice Gene Taylor

And be it further,

RESOLVED, that in accordance with the recommendation of the Medical Director, a letter is forwarded to the Public Lighting Department requesting a restricted work assignment for

Robert Lewis

and if no assignment is available, he will be CONTINUED on the Disability Retirement Payroll with an examination in one (1) year.

Yeas – Trustees Anthony, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 8

Nays – None

Abstention – Trustee Beasley - 1

- *Dr. O'Neal was thereupon excused from the meeting following his report.*

ASSISTANT EXECUTIVE SECRETARY'S REPORT

CAPITAL CALLS

Re: Capozzoli Advisors – Amount: \$3,473,750.00

By: Trustee Glaser - Supported By: Trustee Gracia

WHEREAS, the Board has been presented with a communication dated December 17, 2007 from Capozzoli Advisors wherein a Capital Call request is made in the amount of \$3,473,750.00, therefore be it

RESOLVED, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves said funding.

Yeas – Trustees Anthony, Beasley, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 9

Nays – None

Re: Mesirov Financial – Amount: \$1,600,000.00

By: Trustee Gracia – Supported By: Trustee Glaser

WHEREAS, the Board has been presented with a communication dated December 13, 2007 from Mesirov Financial wherein a Capital Call request is made in the amount of \$1,600,000.00, therefore be it

RESOLVED, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves said funding.

Yeas – Trustees Anthony, Beasley, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 9

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

CAPITAL CALLS (cont'd)

Re: Praedium Fund VI, L.P. – Amount: \$53,571.00

By: Trustee Fischer – Supported By: Trustee Gracia

WHEREAS, the Board has been presented with a communication dated December 11, 2007, from Praedium Fund VI, L.P. wherein a Capital Call request is made in the amount of \$53,571.00 therefore be it

RESOLVED, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves said funding.

Yeas – Trustees Anthony, Beasley, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 9

Nays – None

Re: Wind Point Partners – Amount: \$150,430.00

By: Trustee Glaser – Supported By: Trustee Fischer

WHEREAS, the Board has been presented with a communication dated December 17, 2007, from Wind Point Partners wherein a Capital Call request is made in the amount of \$150,430.00 therefore be it

RESOLVED, that subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves said funding.

Yeas – Trustees Anthony, Beasley, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 9

Nays – None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

Re: Billing Payment Requests

By: Trustee Leavey – Supported By: Trustee Glaser

WHEREAS, the Board of Trustees is in receipt of the following invoices requesting payment for services rendered, and

WHEREAS, the Board is satisfied that the services were provided to the Board as requested and required, therefore be it

RESOLVED, that subject to staff audit, the Board approves payment of said invoices as reflected below:

FIRM OR INDIVIDUAL, DATE, AMOUNT, SERVICE(S) PROVIDED

Banyan Realty Advisors – August 1, 2007 - \$3,000.00 – Due Diligence: Asian Village of Detroit
Council of Institutional Investors – October 17, 2007 - \$3,000.00 – Annual Dues
Earthlink, Inc. – December 12, 2007 - \$131.35 – Trustee Internet Service Annual Renewal
Globeflex – October 31, 2007 - \$157,471.64 – Management Fees 3rd Quarter 2007
Mayfield Gentry – December 12, 2007 - \$10,733.33 – Management Fees – December 2007
New England Pension Consultants – December 14, 2007 – \$9,676.48 - DC Plan Consulting Expenses
New England Pension Consultants – December 14, 2007 – \$43,750.00 – General Consulting Services, 3rd Quarter 2007
SCM Advisors LLC – December 3, 2007 – \$66,028.75 – Management Fees 3rd Quarter
Sprint – October 7, 2007 – \$1,955.62 – Cellular Phone Service
The Townsend Group – December 1, 2007 – \$11,250.00 – Real Estate Consulting Fees, December 2007
Trustee Stipends – December 14, 2007 - \$26,226.75 – Trustee Stipends

FIRM OR INDIVIDUAL, DATE, AMOUNT/GRS TOTAL, SERVICE(S) PROVIDED

ADP, Inc. – December 7, 2007 - \$12,695.13/\$6,347.56 – Payroll Service
ADP, Inc. – December 14, 2007 - \$202.89/\$101.44 – Payroll Service
Dell Marketing L.P. – November 30, 2007 - \$2,144.92/\$1,072.46 – Computer Supplies
Forms Trac Enterprises, Inc. – December 7, 2007 - \$1,176.25/\$588.12 – Office Forms
General Retirement System Payroll – December 15, 2007 - \$53,266.72/\$26,633.36 – December Salaries
Government Finance Officers Association – November 29, 2007 - \$4,145.00/\$1,970.00 – Membership Renewal
Milestone Realty Services, Inc. – December 14, 2007 - \$70,000.00/\$35,000.00 – Real Estate Advisory Fee
Neopost, Inc. – December 13, 2007 - \$10,000.00/\$5,000.00 – Postage Meter Supplies

ASSISTANT EXECUTIVE SECRETARY'S REPORT (cont'd)

Re: Billing Payment Requests (cont'd)

Yeas – Trustees Anthony, Beasley, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 9

Nays – None

Re: Fiduciary Liability Insurance

The Board acknowledged the expiration date of December 21, 2007 for its Fiduciary Liability Insurance and approved immediate renewal of such.

- *Trustee Conyers entered the meeting at 11:03 a.m.*

Re: Request from Smith Barney Group – Quarterly Board Appearances

The Board is in receipt of correspondence from the Smith Barney Group dated December 18, 2007 requesting to appear before the Board of Trustees on a quarterly basis. The Board acknowledged and accepted this request.

CONFERENCES

Re: Opal Financial Group – Institutional Investor's Congress

By: Trustee Gracia – Supported By: Trustee Conyers

RESOLVED, that the Board APPROVE the attendance of all Trustees, Executive Secretary, Assistant Executive Secretary and Legal Counsel at the Institutional Investors' Congress – FEBRUARY 7-8, 2008 – Vienna, Austria, and be it further

RESOLVED, that the Board APPROVE expenditures for the foregoing attendees at said conference.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

CONFERENCES (cont'd)

Re: Institutional Investor Learning Journey

By: Trustee Gracia – Supported By: Trustee Conyers

RESOLVED, that the Board APPROVE the attendance of all Trustees, Executive Secretary, Assistant Executive Secretary and Legal Counsel at the Institutional Investor Learning Journey – APRIL 13-17, 2008 – Copenhagen, Denmark, and be it further

RESOLVED, that the Board APPROVE expenditures for the foregoing attendees at said conference.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

Re: Arrowstreet Capital, L.P. – Board Appearance

The Board is in receipt of a request from Arrowstreet Capital, L.P. dated December 6, 2007 requesting an appearance before the Board to present an investment opportunity to the General Retirement System. The Board, however, holds no interest at this time.

Re: Arsenal Real Estate Funds – Board Appearance

The Board is in receipt of a request from Arsenal Real Estate Funds dated December 17, 2007 requesting an appearance before the Board to present an investment opportunity to the General Retirement System. The Board, however, holds no interest at this time.

- *Mr. Logan Davidson, Special Counsel, entered the meeting.*

LEGAL COUNSEL'S REPORT

The Board's Legal Counsel discussed the following matters with the Board and provided copies of the documents indicated below:

LEGAL COUNSEL'S REPORT (cont'd)

Re: Integra Landings, Orange City, Florida: Purchase of \$3,473,750.00
Limited Liability Company Interest

By: Trustee Anthony – Supported By: Trustee Gracia

WHEREAS, the Board has been requested to execute a First Amendment to Operating Agreement of Integra Landings, LLC dated as of December 19, 2007 relative to the aforesaid transaction, and

WHEREAS, the execution of said document has been recommended by the Board's special legal counsel, F. Logan Davidson, P.C. and the Board's real estate advisor, Capozzoli Advisory for Pensions, Inc., and

WHEREAS, the execution of said document has been reviewed and approved as to form by the Board's legal counsel and the execution of said document is consistent with prior action of the Board, and

WHEREAS, in connection with said investment, the Board is being requested by Capozzoli Advisory for Pensions, Inc. to wire transfer \$3,473,750.00 to Integra Landings, LLC, therefore be it

RESOLVED, that said document be executed by two authorized signatories on behalf of the Board, and be it further

RESOLVED, that the sum of \$3,473,750.00 be wire transferred consistent with the Board's established procedures to Integra Landings, LLC, subject to the written approval of the Board's special legal counsel, general legal counsel and Executive Secretary, and be it further

RESOLVED, that a copy of this resolution and executed document be forwarded to Capozzoli Advisory for Pensions, Inc. and copies be maintained in the Retirement System records.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw,
Leavey, Milton and Chairman Clark – 10

Nays – None

Re: Up to \$1,700,000.00 Mortgage Loan to New Amsterdam Activation II,
L.L.C.: Loan Commitment (6200 Second Ave.)

By: Trustee Beasley – Supported By: Trustee Gracia

WHEREAS, the Board has been requested to execute a Loan Commitment dated December 19, 2007 relative to the aforesaid transaction, and

WHEREAS, the execution of said document has been recommended by the Board's real estate advisor, Capozzoli Advisory for Pensions, Inc. and the Board's special legal counsel, F. Logan Davidson, P.C., and

WHEREAS, the execution of said document has been reviewed and approved as to form by the Board's legal counsel and the execution of said document is consistent with prior action of the Board, therefore be it

RESOLVED, that said document be executed by two authorized signatories on behalf of the Board.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

Re: UBS AG – Kirby McInerney LLP – Class Action Case

By: Trustee Glaser – Supported By: Trustee Gracia

WHEREAS, the Board is in receipt of a letter from Kirby McInerney LLP dated December 18, 2007, and

WHEREAS, the system has incurred in excess of \$1,000,000.00 in losses from purchases of UBS AG stock, and

WHEREAS, Kirby McInerney has reported to the Board regarding their analysis of the merits of a case against UBS AG, and

WHEREAS, Kirby McInerney has inquired whether the Retirement System is interested in seeking to be a lead plaintiff in this litigation, and

WHEREAS, the Board has discussed this matter, and

WHEREAS, the Board deems it appropriate to seek to be a lead plaintiff in this matter to recover losses incurred by the system and losses of class action members, therefore be it

LEGAL COUNSEL'S REPORT (cont'd)

Re: UBS AG – Kirby McInerney LLP – Class Action Case (cont'd)

RESOLVED, that the Board seek to be named lead plaintiff regarding this matter, and be it further

RESOLVED, that Kirby McInerney be retained to represent the system regarding this matter, subject to the terms of the aforesaid December 18, 2007 letter and usual other terms and procedures between the Retirement System and Kirby McInerney, and be it further

RESOLVED, that a copy of this resolution be forwarded to Kirby McInerney.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

Re: DeRoy & Devereaux - Due Diligence Report

The report from Trustee Sheila Kneeshaw relative to the Due Diligence/site inspection of DeRoy & Devereaux was accepted by the Board.

Re: Asian Village

The Board was made aware of a subpoena dated November 28, 2007 from Todd W. Grant, Esq. General Counsel indicated he would arrange for the appropriate response to the subpoena to be made by special legal counsel.

Re: Aronson, Johnson, Ortiz (AJO)

The Board requested that the November 2007 Report from Aronson, Johnson, Ortiz be forwarded to New England Pension Consultants for evaluation.

- *The Board Meeting recessed from 11:25 a.m. to 11:46 a.m.*

PRESENTATIONS

Urban Development Company, L.L.C.

Mr. Mark Wilcox and Ms. Michelle Smith from Urban Development Company, L.L.C. appeared before the Board to discuss Globe Trading Lofts at 1801 Atwater Street in Detroit, Michigan and to request the General Retirement Systems Board to accept the position of Senior Lender on this project.

- *Representatives from Urban Development Company were excused from the meeting following their presentation.*

Banyan Realty

Mr. Lou Vogt appeared before the Board to provide an update on Spare Time Family Entertainment Center's property on E. Jefferson and to discuss: Letter of Credit Renewal - \$40,000.00; Portfolio #2 - \$6,000,000.00; and Costa Rica - \$3,000,000,000.00 Project - \$27,000,000.00 Investment Proposal for the General Retirement System.

- *Mr. Vogt was thereupon excused from the meeting.*

NEW BUSINESS

Re: Due Diligence Report – Globe Trading Lofts

By: Trustee Gracia – Supported By: Trustee Anthony

Whereas, the Board has been presented with an investment proposal from Globe Trading Lofts, and

Whereas, the Board desires Due Diligence on said proposal, therefore be it

Resolved, that Banyan Realty Advisors be engaged to perform Due Diligence on said proposal and submit a written report of their findings to the Board.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

NEW BUSINESS (cont'd)

Re: Due Diligence Report – McRae Group

By: Trustee Gracia – Supported By: Trustee Beasley

Whereas, the Board has been presented with an investment proposal from the McRae Group, and

Whereas, the Board desires Due Diligence on said proposal, therefore be it

Resolved, that Banyan Realty Advisors be engaged to perform Due Diligence on said proposal and submit a written report of their findings to the Board.

Yeas – Trustees Anthony, Beasley, Conyers, Fischer, Glaser, Gracia, Kneeshaw, Leavey, Milton and Chairman Clark – 10

Nays – None

Re: \$15,000,000.00 Tradewinds Airlines, Inc. Loan
Tradewinds Airlines, Inc. (Borrower)
Watkins Aviation, LLC (Guarantor/Project Sponsor)

By: Trustee Beasley – Supported By: Trustee Anthony

WHEREAS, the Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which were set forth in a presentation from Mr. Watkins presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, and

WHEREAS, the Board of Trustees is in receipt of a due diligence report submitted by North Point Advisors and considered this matter at Board meetings, and

WHEREAS, the Board has indicated its willingness to further consider making this proposed investment subject to certain additional terms and modifications of said proposal, which have already been identified by the Board of Trustees, and certain additional terms and modifications which will be required after Special Legal Counsel begins to prepare loan investment documents, and

WHEREAS, the Board contemplates the proposed investment to be structured as a secured loan (with generally all security typically required by a banking or other lending financial institution) with an acceptable coupon rate plus an equity component and with guarantees of appropriate parties, and

NEW BUSINESS (cont'd)

Re: \$15,000,000.00 Tradewinds Airlines, Inc. Loan
Tradewinds Airlines, Inc. (Borrower)
Watkins Aviation, LLC (Guarantor/Project Sponsor) - cont'd

WHEREAS, the Board's contingent approval is conditioned upon the Board's written receipt of written acknowledgment from proposed Borrower/applicable party that proposed Borrower/applicable party has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein, and

WHEREAS, the Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate Unrelated Business Taxable Income (UBTI) to the Retirement System as Lender, and

WHEREAS, the Board's Special Legal Counsel regarding this proposed investment will be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be it

RESOLVED, that subject to the provisions as stated in this resolution, and subject to approval of the investment of an additional \$15,000,000.00 by the Police and Fire Retirement System of the City of Detroit, the Board hereby conditionally approves in general the concept of the proposed investment, and indicates its intention to complete the transaction provided all requirements of the

Board are met by Borrower/applicable guarantors and project sponsor, and subject to approval of final terms by the Board of Trustees, and be it further

RESOLVED, that it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's Special Legal Counsel and the Board's General Counsel and are executed on behalf of the Retirement System, Borrower, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including due diligence and legal fees and expenses being paid from an escrow account funded by Borrower or entities other than the Board, and be it further

RESOLVED, that the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board and due diligence advisor and Special Legal Counsel, and be it further

RESOLVED, that any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction loan documents are subject to approval as to form and content by the Board and the Board's Special Legal Counsel, and approval as to form and content by the Board's General Counsel, and be it further

NEW BUSINESS (cont'd)

Re: \$15,000,000.00 Tradewinds Airlines, Inc. Loan
Tradewinds Airlines, Inc. (Borrower)
Watkins Aviation, LLC (Guarantor/Project Sponsor) - cont'd

RESOLVED, that the Board selects Joseph E. Turner of Clark Hill PLC as Special Legal Counsel regarding this matter and arrangements be made for proposed Borrower to escrow fund for payments of all costs and expenses, and be it further

RESOLVED, that the Board authorizes (i) its signatories, two (2) authorized signers (no more than one ex-officio trustee), to execute and sign the Closing Documents and any documentation required by the Board's Special Legal Counsel and the Board's General Counsel to consummate the closing on the loan, and (ii) Special Legal Counsel to deliver the Closing Documents, and be it further

RESOLVED, that the foregoing is also conditioned upon Guarantor/Project Sponsor paying all costs and expenses of the Board, including the Board's due diligence and legal fees and costs associated with the proposed loan even if the transaction is not completed or finalized for any reason including, but not limited to, the Borrower and /or Guarantor/Project Sponsor (i) deciding to withdraw the proposal, (ii) refusing to execute final documents approved by the Board, or (iii) for any other reason deciding not to proceed with the transaction, and be it further

RESOLVED, that a copy of this resolution be forwarded to proposed Borrower, applicable other parties, Partners and Special Legal Counsel, and be it further

RESOLVED, that the foregoing approval is also subject to receipt, by the Board, of written acknowledgment from Guarantor / Project Sponsor that proposed Guarantor/Project Sponsor has received a copy of this resolution and acknowledges and agrees to the conditions and requirements herein, and be it further

RESOLVED, that, subject to the completion of the foregoing, the Board hereby approves the funding of the loan and authorizes up to a Fifteen Million and no/100 Dollar (\$15,000,000.00) wire transfer to the Borrower which shall be completed consistent with the Board's policies, subject to the review and approval of Special Legal Counsel and General Counsel.

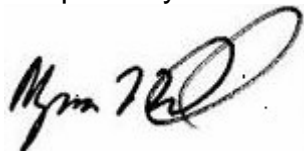
Yeas – Trustees Anthony, Beasley, Gracia, Kneeshaw, Leavey, Milton and
Chairman Clark - 7

Nays – Trustees Conyers, Fischer and Glaser - 3

ADJOURNMENT

There being no further business to come before the Board of Trustees, the General Retirement System Board meeting hereby adjourned at 1:50 p.m. until Wednesday, December 26, 2007 at 9:00 a.m. in the Retirement Systems' Conference Room, 910 Coleman A. Young Municipal Center, Detroit, MI 48226.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Myron T. Terrell". The signature is stylized with a large, sweeping loop at the end.

Myron T. Terrell
Assistant Executive Secretary