

MEETING NUMBER **3718**

JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF THE
GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT



PROCEEDINGS HELD WEDNESDAY, NOVEMBER 28, 2007
9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226



PRESENT

| | |
|-----------------|-----------------------------------|
| Wendell Anthony | Trustee |
| Jeffrey Beasley | Ex/Officio Trustee/Treasurer |
| David Clark | Trustee/Chairperson |
| Monica Conyers | Ex/Officio Trustee/Council Member |
| Susan Glaser | Trustee |
| Sheila Kneeshaw | Trustee |
| Kathleen Leavey | Trustee/Vice Chairperson |
| DeDan Milton | Ex/Officio Trustee |

| | |
|--------------------|-------------------------------|
| Walter Stampor | Executive Secretary |
| Myron Terrell | Assistant Executive Secretary |
| Ronald Zajac | Legal Counsel |
| Richard Huddleston | Investment Analyst |
| Janet Lenear | Recording Secretary (PFRS) |

EXCUSED

| | |
|-----------------|---------------------|
| Gerald Fischer | Trustee |
| Ronald Gracia | Trustee |
| Pamela Edwards | Recording Secretary |
| Terrie Lawrence | Recording Secretary |

CHAIRPERSON

David Clark

ROLL CALL WAS TAKEN AT 9:55 A.M. AND CHAIRPERSON CLARK CALLED THE MEETING TO ORDER.

TRUSTEE CONYERS EXCUSER HERSELF PRIOR TO CHAIRPERSON CLARK CONVENING THE MEETING.

TRUSTEE LEAVEY EXCUSED HERSELF.

SERVICE RETIREMENTS

BY MS. GLASER – SUPPORTED BY MS. KNEESHAW

RESOLVED, THAT THE SERVICE RETIREMENT APPLICATIONS WHICH ARE REFERENCED BELOW BE APPROVED:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND CHAIRPERSON CLARK – 5

NAYS – NONE

SERVICE RETIREMENTS

NAME, TITLE, DEPARTMENT
SERVICE CREDIT
EFFECTIVE DATE

Ruby L. Brown – Manager I - Election
30-10
10-20-07

NAME, TITLE, DEPARTMENT
SERVICE CREDIT
EFFECTIVE DATE

Joann Clinchoc – Manager I - Health
37-04
11-01-07

NAME, TITLE, DEPARTMENT
SERVICE CREDIT
EFFECTIVE DATE

Rosalind Kelly – Record System Specialist II –
Human Resources
30-05
10-25-07

SERVICE RETIREMENTS

| | |
|-------------------------|--|
| NAME, TITLE, DEPARTMENT | Jerome Przebienda – Plant Maint. Mechanic - Water |
| SERVICE CREDIT | 21-09 |
| EFFECTIVE DATE | 10-20-07 |
| NAME, TITLE, DEPARTMENT | Charlie Worthem – TEO - Transportation |
| SERVICE CREDIT | 10-06 |

VESTED RETIREMENTS

BY MS. KNEESHAW – SUPPORTED BY MS. GLASER

RESOLVED, THAT THE VESTED RETIREMENT APPLICATIONS WHICH ARE OUTLINED BELOW BE APPROVED:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

VESTED RETIREMENT

| | |
|-------------------------|--|
| NAME, TITLE, DEPARTMENT | Josephine A. Powell – Cont Units Con Class – City Council |
| SERVICE CREDIT | 12-03 |
| EFFECTIVE DATE | 12-01-07 |

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

BY MR. MILTON – SUPPORTED BY MS. KNEESHAW

RESOLVED, THAT THE CHANGE OF COMPUTATION FROM DUTY/NON-DUTY DISABILITY RETIREMENT TO SERVICE RETIREMENT APPLICATIONS WHICH ARE DESIGNATED BELOW BE APPROVED:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

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

NAYS – NONE

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

| | |
|-------------------------|---|
| NAME, TITLE, DEPARTMENT | Eugene R. Barnes – Water Systems Repair Worker - Water |
| SERVICE CREDIT | 18-04 |
| EFFECTIVE DATE | 11-20-07 |
| NAME, TITLE, DEPARTMENT | Lonnie J. Collins – TEO - Transportation |
| SERVICE CREDIT | 19-01 |
| EFFECTIVE DATE | 11-20-07 |
| NAME, TITLE, DEPARTMENT | Monteca L. Hall – Sr Data Proc Prog Analyst – Information Technology |
| SERVICE CREDIT | 21-08 |
| EFFECTIVE DATE | 12-14-07 |
| NAME, TITLE, DEPARTMENT | Small Ivory – Water Systems Helper - Water |
| SERVICE CREDIT | 10-02 |
| EFFECTIVE DATE | 11-01-07 |
| NAME, TITLE, DEPARTMENT | Janet I. Rose – Office Assistant II - Finance |
| SERVICE CREDIT | 23-0 |
| EFFECTIVE DATE | 12-17-07 |
| NAME, TITLE, DEPARTMENT | Patricia A. Trotter – Legal Investigator - Law |
| SERVICE CREDIT | 10-03 |
| EFFECTIVE DATE | 12-24-07 |
| NAME, TITLE, DEPARTMENT | Fred Douglas Williams, Jr. – TEO - Transportation |
| SERVICE CREDIT | 30-0 |
| EFFECTIVE DATE | 01-01-08 |

CONFIRMATIONS

BY MS. GLASER – SUPPORTED BY MR. MILTON

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH
ARE REFERENCED BELOW BE CONFIRMED:

CONFIRMATIONS

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

RECEIPTS

THE BOARD RECEIVED THE SUM OF \$4,441.19 ON NOVEMBER 23,
2007 FROM THE AIRPORT – PENSION CONTRIBUTION

THE BOARD RECEIVED THE SUM OF \$288,494.10 ON NOVEMBER 21,
2007 FROM CAPOZZOLI ADVISORY FOR PENSIONS – OCTOBER,
2007 REMITTANCE

THE BOARD RECEIVED THE SUM OF \$20,000.00 ON NOVEMBER 19,
2007 FROM CORE CITY EST. (PHOENIX GROUP CONSULTANTS) –
DUE DILIGENCE FEE

THE BOARD RECEIVED THE SUM OF \$23,673.36 ON NOVEMBER 21,
2007 FROM THE POLICE AND FIRE RETIREMENT SYSTEM –
NOVEMBER, 2007 STAFF PAYROLL REIMBURSEMENT

THE BOARD RECEIVED THE SUM OF \$317,265.00 ON NOVEMBER 19,
2007 FROM RLJ LODGING FUND II – 2007 THIRD QUARTER
DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$95,350.76 ON NOVEMBER 20,
2007 FROM STATE STREET BANK – CLASS ACTION PROCEEDS

THE BOARD RECEIVED THE SUM OF \$40,290.59 ON NOVEMBER 21,
2007 FROM STATE STREET BANK – OCTOBER, 2007 COMMISSION
RECAPTURE

RECEIPTS

THE BOARD RECEIVED THE SUM OF \$12,250.00 ON NOVEMBER 19, 2007 FROM TOUCHSTONE PARTNERS – 2007 THIRD QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$123,750.00 ON NOVEMBER 20, 2007 FROM WETHERINGTON, TRELLISES AND PEPPERWOOD APARTMENTS – ANNUAL LOC REMITTANCE

TOTAL: **\$925,515.00**

DISBURSEMENTS

THE BOARD DISBURSED THE SUM OF \$46,937.08 ON NOVEMBER 20, 2007 TO PAY STAFF PAYROLL – NOVEMBER, 2007

THE BOARD DISBURSED THE SUM OF \$196,875.00 ON NOVEMBER 20, 2007 TO PAY MESIROW'S 2007 THIRD QUARTER FEES

TOTAL: **\$243,812.08**

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST # **6841**, IN THE AMOUNT OF **\$2,572,423.47**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

MINUTES OF WEDNESDAY, OCTOBER 31, 2007

BY MS. GLASER – SUPPORTED BY MR. MILTON

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **WEDNESDAY, OCTOBER 31, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

BANYAN REALTY ADVISORS, LLC
FORT SHELBY HOTEL

BY MS. GLASER – SUPPORTED BY MS. KNEESHAW

Whereas, The Board has been presented with a November 27, 2007 communication from Banyan Realty Advisors, LLC wherein Banyan requests that the Board fund Draw 2 for the Fort Shelby Hotel in the amount of **\$577,382.35**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

ARTHUR ZASKE & ASSOCIATES
INSIGHT 2811

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

Whereas, The Board has been presented with a November 26 ,2007 communication from Arthur Zaske & Associates wherein Arthur Zaske & Associates requests that the Board fund Draw 3 for Insight 2811 in the amount of **\$1,500,000.00**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

WIND POINT PARTNERS
WIND POINT PARTNERS VI

BY MS. GLASER – SUPPORTED BY MR. BEASLEY

Whereas, The Board has been presented with a November 21, 2007 communication from Wind Point Partners wherein Wind Point Partners requests that the Board fund Draw 10 for Wind Point Partners VI in the amount of **\$2,016,188.00**, Therefore Be It

WIND POINT PARTNERS
WIND POINT PARTNERS VI

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

NAYS – NONE

CAPOZZOLI ADVISORY FOR PENSIONS, INC.
COMMUNITY WORK FORCE TRUST I, L.P.

BY MS. GLASER – SUPPORTED BY MR. BEASLEY

Whereas, The Board has been presented with a November 27, 2007 communication from Capozzoli Advisory For Pensions, Inc. wherein Capozzoli Advisory for Pensions, Inc. requests that the Board fund the capital call for Community Work Force Trust I, L.P. in the amount of **\$7,000,000.00**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

YEAS – TRUSTEES BEASLEY, GLASER, MILTON AND CHAIRPERSON
CLARK – 4

NAYS – NONE

ABSTAIN – TRUSTEE KNEESHAW – 1

BILL PAYMENT REQUESTS

BY MS. GLASER – SUPPORTED BY MR. BEASLEY

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS 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 STAFF AUDIT, THE BOARD APPROVE PAYMENT OF SAID BILLINGS:

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

ADVANTAGE LASER PRODUCTS – NOVEMBER 19, 2007 - \$28.50 –
GENERAL PORTION OF \$57.00 – SUPPLIES

ALLEN & ASSOCIATES – SEPTEMBER 21, 2007 - \$1,750.00 –
GENERAL PORTION OF \$3,500.00 – DRS HOLDINGS, INC. -
APPRAISAL

BLACKROCK – NOVEMBER 6, 2007 - \$25,845.00 – 2007 THIRD
QUARTER FEES

BRANDYWINE GLOBAL – NOVEMBER 19, 2007 - \$80,465.05 – 2007
THIRD QUARTER FEES

IKON OFFICE SOLUTIONS – NOVEMBER 2, 2007 - \$327.81 -
GENERAL PORTION OF \$655.63 – COPIER MAINTENANCE

IT – NOVEMBER 27, 2007 - \$55,383.12 – GENERAL PORTION OF
\$104,032.70 – PROGRAMMER FEES FOR NOVEMBER, 2007

BILL PAYMENT REQUESTS

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

KEM-TEC ASSOCIATES – SEPTEMBER 27, 2007 - \$550.00 – GENERAL PORTION OF \$1,100.00 – DRS HOLDINGS, INC. – TOPOGRAPHY SURVEY

LAMONTE TITLE CORPORATION – OCTOBER 9, 2007 - \$105.00 – GENERAL PORTION OF \$210.00 – DRS HOLDINGS, INC. – TITLE WORK

MOORE DIVERSIFIED SERVICES – NOVEMBER 21, 2007 - \$7,828.50 – TERRACE COMMUNITIES – 2007 THIRD QUARTER DUE DILIGENCE

NTH CONSULTANTS – MARCH 31, 2007 - \$256.55 – GENERAL PORTION OF \$513.10 – DRS HOLDINGS, INC. – FIELD VISIT

NTH CONSULTANTS – OCTOBER 26, 2007 - \$3,250.00 – GENERAL PORTION OF \$6,500.00 – DRS HOLDINGS, INC. – ENGINEERING SERVICES

NTH CONSULTANTS – NOVEMBER 14, 2007 - \$9,350.00 – GENERAL PORTION OF \$18,700.00 – DRS HOLDINGS, INC. – GEOPHYSICAL, SUB-SURFACE SURVEY

OFFICE DEPOT – DECEMBER 15, 2007 - \$495.56 – GENERAL PORTION OF \$991.13 – SUPPLIES

TAPE 4 BACKUP – NOVEMBER 13, 2007 - \$2,769.00 – GENERAL PORTION OF \$5,538.00 – SUPPLIES

QUILL CORPORATION – NOVEMBER 19, 2007 - \$188.28 – GENERAL PORTION OF \$376.57 – SUPPLIES

YEAS – TRUSTEES BEASLEY, GLASER, KNEESHAW, MILTON AND
CHAIRPERSON CLARK – 5

BILL PAYMENT REQUESTS

NAYS – NONE

ASI ADVISORS, LLC

DONALD WATKINS (OF ALAMERICA BANK), DONALD STUKES (OF ASI ADVISORS, LLC) AND ALBERT HUFF (OF A. J. HUFF & ASSOCIATES, INC.) APPEARED BEFORE THE BOARD, DISCUSSED TRADE WINDS (AN AIR CRAFT (CARGO) LEASING PROPOSAL).

TRUSTEE ANTHONY ENTERED THE MEETING DURING ASI ADVISORS' PRESENTATION.

THE BOARD THEN EXCUSED MESSRS. WATKINS, STUKES AND HUFF.

ACCESS CAPITAL

RONALD HOMER AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED A FIXED INCOME INVESTMENT PROPOSAL AND THEN EXCUSED THEMSELVES.

ASI ADVISORS, LLC

BY MR. BEASLEY – SUPPORTED BY MS. KNEESHAW

Whereas, The Board has been presented with an investment proposal from ASI Advisors, LLC, and

Whereas, The Board desires due diligence on said proposal, Therefore Be It

Resolved, That subject to ASI Advisors, LLC agreeing to pay the costs for said due diligence and said funds being escrowed by ASI Advisors, LLC with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

ASI ADVISORS, LLC

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to ASI Advisors, LLC, North Point Advisors and the Accounting Division of the Retirement System:

YEAS – TRUSTEES ANTHONY, BEASLEY, GLASER, KNEESHAW,
MILTON AND CHAIRPERSON CLARK – 6

NAYS – NONE

ACCESS CAPITAL

BY MR. BEASLEY – SUPPORTED BY MS. KNEESHAW

Whereas, The Board has been presented with an investment proposal from Access Capital, and

Whereas, The Board desires due diligence on said proposal,
Therefore Be It

Resolved, That subject to Access Capital agreeing to pay the costs for said due diligence and said funds being escrowed by Access Capital with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

ACCESS CAPITAL

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to Access Capital, North Point Advisors and the Accounting Division of the Retirement System:

YEAS – TRUSTEES ANTHONY, BEASLEY, GLASER, KNEESHAW,
MILTON AND CHAIRPERSON CLARK – 6

NAYS – NONE

COMDEX CONFERENCE

BY MS. KNEESHAW – SUPPORTED BY MR. ANTHONY

Resolved, That the Board approve the attendance of IT staff members Dennis Linet and Michael Powning at the below referenced conference:

Comdex Conference

Las Vegas

January 7, 2008 – January 10, 2008

YEAS – TRUSTEES ANTHONY, BEASLEY, GLASER, KNEESHAW,
MILTON AND CHAIRPERSON CLARK – 6

NAYS – NONE

GLOBAL CUSTODIAL SURVEY

BY MS. KNEESHAW – SUPPORTED BY MS. GLASER

WHEREAS, The Board is in receipt of a request from Global Custodian Magazine that the System complete Global Custodian Magazine's annual survey of plan sponsors, and

WHEREAS, The Board has discussed this request with staff on this date, therefore be it

RESOLVED, That staff be directed to complete and return the survey to Global Custodian magazine:

YEAS – TRUSTEES ANTHONY, BEASLEY, GLASER, KNEESHAW,
MILTON AND CHAIRPERSON CLARK – 6

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING DARLENE FORDHAM, GRS SAHARA AVENUE CORP., 13500 PACIFIC CORP. AND THE 1998 DEFINED CONTRIBUTION PLAN.

TRUSTEE LEAVEY RE-JOINED THE MEETING DURING LEGAL COUNSEL'S REPORTS.

GRS SAHARA AVENUE CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION, BY AN OFFICER OF THE CORPORATION, OF AN ANNUAL LIST OF OFFICERS, DIRECTORS AND AGENTS AND AN ANNUAL STATEMENT FOR PUBLICATION (DATED NOVEMBER 28, 2007).

13500 PACIFIC CORP.

THE BOARD WAS MADE AWARE OF THE EXECUTION, BY AN OFFICER OF THE CORPORATION, OF A CHANGE OF MAILING ADDRESS (DATED NOVEMBER 28, 2007).

TRUSTEE BEASLEY TEMPORARILY EXCUSED HIMSELF AND THEN RE-JOINED THE MEETING.

THE MEETING RECESSED AT 11:30 A.M. AND RE-CONVENED AT 11:45 A.M.

EVEREST ENERGY

BY MR. ANTHONY – SUPPORTED BY MR. BEASLEY

Whereas, The Board had been presented the quarterly reports from NEPC on alternative investments showing the write-off of value on a \$9,500,000.00 loan to Everest Energy, and

Whereas, The Board instructed NEPC to review this matter and inform the Board about their results, and

Whereas, NEPC had obtained the necessary accounting records to show that the loan is still in compliance, Therefore be it

Resolved, that the Board accept NEPC's revised opinion that there should not be any write-off of this loan, and that NEPC be informed that there is no need, at this time, for any further due diligence regarding this loan to Everest Energy:

YEAS – TRUSTEES ANTHONY, BEASLEY, GLASER, KNEESHAW,
LEAVEY, MILTON AND CHAIRPERSON CLARK – 7

NAYS – NONE

TRUSTEE CONYERS RE-JOINED THE MEETING.

BLACK EAGLE
\$15,000,000.00 PROPOSED INVESTMENT

BY MR. BEASLEY – SUPPORTED BY MS. CONYERS

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials 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 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's contingent approval is conditioned upon the Board's receipt of written acknowledgment from Black Eagle that Black Eagle 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 will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed

BLACK EAGLE
\$15,000,000.00 PROPOSED INVESTMENT

transaction to protect the interests of the Retirement System,
Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Black Eagle and subject to approval of final documents 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 Legal Counsel and is executed by the Board, Black Eagle, 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 legal fees and expenses being paid from an escrow account funded by Black Eagle 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 any applicable due diligence monitor and/or business 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

BLACK EAGLE

\$15,000,000.00 PROPOSED INVESTMENT

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for Black Eagle to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Black Eagle paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to Black Eagle deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or 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 Black Eagle:

YEAS – TRUSTEES ANTHONY, BEASLEY, CONYERS, GLASER,
KNEESHAW, LEAVEY, MILTON AND CHAIRPERSON CLARK

- 8

NAYS – NONE

LIFE ASSURANCE FUND
(LIFE STYLE POLICIES)
\$5,000,000.00 PROPOSED INVESTMENT

BY MS. LEAVEY – SUPPORTED BY MS. KNEESHAW

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials 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 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's contingent approval is conditioned upon the Board's receipt of written acknowledgment from Life Assurance Fund that Life Assurance Fund 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 will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed

LIFE ASSURANCE FUND
(LIFE STYLE POLICIES)
\$5,000,000.00 PROPOSED INVESTMENT

transaction to protect the interests of the Retirement System,
Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Life Assurance Fund and subject to approval of final documents 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 Legal Counsel and is executed by the Board, Life Assurance Fund, 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 legal fees and expenses being paid from an escrow account funded by Life Assurance Fund 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 any applicable due diligence monitor and/or business 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

LIFE ASSURANCE FUND
(LIFE STYLE POLICIES)
\$5,000,000.00 PROPOSED INVESTMENT

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for Life Assurance Fund to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Life Assurance Fund paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due Life Assurance Fund deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or 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 Life Assurance Fund:

YEAS – TRUSTEES ANTHONY, BEASLEY, CONYERS, GLASER,
KNEESHAW, LEAVEY, MILTON AND CHAIRPERSON CLARK

- 8

NAYS – NONE

CAPRI (URBAN FUND)
\$10,000,000.00 PROPOSED INVESTMENT

BY MS. KNEESHAW – SUPPORTED BY MS. LEAVEY

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials 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 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's contingent approval is conditioned upon the Board's receipt of written acknowledgment from CAPRI that CAPRI 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 will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed

CAPRI (URBAN FUND)
\$10,000,000.00 PROPOSED INVESTMENT

transaction to protect the interests of the Retirement System,
Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by CAPRI and subject to approval of final documents 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 Legal Counsel and is executed by the Board, CAPRI, 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 legal fees and expenses being paid from an escrow account funded by CAPRI 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 any applicable due diligence monitor and/or business 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

CAPRI (URBAN FUND)
\$10,000,000.00 PROPOSED INVESTMENT

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for CAPRI to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon CAPRI paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to CAPRI deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or 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 CAPRI:

YEAS – TRUSTEES ANTHONY, BEASLEY, CONYERS, GLASER,
KNEESHAW, LEAVEY, MILTON AND CHAIRPERSON CLARK

- 8

NAYS – NONE

WORKSHOPS

BY MS. CONYERS – SUPPORTED BY MR. BEASLEY

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary and General Counsel at the below-referenced workshops:

FRANKLIN COVEY ONE-DAY WORKSHOP
DEARBORN, MI
DECEMBER 14, 2007

WORKSHOPS

FRANKLIN COVEY ONE-DAY WORKSHOP
NOVI, MI
JANUARY 18, 2008

FRANKLIN COVEY ONE-DAY WORKSHOP
TROY, MI
FEBRUARY 21, 2008

YEAS – TRUSTEES ANTHONY, BEASLEY, CONYERS, GLASER,
KNEESHAW, MILTON AND CHAIRPERSON CLARK – 7

NAYS – TRUSTEE LEAVEY – 1

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,
CHAIRPERSON CLARK ADJOURNED THE MEETING AT **1:38 P.M.**
UNTIL WEDNESDAY, DECEMBER 5, 2007 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