

MEETING NO. 3831
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
HELD WEDNESDAY, **JANUARY 27, 2010**
9:00 A.M.

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

PRESENT

Wendell Anthony	Trustee
Alvin Brooks	Trustee
David Clark	Trustee
Cedric Cook	Trustee
Susan Glaser	Trustee
Ronald Gracia	Trustee & Vice-Chairman
Saunteel Jenkins	Ex-Officio Trustee & City Council Member
Cheryl R. Johnson	Ex-Officio Trustee & Treasurer
Sheila Kneeshaw	Trustee & Chairperson

Walter Stampor	Executive Secretary
Myron T. Terrell	Assistant Executive Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

Rita Coats	Recording Secretary (GRS)
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EXCUSED

None

ABSENT

None

CHAIRPERSON

SHEILA KNEESHAW

Roll Call was taken at **9:30 a.m.** and Chairperson S. Kneeshaw called the meeting to order.

Re: SERVICE RETIREMENT

By Trustee Glaser – Supported by Trustee Clark

RESOLVED, that the **SERVICE RETIREMENT** applications which are outlined below be hereby APPROVED:

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

NAYS: None

SERVICE RETIREMENTS

NAME, TITLE, DEPARTMENT	Sheila M. Cockrel – City Council Member – City Council
SERVICE CREDIT	17-06
EFFECTIVE DATE	01-01-10
NAME, TITLE, DEPARTMENT	William Gardner – Master Plumber – Water & Sewerage
SERVICE CREDIT	30-01
EFFECTIVE DATE	12-07-09
NAME, TITLE, DEPARTMENT	Cassandra Hill – Worker's Comp Spec - Finance
SERVICE CREDIT	24-07
EFFECTIVE DATE	12-22-09
NAME, TITLE, DEPARTMENT	Deloris Palmore – Neighborhood Services Representative – Mayor's Office
SERVICE CREDIT	30-07
EFFECTIVE DATE	12-15-09

Re: VESTED RETIREMENTS

By Trustee Clark – Supported by Trustee Glaser

RESOLVED, that the **VESTED RETIREMENT** applications which are outlined below be hereby APPROVED:

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

NAYS: None

VESTED RETIREMENTS

NAME, TITLE, DEPARTMENT	Charles Cotton – Plumber - Housing
SERVICE CREDIT	02-02
EFFECTIVE DATE	09-01-07

NAME, TITLE, DEPARTMENT	Patricia A. Martin – Legal Secretary - Law
SERVICE CREDIT	04-09
EFFECTIVE DATE	12-01-09

Re: Change of Computation from Non-duty/Duty Disability to Service Retirement

By Trustee Glaser – Supported by Trustee Clark

RESOLVED, that the **Change of Computation from Non-duty/Duty Disability to Service Retirement** applications which are outlined below be hereby APPROVED:

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

NAYS: None

**CHANGE OF COMPUTATION FROM
NON-DUTY/DUTY DISABILITY TO
SERVICE RETIREMENT**

NAME, TITLE, DEPARTMENT	Robert Harris, Jr. – RCPO - DPW
SERVICE CREDIT	20-06
EFFECTIVE DATE	12-09-09

**CHANGE OF COMPUTATION FROM
NON-DUTY/DUTY DISABILITY TO
SERVICE RETIREMENT – (Continued)**

NAME, TITLE, DEPARTMENT Trenton B. Lindsay – General Auto
Mechanic – Fire (Civilian)
SERVICE CREDIT 22-01
EFFECTIVE DATE 12-23-09

NAME, TITLE, DEPARTMENT Tony McIntosh – Ref Col Supv - DPW
SERVICE CREDIT 30-0
EFFECTIVE DATE 09-26-08

CONFIRMATIONS

By Trustee Cook – Supported by Trustee Glaser

RESOLVED, that the receipts and disbursements which are referenced below be CONFIRMED:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
LIST OF RECEIPTS & DISBURSEMENTS			
FOR THE PERIOD 01/18/10 THRU 01/22/10			
REMITTOR / PAYEE NAME	DATE REC'D	DESCRIPTION	AMOUNT
RECEIPTS			
Capri Capital Partners, LLC	01/22/10	Remittance- 12/09	\$ 82,255.40
Detroit Gateway Park Outlet Mall, LLC	01/19/10	Remittance- Appraisal (Reimbursement)	4,000.00
ICG Leaseback Fund I, LLC	01/21/10	Distribution- 01/10	87,350.70
Insight 2811 Technology Entrepreneur Fund	01/20/10	Distribution	52.33
The City of Detroit	01/22/10	Annuity Contribution	300,018.70
Winstar Communications, Inc.	01/19/10	Distribution	77.92
		TOTAL RECEIPTS	\$ 473,755.05
DISBURSEMENTS			
First Independence Bank	01/20/10	Annuity Refunds- List #6939	\$ (5,773,928.48)
First Independence Bank	01/20/10	Checkwrite	(141,324.41)
First Independence Bank	01/21/10	Loan Program- Approved 01/20/10	(12,290,404.00)
Neopost	01/20/10	Postage Replenishment	(5,000.00)
		TOTAL DISBURSEMENTS	\$ (18,210,656.89)

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

NAYS: None

REFUNDS OF ACCUMULATED CONTRIBUTIONS
LIST NO. 6941 – AMOUNT: \$2,205,367.66

By Trustee Glaser – Supported by Trustee Clark

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on List No. 6916 in the amount of \$2,205,367.66, including interest, be REFUNDED, pending audit by the Retirement Systems' Accounting Staff as reflected.

YEAS: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw - 6

NAYS: None

MINUTES FOR APPROVAL

RE: General Retirement System
of the City of Detroit
Minutes/Journal No. 3824

By Trustee Glaser - Supported by Trustee Cook

RESOLVED, that the General Retirement System of the City of Detroit Minutes/Journal No. 3824 of the board meeting held Wednesday, December 9, 2009, be hereby APPROVED as recorded and submitted.

Yeas: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

Nays: None

ASSISTANT EXECUTIVE SECRETARY'S REPORT

CAPITAL CALLS

Re: 6200 Second Ave. Lofts Loan (CAP) - \$9,202.01

By Trustee Glaser – Supported by Trustee Cook

WHEREAS, the Board has been presented with a communication dated January 19, 2010, from 6200 Second Ave. Lofts Loan (CAP) wherein a Capital Call request is made in the amount of \$9,202.01, therefore be it

CAPITAL CALLS – (Continued)

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

Yeas: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

Nays: None

Re: Disbursements

By Trustee Clark – Supported by Trustee Glaser

WHEREAS, the Board has been presented with the fees and expenses which are referenced below requesting payment for services rendered, and

WHEREAS, the Board is satisfied that the services that were requested by the Board were provided to the Board; therefore be it

RESOLVED, that subject to approval by legal counsel and subject to staff audit, the Board approves payments of said fees and expenses:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT
LIST OF INVOICES FOR BOARD APPROVAL
January 27, 2010

PAYEE	INVOICE DATE	DESCRIPTION	AMOUNT
MANAGEMENT FEES:			
		Audited Fees	
BlackRock	01/15/10	Management Fees 4th Qtr 2009	28,162.00
Capri Capital	01/20/10	Management Fees 4th Qtr 2009	19,832.30
Earnest Partners	01/22/10	Management Fees 4th Qtr 2009	58,682.37
Edgar Lomax	01/15/10	Management Fees 4th Qtr 2009	36,578.07
J.P. Morgan	01/11/10	Management Fees 4th Qtr 2009	35,834.19
Mayfield Gentry	01/26/10	Management Fees January 2010	8,633.33
Piedmont	01/19/10	Management Fees 4th Qtr 2009	12,161.60
Pyramis Global	01/21/09	Management Fees 4th Qtr 2009	33,529.00
Pzena	01/21/10	Management Fees 4th Qtr 2009	123,212.51
Union Heritage	01/20/10	Management Fees 4th Qtr 2009	22,014.65
LEGAL FEES:			
Couzens, Lansky P.C.	01/19/10	Services Rendered Miscellaneous-thru 01/19/10	12,899.51
Couzens, Lansky P.C.	01/19/10	Services Rendered Miscellaneous-thru 01/19/10	2,834.11
OTHER EXPENSES:			
		Audited Fees	
Daeja Image Systems	01/15/10	Licensing	600.00
FormsTrac	01/15/10	Office Supplies	617.81
Franco Public Relations	12/31/09	Professional Services January 2010	5,250.00
Gabriel Roeder Smith	01/11/10	Actuarial services- December 2010	6,400.00
GRS Staff wages	01/22/10	January Salaries	11,245.70
Iron Mountain	12/31/09	Storage	244.35
Letter Perfect Mailings	12/16/09	Data Processing/Mailings	1,419.47
Plante Moran	01/12/10	Audit Services	26,875.00
Sprint	01/10/10	Dec 07-Jan 06 2010	1,150.56
Townsend	01/01/10	Professional Services January 2010	11,250.00
VMWARE	12/26/10	Licensing	5,483.98
Total Invoice Disbursements for Board Approval			\$ 464,910.51

****(1) Military Credit Applications****

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Re: Disbursements – (Continued)

Yeas: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

Nays: None

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

Re: Ricky Maurice McGrier – No. 195484 – Water & Sewerage

By Trustee Clark – Supported By Trustee Glaser

WHEREAS, the individual whose name is designated below has applied to this Board for **Pre-Employment Military Service Credit** and has complied with all of the necessary requirements of **Section 54-5-3-b** of the **Charter Provisions**, therefore be it

RESOLVED, that payment of the full amounts is made to the Pension Accumulation Fund by the method selected by the individual and the number of months eligible active duty be credited him as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions:

Ricky Maurice McGrier
Pension #195484
S.S. #0134
From: August 20, 1972 to August 19, 1976

Yeas: Trustee Brooks, Clark, Cook, Glaser, Jenkins and Chairperson S. Kneeshaw – 6

Nays: None

Re: Carla Shobe

The Board of Trustees received a copy of a letter dated January 21, 2010, from Ms. Shobe in regard to the Annuity Loan Program Application Eligibility. This matter has been referred to Legal Counsel and Labor Relations Director Barbara Wise-Johnson.

❖ *Trustee **Anthony** joined the meeting at 9:40 a.m.*

Re: Insight Technology Funds

The Board received a copy of the Memorandum from Insight Technology dated January 21, 2010, giving notice that the General Retirement System had been over allocated of its share of a portfolio company investment by \$25,000.

Re: Wind Point Partners

The Board received a copy of a news article from Crain's Detroit Business concerning Wind Point Partners, dated January 18, 2010, that their Southfield Headquarters is closing. This matter was referred to the Board's Investment Analyst and Legal Counsel for review.

Re: Gabriel Roeder & Smith

The Board received a copy correspondence from Gabriel Roeder Smith & Company dated January 19, 2010, requesting to perform a 5-year projection of employer and employee contributions as well as pension and annuity payments from the Detroit General Employees Retirement System.

Re: TA Associates Realty - 2010 Annual Conference

Resolved, that the Board APPROVES the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel to attend the TA Associates Realty – 2010 Annual Conference, held on Tuesday, March 9, 2010, in Boston, MA, and further

Resolved, that the Board APPROVES expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel to attend the RREEF – (Americas Real Estate Fund) Annual Meeting scheduled for March 17 – 18, 2010, held in San Francisco, California.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Jenkins
and Chairperson S. Kneeshaw – 7

Nays: None

Re: Realty Associates Fund VII Corporation

By Trustee Cook – Supported By Trustee Clark

WHEREAS, the Board has been requested to execute the following document: A Proxy, which allows you to cast your vote (one vote for each share you own) without being physically present at the meeting, 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, it is recommended that this matter be referred to NEPC, therefore be it

RESOLVED, that said document is referred to NEPC.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Jenkins
and Chairperson S. Kneeshaw - 7

Nays: None

❖ *Trustee **Gracia** joined the meeting at 9:50 a.m.*

Re: REAMS - Funding for Annuity Loan Program

By Trustee Cook – Supported by Trustee Gracia

WHEREAS, the Board is in receipt of a list of annuity loan requests which have been approved and ready for funding, and

WHEREAS, the Board has discussed this matter with staff on this date, therefore be it

RESOLVED, that \$2.5 million be withdrawn from the core fixed income account managed by Reams (109914) with the proceeds be utilized to fund the current list of annuity loan requests which have been approved, and be it further

RESOLVED, that Reams be directed to make the funds available for withdrawal on February 3, 2010.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins
and Chairperson S. Kneeshaw – 8

Nays: None

➤ **DIRECTION OF THE CHAIR**

It is directed by the Chair that Re-Caps are due every Tuesday by 2:00 p.m., no exceptions, e-mailed to all Board of Trustees.

RE: ISSUE OF REQUIRED INSURANCE COVERAGE BY CERTAIN SERVICE PROVIDERS REQUIRED PER CONTRACT AND RELATED MATTERS

BY TRUSTEE BROOKS – SUPPORTED BY TRUSTEE GRACIA

WHEREAS, the Board deems it appropriate to review insurance matters as set forth above; THEREFORE BE IT

RESOLVED, that the executive secretary/assistant executive secretary provide a report to the Board of Trustees on or prior to January 21, 2010 identifying insurance requirements and compliance matters by the Retirement System's consultants, real estate advisors, investment managers and special legal counsel, and be it further

RESOLVED, that a copy of this resolution be forwarded to the system's consultants, real estate advisors, investment managers and special legal counsel who are required to immediately update applicable insurance documents and comments relative thereto, and be it further

RESOLVED, that a copy of this resolution be forwarded to the system's Accounting division.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins
and Chairperson S. Kneeshaw – 8

Nays: None

❖ *The Board **recessed** for a 10-minute break period at 10:00 a.m. and returned back on the record at 10:10 a.m.*

Assistant Executive Secretary Concludes.

PRESENTOR

Townsend

Representative Sarah Cachat and Stephen Burns of Townsend appeared before the Board to discuss liquidity issues with respect to the real estate assets. Townsend made recommendations to the Board in regard to the liquidation of the real estate portfolio.

Townsend Concludes its' presentation.

CLOSED SESSION

By Trustee Anthony – Supported by Trustee Gracia

Resolved, that the Board enter into **Closed Session** for the purpose of discussing matters involving staff:

A Roll Call Vote was taken as follows: Trustee Anthony – Y, Brooks – Y, Clark – Y, Cook – Y, Glaser – Y, Gracia – Y, Jenkins – Y and Chairperson S. Kneeshaw – Y = 8

Nays: None

The Board entered into **Closed Session** at 10:50 a.m.

OPEN SESSION

By Trustee Anthony – Supported by Trustee Glaser

Resolved, that the Board return to **Open Session**:

A Roll Call Vote was taken as follows: Trustee Anthony – Y, Brooks – Y, Clark – Y, Cook – Y, Glaser – Y, Gracia – Y, Jenkins – Y and Chairperson S. Kneeshaw – Y = 8

Nays: None

The Board returned to **Open Session** at 11:05 a.m.

- ❖ *Trustee **Johnson** joined the meeting at 11:20 a.m.*
- ❖ *The Board **recessed** for a 15-minute break period at 11:10 a.m. and returned back on the record at 11:25 a.m.*

PRESENTOR

Inheritance Capital Group, LLC

Representative Robert Shumake and Adrienne Lucas appeared before the Board to give an account as to the allegations against the company and the following were discussed:

1. Mortgage brokerage licensing.
2. GM Transaction – Leaseback being restructured.

Inheritance Capital concludes its' presentation.

- ❖ *Trustee **Clark** stepped away from the meeting at 11:45 a.m. and rejoined the meeting at 11:55 a.m.*
- ❖ *The Board **recessed** for a Lunch period at 12:12 p.m. and resumed back on the record at 1:00 p.m.*
- ❖ *Trustee **Cook** stepped away from the meeting at 12:20 p.m.*
- ❖ *Trustee **Jenkins** stepped away from the meeting at 12:30 p.m.*
- ❖ *Trustee **Glaser** chaired the meeting at 1:00 p.m. until **Chairperson S. Kneeshaw** rejoined the meeting at 1:10 p.m.*

PRESENTOR

New England Pension Consultants (NEPC)

Representative Catherine Konicki, Kim Kazor and James Reichert appeared before the Board to discuss the results of their liquidity study and issues with respect to securities lending, and the following were also discussed:

1. Risk management
2. Asset relocation
3. Highest level in 30 years.
4. No commodity exposure
5. International investments
6. Real asset
7. Globe Flex still on "Watch List" – continues to lag
8. Intech is lagging as well. Underweight in financial.
9. Will provide the Board a copy of "Security Lending" policy.
10. Putnam and GMO should be funded. (Stock & Security selections)

❖ *Trustee **Cook** rejoined the meeting at 1:15 p.m.*

NEPC Concludes Its' Presentation.

❖ *Trustee **Johnson** stepped away from the meeting at 1:20 p.m.*

❖ **Chairperson S. Kneeshaw** stepped away from the meeting at 1:22 p.m. and Vice-Chairman Gracia Chaired the meeting in her stead.

❖ **Chairperson S. Kneeshaw** rejoined the meeting at 1:26 p.m.

❖ *Trustee **Jenkins** rejoined the meeting at 1:48 p.m.*

OPEN DISCUSSION/NEW BUSINESS

Re: ITS - Overtime

By Trustee Glaser – Supported by Trustee Gracia

RESOLVED, that the Board of Trustees are in agreement to APPROVE ITS to work Furlough days until April 2010.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins
and Chairperson S. Kneeshaw – 8

Re: Annuity Loan Program

1. Persons making loans – 25 years of service. Outstanding loans. Trustee Gracia will investigate the issue and report back next week to the Board with a response.
 2. Staff Job Descriptions.
 3. Retirements being paid on a 10% cut or not?
- ❖ Trustee **Johnson** rejoined the meeting at 3:10 p.m.
 - ❖ The Board **recessed** for a 10-minute break period at 3:10 p.m. and resumed back on the record at 3:20 p.m.
 - ❖ Trustee **Cook** stepped away from the meeting at 3:05 p.m. and rejoined the meeting at 3:25 p.m.

Re: Beverly Nicholson-Gracia – Pension No. 207706
Defined Contribution Plan (Annuity Savings) Withdrawal

BY: Trustee Glaser – Supported by Trustee Clark

WHEREAS, the Board has been presented with a request from Beverly Nicholson-Gracia to withdraw her Annuity Savings, and

WHEREAS, the Retirement Systems' provisions regarding Annuity withdrawals permits for such withdrawals under the following: Service Retirement, Separation from Service, Laid-Off, Death of Employee, Twenty-Five (25) Year Withdrawal, Duty/Non-Duty Disability and Conversion from Disability, and

WHEREAS, the Board has discussed this matter; therefore be it

RESOLVED, that Ms. Nicholson-Gracia's request to withdraw her Annuity Savings be APPROVED, and be it further

RESOLVED, that a copy of this resolution be forwarded to Ms. Nicholson-Gracia.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins, Johnson and Chairperson S. Kneeshaw – 9

Nays: None

Re: Klausner & Klausner – 12th Annual Conference

Resolved, that the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel at the Klausner & Klausner – 12th Annual Client Conference, and further be it

Resolved, that the Board approves expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel to attend the Klausner & Klausner – 12th Annual Client Conference, scheduled for March 21 – 24, 2010, held in Fort Lauderdale, Florida.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins, Johnson and Chairperson S. Kneeshaw – 9

Nays: None

LEGAL COUNSEL'S REPORTS/ CORRESPONDENCE

Legal Counsel, in addition to matters referred to separately in these minutes, reported regarding the status of the items reflected below and on the following pages:

Re: The Fort Hotel and Shelby Residences, Detroit, Michigan: Amendment to Loan Documents

By Trustee Gracia – Supported by Trustee Anthony

WHEREAS, on April 30, 2007, the Board made (i) a \$17,100,000.00 construction and permanent mortgage loan (the "Hotel Loan") to Fort Shelby Hotel, LLC ("Hotel Borrower") and (ii) a \$6,900,000.00 construction and permanent mortgage loan (the "Initial Residential Loan") to Fort Shelby Residential, LLC ("Residential Borrower"), and

WHEREAS, on September 17, 2008, the Board agreed to increase the Residential Loan by an additional amount of \$7,750,000.00 for a total of \$14,650,000.00 (the "Residential Loan"), and

WHEREAS, on August 5, 2009, the Residential Borrower and the Hotel Borrower (collectively, the "Borrower") made a presentation to the Board and requested the Board consent to a six month deferment of the required interest payments on both the Hotel Loan and the Residential Loan (collectively, the "Loan") and offered to pay all deferred amounts up to the Basic Rate not later than August 31, 2010, and

Re: The Fort Hotel and Shelby Residences, Detroit, Michigan: Amendment to
Loan Documents – (Continued)

WHEREAS, the Board received a report from the Board's real estate advisor, Banyan Realty Advisors, LLC dated August 5, 2009, which contained an analysis of the Borrower's requested modifications, and

WHEREAS, Banyan made the following recommendations with respect to the Borrower's requested modifications:

- (1) Loan modification effective May 1, 2009 to August 31, 2010;
- (2) All Basic Rate amounts deferred brought current by August 31, 2010 including interest at Ten Percent (10%) compounded monthly;
- (3) Maximum interest deferral \$1,030,000;
- (4) Waive the default interest and late fees for May – June 2009 of approximately \$1,000,000 until August 31, 2010, provided Borrower pays in full any amounts deferred under the foregoing point number (2);
- (5) All legal costs of Board for documenting modification paid by Borrower;
- (6) Subject to all terms and conditions required by Board's General Counsel and Board Special Counsel;

WHEREAS, the Board approved the modification of the Loan in a manner consistent with the recommendations of its real estate advisor, Banyan Realty Advisors, LLC, and

WHEREAS, the Board has been requested to execute a Second Amendment to Residential Loan Commitment and Loan Documents and First Amendment to Hotel Loan Commitment and Loan Documents dated as of May 1, 2009, relative to the aforesaid transaction, and

WHEREAS, the execution of said document has been recommended by the Board's real estate advisor, Banyan Realty Advisors, LLC, and by 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 documents 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: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins, Johnson
and Chairperson S. Kneeshaw – 9

Nays: None

Re: GRS Kona Corp.: Closing Documents in connection with Foreclosure Sale

By Trustee Anthony – Supported by Trustee Clark

WHEREAS, the Board is the sole shareholder of the corporation, and

WHEREAS, the Board has been requested to approve the execution of the following documents in connection with the foreclosure sale of that certain parcel of real property located in the District of North Kona, Island and County of Hawaii, State of Hawaii, commonly known as TMK Number 7-8-014-090, by the appropriate corporate officers on behalf of the corporation:

- (1) Commissioner's Quit Claim Deed in connection with the foreclosure dated as of January 27, 2010,
- (2) Sale Escrow Instructions to First American Title Company, Inc., undated,
- (3) Buyer's Vesting Instructions to First American Title Company, Inc., dated January 27, 2010,
- (4) Final Approval and Authorization to Record to First American Title Company, Inc., undated,
- (5) Notification of Buyer's Acceptance of Seller's Certification Under Foreign Investment in Real Property ("FIRPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (6) Notification of Buyer's Acceptance of Seller's Certification for Exemption from the Withholding of Tax on the Disposition of Hawaii Real Property ("HARPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (7) Sale Closing Escrow Instructions to First American Title Company, Inc., dated January 27, 2010,
- (8) Conveyance Tax Certificate to be dated the date the Property is conveyed to the corporation,
- (9) Acceptance and Approval of the Commitment for Title Insurance dated January 27, 2010, and

WHEREAS, the execution of said documents has been recommended by the Board's special legal counsel, F. Logan Davidson, and

Re: GRS Kona Corp.: Closing Documents in connection with Foreclosure Sale –
(Continued)

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

RESOLVED, that said documents be executed by the appropriate corporate officers on behalf of the corporation.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins, Johnson
and Chairperson S. Kneeshaw – 9

Nays: None

Entry in Minutes:

Re: GRS Kona Corp.: Closing Documents in Connection with Foreclosure Sale

The Board of Trustees has been made aware of the execution of the following documents in connection with the foreclosure sale of that certain parcel of real property located in the District of North Kona, Island and County of Hawaii, State of Hawaii, commonly known as TMK Number 7-8-014-090, by the appropriate corporate officers on behalf of the corporation:

- (1) Commissioner's Quit Claim Deed in connection with the foreclosure dated as of January 27, 2010,
- (2) Sale Escrow Instructions to First American Title Company, Inc., undated,
- (3) Buyer's Vesting Instructions to First American Title Company, Inc., dated January 27, 2010,
- (4) Final Approval and Authorization to Record to First American Title Company, Inc., undated,
- (5) Notification of Buyer's Acceptance of Seller's Certification Under Foreign Investment in Real Property ("FIRPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (6) Notification of Buyer's Acceptance of Seller's Certification for Exemption from the Withholding of Tax on the Disposition of Hawaii Real Property ("HARPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,

**Re: GRS Kona Corp.: Closing Documents in Connection with Foreclosure Sale –
(continued)**

- (7) Sale Closing Escrow Instructions to First American Title Company, Inc., dated January 27, 2010,
- (8) Conveyance Tax Certificate to be dated the date the Property is conveyed to the corporation,
- (9) Acceptance and Approval of the Commitment for Title Insurance dated January 27, 2010, and by two officers of the corporation.

Re: GRS Oasis Corp.: Closing Documents in Connection with Foreclosure Sale

By Trustee Anthony – Supported by Trustee Clark

WHEREAS, the Board is the sole shareholder of the corporation, and

WHEREAS, the Board has been requested to approve the execution of the following documents in connection with the foreclosure sale of that certain parcel of real property located in Kona, Island and County of Hawaii, State of Hawaii, commonly known as TMK Number 75-5-009-040, by the appropriate corporate officers on behalf of the corporation:

- (1) Commissioner's Quit Claim Deed in connection with the foreclosure dated as of January 27, 2010,
- (2) Sale Escrow Instructions to First American Title Company, Inc., undated,
- (3) Buyer's Vesting Instructions to First American Title Company, Inc., dated January 27, 2010,
- (4) Final Approval and Authorization to Record to First American Title Company, Inc., undated,
- (5) Notification of Buyer's Acceptance of Seller's Certification under Foreign Investment in Real Property ("FIRPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (6) Notification of Buyer's Acceptance of Seller's Certification for Exemption from the Withholding of Tax on the Disposition of Hawaii Real Property ("HARPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (7) Sale Closing Escrow Instructions to First American Title Company, Inc., dated January 27, 2010,
- (8) Conveyance Tax Certificate to be dated the date the Property is conveyed to the corporation,
- (9) Acceptance and Approval of the Commitment for Title Insurance dated January 27, 2010, and

WHEREAS, the execution of said documents has been recommended by the Board's special legal counsel, F. Logan Davidson, and

Re: GRS Oasis Corp.: Closing Documents in Connection with Foreclosure Sale

— (Continued)

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

RESOLVED, that said documents be executed by the appropriate corporate officers on behalf of the corporation.

Yeas: Trustee Anthony, Brooks, Clark, Cook, Glaser, Gracia, Jenkins, Johnson
and Chairperson S. Kneeshaw – 9

Nays: None

Entry in Minutes:

Re: GRS Oasis Corp.: Closing Documents in Connection with Foreclosure Sale

The Board of Trustees has been made aware of the execution of the following documents in connection with the foreclosure sale of that certain parcel of real property located in Kona, Island and County of Hawaii, State of Hawaii, commonly known as TMK Number 75-5-009-040, by the appropriate corporate officers on behalf of the corporation:

- (1) Commissioner's Quit Claim Deed in connection with the foreclosure dated as of January 27, 2010,
- (2) Sale Escrow Instructions to First American Title Company, Inc., undated,
- (3) Buyer's Vesting Instructions to First American Title Company, Inc., dated January 27, 2010,
- (4) Final Approval and Authorization to Record to First American Title Company, Inc., undated,
- (5) Notification of Buyer's Acceptance of Seller's Certification Under Foreign Investment in Real Property ("FIRPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,
- (6) Notification of Buyer's Acceptance of Seller's Certification for Exemption from the Withholding of Tax on the Disposition of Hawaii Real Property ("HARPTA"), and Instructions to Escrow to First American Title Company, Inc., dated January 27, 2010,

**Re: GRS Kona Corp.: Closing Documents in Connection with Foreclosure Sale –
(continued)**

- (7) Sale Closing Escrow Instructions to First American Title Company, Inc., dated January 27, 2010,
- (8) Conveyance Tax Certificate to be dated the date the Property is conveyed to the corporation,
- (9) Acceptance and Approval of the Commitment for Title Insurance dated January 27, 2010, by two officers of the corporation.

Legal Report Concludes.

OPEN DISCUSSION/NEW BUSINESS – (Continues)

➤ **DIRECTION OF THE CHAIR**

It is directed by the Chair to have Trustee Gracia look into the background of Atrium Group, who was hired as a consultant for Inheritance Group.

- ❖ *Trustee **Johnson** stepped away from the meeting at 3:40 p.m. and rejoined the meeting at 4:10 p.m.*

Re: Invitation to Board Meetings

By Trustee Jenkins – Supported by Trustee Johnson

RESOLVED, that the Board of Trustees APPROVE the recommendation to “Draft” a letter to the Mayor requesting his presence or sending a representative to the General Retirement Systems Board of Trustees Meeting.

Yeas: Trustee Anthony, Brooks, Cook, Jenkins, Johnson
and Chairperson S. Kneeshaw - 6

Nays: Trustee Clark, Glaser and Gracia - 3

Re: Complaint by First Independence Bank

Chairperson S. Kneeshaw brought before the Board the fact that representatives from First Independence Bank complained that a Trustee was at the bank the morning of Monday, January 25, 2010, accompanied by other persons and was taking pictures and asking persons in line if they were at the bank to take out a loan. Chairperson S. Kneeshaw asked all Trustees not to interfere with the bank and when carrying out the duties that they were hired to do when it comes to processing their loans and to respect the wishes of the bank and not take pictures in a financial institution. Chairperson S. Kneeshaw stated that, "no Trustee has been given the authority to represent the Board at the bank and did not know why one was there." Also, the bank had asked the Trustee not to take pictures in the bank, in which that Trustee did. Trustee Cook stated that he was the Trustee at the bank that morning and that he was not representing the Board, and that he was on his own time. He stated that we could call his supervisor and verify that he was not on City time. He further stated that his constituents wanted him there and if the board had a problem with his being there that we could contact his constituents or that he would have them come to the board meeting and they would take over the meeting. Chairperson S. Kneeshaw informed Trustee Cook that no one will come into the board room and take over the meeting.

ADJOURNMENT

There being no further business before the Board, **Chairperson S. Kneeshaw** adjourned the meeting at **4:30 p.m.** until **Wednesday, February 3, 2010**, at 9:00 a.m. in Room 910 of the Coleman A. Young Municipal Center, Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



MYRON T. TERRELL
ASSISTANT EXECUTIVE SECRETARY