

**JOURNAL OF PROCEEDINGS - BOARD OF TRUSTEES -
POLICE & FIRE RETIREMENT SYSTEM - CITY OF DETROIT**

**PROCEEDINGS HELD THURSDAY, APRIL 13, 2006 - 9:00 A.M.
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS
910 COLEMAN A. YOUNG MUNICIPAL CENTER
DETROIT, MICHIGAN 48226**

PRESENT

Marty Bandemer	Elected Trustee
Jeffrey Beasley	Ex/Officio Trustee
Gregory Best	Elected Trustee
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Laura Isom	Elected Trustee & Chairperson
George Orzech	Elected Trustee
Paul Stewart	Elected Trustee

Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Frank English	Elected Trustee & Vice Chairperson
Alberta Tinsley-Talabi	Ex/Officio Trustee

ABSENT

None

CHAIRPERSON

Laura Isom

VICE CHAIRPERSON

Frank English

**ROLL CALL WAS TAKEN AT 9:05 A.M. BY THE BOARD'S
RECORDING SECRETARY AND THE MEETING WAS CALLED TO
ORDER.**

RETIREMENTS - BY MR. BEST - SUPPORTED BY MR. STEWART

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

**YEAS - TRUSTEES BANDEMER, BEST, ORZECH, STEWART AND
CHAIRPERSON ISOM - 5**

NAYS - NONE

RETIREMENTS

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**JANICE LEE - SERGEANT - POLICE
SERVICE - NEW
24 02 13
03 13 06**

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN
SERVICE CREDIT
EFFECTIVE DATE**

**MICHAEL JEMISON - SERGEANT - POLICE
SERVICE - NEW
22 09 17
04 01 06**

RETIREMENTS

NAME, TITLE, DEPARTMENT

**LAURA ISOM - INSPECTOR - PCOA -
POLICE**

RETIREMENT, PLAN

SERVICE - NEW

SERVICE CREDIT

32 10 14

EFFECTIVE DATE

04 20 06

NAME, TITLE, DEPARTMENT

BETTY ROLAND - SERGEANT - POLICE

RETIREMENT, PLAN

SERVICE - NEW

SERVICE CREDIT

29 07 13

EFFECTIVE DATE

04 06 06

NAME, TITLE, DEPARTMENT

**PANAGIOTA CAFRETSAS - WIDOW OF
DECEASED THOMAS CAFRETSAS -
OFFICER - POLICE**

RETIREMENT, PLAN

NON-DUTY WIDOW - NEW

SERVICE CREDIT

22 05 27

EFFECTIVE DATE

12 11 05

NAME, TITLE, DEPARTMENT

**JANET HEYWARD-FROST - WIDOW OF
DECEASED EDGAR T. FROST -
LIEUTENANT - FIRE**

RETIREMENT, PLAN

DUTY DEATH WIDOW - NEW

SERVICE CREDIT

29 01 02

EFFECTIVE DATE

02 20 06

NAME, TITLE, DEPARTMENT

**ROBERT PETERSON - SERGEANT -
POLICE**

RETIREMENT, PLAN

SERVICE - NEW

SERVICE CREDIT

34 10 14

EFFECTIVE DATE

04 08 06

NAME, TITLE, DEPARTMENT

JAMES SHINNEMAN - CAPTAIN - FIRE

RETIREMENT, PLAN

SERVICE - NEW

SERVICE CREDIT

33 04 12

EFFECTIVE DATE

04 30 06

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$16,791.66** ON APRIL 7, 2006 FROM ONE KENNEDY SQUARE

THE BOARD RECEIVED THE SUM OF **\$74,008.69** ON APRIL 7, 2006 FROM INLAND'S RETAIL TRUST

THE BOARD RECEIVED THE SUM OF **\$198,412.50** ON APRIL 7, 2006 FROM CNL

THE BOARD RECEIVED THE SUM OF **\$852,065.89** ON APRIL 6, 2006 FROM CANYON-JOHNSON

THE BOARD RECEIVED THE SUM OF **\$616,438.36** ON APRIL 12, 2006 FROM MIDLAND'S MULTI-FAMILY EQUITY INVESTMENT

THE BOARD RECEIVED THE SUM OF **\$1,997,260.27** ON APRIL 12, 2006 FROM MIDLAND'S AFFORDABLE HOUSING GROUP TRUST

CONFIRMATIONS - BY MR. ORZECH - SUPPORTED BY MR. BEST

RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED ABOVE BE CONFIRMED:

**YEAS - TRUSTEES BANDEMER, BEST, ORZECH, STEWART AND
CHAIRPERSON ISOM - 5**

NAYS - NONE

EX/OFFICIO TRUSTEE JEFFREY BEASLEY ENTERED THE MEETING.

CAPRI CAPITAL - BY MR. ORZECH - SUPPORTED BY MR. BEST

Whereas, The Board has been presented with a communication from Capri Capital wherein Capri requests that the Board fund its portion of the Capital Installment due for Capri Select Income, II, LLC in the amount of \$795,337.00, Therefore Be It

CAPRI CAPITAL - BY MR. ORZECH - SUPPORTED BY MR. BEST

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

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, ORZECH,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART - SUPPORTED BY MR. BEST

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST #3198 (WHICH IS REFERENCED AT THE END OF THESE PROCEEDINGS), IN THE AMOUNT OF \$37,739.97, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, ORZECH,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - NONE

MINUTES OF THURSDAY, MARCH 30, 2006

BY MR. BEST - SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, MARCH 30, 2006 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

MINUTES OF THURSDAY, MARCH 30, 2006

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, ORZECH,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - NONE

BILL PAYMENT REQUESTS

BY MR. BEST - SUPPORTED BY MR. ORZECH

**WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING
BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED,
AND**

**WHEREAS, THE BOARD IS SATISFIED THAT SERVICES WERE
PROVIDED TO THE BOARD AS REQUESTED BY 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

**ADP - MARCH 31, 2006 - \$1,798.39 - POLICE AND FIRE PORTION
OF \$3,596.78 - CONTRACT/MISCELLANEOUS SERVICES**

**COUZENS LANSKY - APRIL 10, 2006 - \$8,999.58 - LEGAL
SERVICES - AA CAPITAL**

**ENGLISH, FRANK - APRIL 13, 2006 - \$198.00 - PARKING
REIMBURSEMENT**

**GABRIEL, ROEDER, SMITH & COMPANY - MARCH 31, 2006 -
\$6,500.00 - JULY, 2005 - MARCH 31, 2006 SERVICES**

BILL PAYMENT REQUESTS

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

HOWARD & HOWARD - APRIL 10, 2006 - \$6,190.50 - MARCH, 2006 SERVICES

HUDSON & MUMA - APRIL 6, 2006 - \$1,572.00 - MISCELLANEOUS EXPENSES

IRON MOUNTAIN - MARCH 31, 2006 - \$730.16 - POLICE AND FIRE PORTION OF \$1,460.31 - CONTRACT/MISCELLANEOUS EXPENSES

IRON MOUNTAIN - MARCH 31, 2006 - \$89.16 - POLICE AND FIRE PORTION OF \$178.31 - CONTRACT/MISCELLANEOUS EXPENSES

QUILL CORPORATION - MARCH 30, 2006 - \$30.58 - POLICE AND FIRE PORTION OF \$61.16 - OFFICE SUPPLIES

QUILL CORPORATION - MARCH 31, 2006 - \$192.41 - POLICE AND FIRE PORTION OF \$384.82 - OFFICE SUPPLIES

TECH DEPOT - MARCH 22, 2006 - \$67.56- POLICE AND FIRE PORTION OF \$135.12 - OFFICE SUPPLIES

TECH DEPOT - MARCH 22, 2006 - \$136.39 - POLICE AND FIRE PORTION OF \$272.78 - OFFICE SUPPLIES

TOWNSEND GROUP - APRIL 3, 2006 - \$11,250.00 - APRIL, 2006 FEES

VIKING OFFICE PRODUCTS - MARCH 30, 2006 - \$231.17 - POLICE AND FIRE PORTION OF \$462.33 - OFFICE SUPPLIES

BILL PAYMENT REQUESTS

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, ORZECH,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - NONE

REQUEST OF MARVIN MASSEY

BY MR. BEST - SUPPORTED BY MR. ORZECH

**WHEREAS, MARVIN MASSEY - PER AN APRIL 10, 2006 REQUEST
- REQUESTS A REFUND OF THE MILITARY SERVICE TIME HE
PURCHASED, THEREFORE BE IT**

**RESOLVED, THAT THE REQUEST OF MR. MASSEY BE
APPROVED:**

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, ORZECH,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - NONE

▮ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

**LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS
MATTERS WITH THE BOARD, INCLUDING OPPENHEIMER
CAPITAL, PRICE WATERHOUSE, SAVANNAH RIVER LANDING,
EARNEST PARTNERS, KOREJSZA VERSUS KOREJSZA AND SENN
VERSUS SENN.**

▮ EX/OFFICIO TRUSTEE SETH DOYLE ENTERED THE MEETING.

Darryl Bradford

By Mr. Orzech - Supported by Mr. Best

Whereas, The Board of Trustees is in receipt of a letter from the Chief of Police wherein the Police Department cites the Act 312 Award, Sections 7 and 8, which reads as follows:

7

The Board of Trustees shall not act upon or grant the application filed by an officer who, although he is not capable of performing the full duties of an officer, has not suffered any diminishment of his base wages or benefits because he is either a) regularly assigned to a position, the full duties of which he is capable of performing; or b) assigned to a restricted duty position, unless the Police Department advises that it intends to seek a disability retirement for the officer in the foreseeable future.

8

The provisions in paragraph seven (7) above are not intended to and will not a) affect the officer's right to seek a disability retirement when no restricted duty position is available; or b) restrict, in any way, the existing authority of the Chief of Police to seek a duty or non-duty disability retirement for an officer or for that officer, at that time, to request a duty or non-duty disability retirement; and

Whereas, A March 14, 2006 duty disability retirement application was submitted to the Board of Trustees by Darryl Bradford, and

Darryl Bradford

Whereas, The Police Department states that he is currently regularly assigned to a position, the full duties of which he is capable of performing, and

Whereas, The Board has discussed this matter with Legal Counsel who has given a verbal legal opinion consistent with this motion, Therefore Be It

Resolved, That NO ACTION be taken regarding Mr. Bradford's application for duty disability retirement until further notice, and be it further

Resolved, That Mr. Bradford and the Police Department be afforded a copy of this resolution:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE,
ORZECH, STEWART AND CHAIRPERSON ISOM - 7**

NAYS - NONE

Keith Johnson

By Mr. Orzech - Supported by Mr. Best

Whereas, The Board of Trustees is in receipt of a letter from the Chief of Police wherein the Police Department cites the Act 312 Award, Sections 7 and 8, which reads as follows:

7

The Board of Trustees shall not act upon or grant the application filed by an officer who, although he is not capable of performing the full duties of an officer, has not suffered any diminishment of his base wages or benefits because he is either a) regularly assigned to a position, the full duties of which he is capable of performing; or b) assigned to a restricted duty position, unless the Police Department advises that it intends to seek a disability retirement for the officer in the foreseeable future.

8

The provisions in paragraph seven (7) above are not intended to and will not a) affect the officer's right to seek a disability retirement when no restricted duty position is available; or b) restrict, in any way, the existing authority of the Chief of Police to seek a duty or non-duty disability retirement for an officer or for that officer, at that time, to request a duty or non-duty disability retirement; and

Whereas, A March 23, 2006 duty disability retirement application was submitted to the Board of Trustees by Keith Johnson, and

Keith Johnson

Whereas, The Police Department states that he is currently regularly assigned to a position, the full duties of which he is capable of performing, and

Whereas, The Board has discussed this matter with Legal Counsel who has given a verbal legal opinion consistent with this motion, Therefore Be It

Resolved, That NO ACTION be taken regarding Mr. Johnson's application for duty disability retirement until further notice, and be it further

Resolved, That Mr. Johnson and the Police Department be afforded a copy of this resolution:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE,
ORZECH, STEWART AND CHAIRPERSON ISOM - 7**

NAYS - NONE

OPPENHEIMER CAPITAL

BY MR. ORZECH - SUPPORTED BY MR. BEST

WHEREAS, THE BOARD HAS BEEN REQUESTED TO SELECT A TAX CONSULTANT IN TAIWAN WHICH IS REQUIRED WITH RESPECT TO TAIWAN INVESTMENTS, AND

WHEREAS, OPPENHEIMER CAPITAL HAS RECOMMENDED THAT THE BOARD SELECT PRICE WATERHOUSE COOPERS AS THE TAX CONSULTANT, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE

RESOLVED, THAT THE BOARD SELECTS PRICE WATERHOUSE COOPERS AS ITS TAX CONSULTANT IN TAIWAN WITH RESPECT TO TAIWAN INVESTMENTS, AND BE IT FURTHER

RESOLVED, THAT THE APPROPRIATE DOCUMENTS BE EXECUTED ON BEHALF OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT AND FORWARDED TO THE APPROPRIATE PARTY OR PARTIES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BANK OF NEW YORK, OPPENHEIMER CAPITAL AND PRICE WATERHOUSE COOPERS:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 7

NAYS - NONE

EX/OFFICIO TRUSTEE GARY CHRISTIAN ENTERED THE MEETING.

SIXTY-THIRD ANNUAL ACTUARIAL VALUATION

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

WHEREAS, ON MARCH 30, 2006, THE BOARD ADOPTED A RESOLUTION ACCEPTING AND APPROVING THE BOARD'S SIXTY-THIRD ANNUAL ACTUARIAL VALUATION WITH AN AMORTIZATION PERIOD OF 30 YEARS, THEREFORE BE IT

RESOLVED, THAT SPECIAL COUNSEL CHRIS LEGGHIO BE REQUESTED TO PROVIDE THE BOARD WITH A WRITTEN OPINION AS TO WHETHER THE BOAR'S ADOPTION OF SUCH A RESOLUTION WAS PROPER:

**YEAS - TRUSTEES BANDEMER, STEWART AND CHAIRPERSON
ISOM - 3**

**NAYS - TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE AND
ORZECH - 5**

PFRS AVANTI CORPORATION

THE BOARD OF TRUSTEES WAS MADE AWARE OF THE EXECUTION OF THE FOLLOWING DOCUMENTS (DATED APRIL 13, 2006) BY AN OFFICER OF THE CORPORATION:

- CERTIFICATE OF DISSOLUTION

- LIMITED POWER OF ATTORNEY AUTHORIZATION FOR DISCLOSURE OF INFORMATION FOR TAX CLEARANCE PURPOSES ONLY

PFRS YAMATO CORP., SAND LAKE CENTRE CORP., PFRS ROMULUS CORP., PFRS AVANTI CORP., PF COLONNADES WEST CORP., PF FUND MUTUAL BUILDING, INC., PFRS DUBLIN CORP., PFRS OAK GROVE CORP., PFRS PATRICK CENTER CORP., PFRS ST ANDREWS CORP., DRS HOLDINGS, INC.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE 2006 MICHIGAN PROFIT CORPORATION INFORMATION UPDATE FORMS (DATED APRIL 13, 2006) BY AN OFFICER OF THE ABOVE-CAPTIONED CORPORATIONS.

EARNEST PARTNERS/JACKSON CONSULTING GROUP

BY MR. STEWART - SUPPORTED BY MR. BEASLEY

Whereas, The Board has been requested to execute an Acknowledgement Letter, re: ADV Part II, and Disclosure of Arrangement with Jackson Consulting Group, relative to the foregoing transaction, and

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 two (2) authorized signatories on behalf of the Board, and be it further

Resolved, That the executed original documents be forwarded to the appropriate party, and be it further

Resolved, That the Retirement System retain copies of said executed original documents:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 8

NAYS - NONE

**KOREJSZA VERSUS KOREJSZA
WAYNE COUNTY CASE #05-51106-DO**

BY MR. DOYLE - SUPPORTED BY MR. CHRISTIAN

WHEREAS, THE BOARD IS IN RECEIPT OF A MARCH 22, 2006 DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A MARCH 22, 2006 JUDGMENT OF DIVORCE WHEREIN ELIZABETH KOREJSZA IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN BENEFITS ONLY OF DAVID KORREJSZA WHO RETIRED EFFECTIVE JANUARY 7, 1977, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS OCTOBER 17, 1929 AND PARTICIPANT HAD ATTAINED 25 YEARS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN BECAUSE ALL AMOUNTS WERE PREVIOUSLY WITHDRAWN FROM THE DEFINED CONTRIBUTION PLAN, BUT ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS IMMEDIATELY, AND

WHEREAS, THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND THE COURT ORDER PROVIDES FOR THE PARTIES TO SHARE THE COST OF THE ACTUARY'S FEES, AND

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ELIZABETH KOREJSZA, DAVID KOREJSZA AND ATTORNEYS PAUL BRICKER AND FRED WALKER:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 8

NAYS - NONE

SENN VERSUS SENN

OAKLAND COUNTY CIRCUIT COURT CASE #05-713472-DM

BY MR. DOYLE - SUPPORTED BY MR. CHRISTIAN

WHEREAS, MICHAEL SENN HAS PRESENTED THE BOARD WITH AN APRIL 6, 2006 REQUEST TO HAVE HIS OPTION RETIREMENT CHANGED FROM OPTION 2 WITH POP-UP C TO A STRAIGHT LIFE RETIREMENT BASED UPON A COURT ORDER TERMINATING THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A MARCH 28, 2006 COURT ORDER (CONSENT JUDGMENT OF DIVORCE) WHICH HAS BEEN REVIEWED BY THE BOARD'S LEGAL COUNSEL WHO HAS CONCLUDED THAT THE COURT ORDER (CONSENT JUDGMENT OF DIVORCE) TERMINATES THE RIGHTS OF THE OPTION BENEFICIARY, THEREFORE BE IT

RESOLVED, THAT CONSISTENT WITH LONG-STANDING POLICIES AND PRACTICES OF THE BOARD, PETITIONER'S REQUEST BE GRANTED AND, EFFECTIVE MAY 1, 2006, PETITIONER'S RETIREMENT BENEFITS BE ADJUSTED FROM OPTION 2 WITH POP-UP C TO A STRAIGHT LIFE RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S ACTUARY BE INFORMED OF THE BOARD'S ACTION OF THIS DATE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MICHAEL SENN AND ATTORNEYS TODD WEISS AND CATHERINE DRITSAS:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 8**

NAYS - NONE

MAYFIELD GENTRY REALTY ADVISORS

CHAUNCEY MAYFIELD AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED VALUE ADDED REAL ESTATE TRANSACTIONS AND MAYFIELD GENTRY'S GENESIS VALUE FUND AND THEN EXCUSED THEMSELVES.

ORACLE PARTNERS (\$10,000,000.00 PROPOSED INVESTMENT)

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

Whereas, The Board has indicated its interest in making the foregoing investment subject to a number of conditions being met, including the approval of final transaction documents after all negotiations are completed by the Board and Special Legal Counsel, and

Whereas, The Board notes that legal services required to prepare the proposed transaction documents for consideration by the Board will be fairly extensive and time-consuming and will require immediate attention, requiring consecutive hours of attention by Special Legal Counsel, and

Whereas, The Board's policy in such cases is to select and retain Special Legal Counsel relative to such investment proposal who will report to the Board's General Counsel and to the Board of Trustees, as appropriate, with fees and expenses of said Special Legal Counsel to be paid for from an escrow account funded by the Proposed Borrower, and

Whereas, The Board notes the possibility the preliminary legal services regarding the transaction may result in findings that the proposed Borrower will not be able to meet the requirement of the Retirement System as Lender/Investor, Therefore Be It

Resolved, That the aforesaid investment proposal be assigned to F. LOGAN DAVIDSON as Special Legal Counsel, and be it further

Resolved, That a further condition of the Board's continued interest in making this investment loan is proposed Borrower providing the

ORACLE PARTNERS (\$10,000,000.00 PROPOSED INVESTMENT)

Assistant Administrative Supervisor with written confirmation that proposed Borrower acknowledges receipt of this resolution and agrees to the terms therein, and be it further

Resolved, That Special Legal Counsel and the Assistant Administrative Supervisor arrange for an escrow account into which proposed Borrower will provide funds for costs, expenses and legal services, and be it further

Resolved, That Special Legal Counsel submit itemized billings to the proposed Borrower with copies to the Retirement System, and be it further

Resolved, That the amount to be escrowed will be mutually determined by Special Legal Counsel and proposed Borrower and will be reported to the Board of Trustees and the escrow may be funded in stages with the understanding that legal services will be performed only to the extent of, and after, the escrow deposit(s), and be it further

Resolved, That a copy of this resolution be provided proposed Borrower and Special Legal Counsel:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 8**

NAYS - NONE

SENECA CAPITAL MANAGEMENT/PENN CAPITAL

BY MR. BEASLEY - SUPPORTED BY MR. CHRISTIAN

WHEREAS, The Board has, by prior action, hired Seneca Capital Management and Penn Capital as high yield bond defensive investment managers, and

WHEREAS, The Board, by prior action, has resolved to fund each of the newly-hired managers with \$50 million of cash from the Board's liquid reserve account, and

WHEREAS, General Counsel has advised the Board that all of the contractual documents between the Board and the newly-hired managers have been completed, Therefore be it

RESOLVED, That staff be directed to solicit bids from the Board's Brokers of Record ONLY to transition the assets from the Board's liquid reserve account to Seneca Capital Management and Penn Capital:

**YEAS - TRUSTEES BANDEMER, BEASLEY, CHRISTIAN, DOYLE,
STEWART AND CHAIRPERSON ISOM - 6**

NAYS - TRUSTEES BEST AND ORZECH - 2

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.

GARY GIUMETTI APPEARED BEFORE THE BOARD, DISCUSSED THE BUDGET REQUIREMENTS OF ENVIRONMENTAL DISPOSAL SYSTEMS, INC. AT LENGTH AND THEN EXCUSED HIMSELF.

CONFERENCE

By Mr. Best - Supported by Mr. Bandemer

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary and the Assistant Executive Secretary at the below-referenced conference, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary and the Assistant Executive Secretary to attend said conference:

**Prudential's 2006 Real Estate Seminar
North Carolina
May 16, 2006 - May 18 ,2006**

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ORZECH AND CHAIRPERSON ISOM - 7**

NAYS - TRUSTEE STEWART - 1

SAVANNAH RIVER LANDING LOAN

BY MR. DOYLE - SUPPORTED BY MR. BEST

Whereas, The Board has been requested to execute a Participation Agreement and Annex to Participation Agreement (dated April 17, 2006) relative to the foregoing transaction, and

Whereas, The execution of said documents has been recommended by the Board's real estate advisor, and

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 two (2) authorized signatories on behalf of the Board, and be it further

SAVANNAH RIVER LANDING LOAN

Resolved, That the executed original documents be forwarded to the appropriate party, and be it further

Resolved, That the amount of \$9,258,444.74 be wire-transferred as requested, and be it further

Resolved, That the Retirement System retain copies of said executed original documents:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,
DOYLE, ORZECH, STEWART AND CHAIRPERSON ISOM - 8**

NAYS - NONE

PUBLIC FORUM

AT 12:55 P.M., CHAIRPERSON ISOM DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRPERSON ISOM ADJOURNED THE MEETING AT 1:15 P.M. UNTIL THURSDAY, APRIL 20, 2006 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

