

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

**PROCEEDINGS HELD THURSDAY, MAY 4, 2006 - 9:00 A.M.  
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226**

**PRESENT**

<b>Marty Bandemer</b>	<b>Elected Trustee</b>
<b>Jeffrey Beasley</b>	<b>Ex/Officio Trustee</b>
<b>Gregory Best</b>	<b>Elected Trustee &amp; Vice Chairperson</b>
<b>Gary Christian</b>	<b>Ex/Officio Alternate Trustee</b>
<b>Seth Doyle</b>	<b>Ex/Officio Alternate Trustee</b>
<b>Frank English</b>	<b>Elected Trustee &amp; Chairperson</b>
<b>George Orzech</b>	<b>Elected Trustee</b>
<b>Paul Stewart</b>	<b>Elected Trustee</b>
<b>Alberta Tinsley-Talabi</b>	<b>Ex/Officio Trustee</b>
<b>Walter Stampor</b>	<b>Executive Secretary</b>
<b>Cynthia Thomas</b>	<b>Assistant Executive Secretary</b>
<b>Janet S. Lenear</b>	<b>Recording Secretary</b>
<b>Ronald Zajac</b>	<b>Legal Counsel</b>
<b>Richard Huddleston</b>	<b>Investment Analyst</b>

**EXCUSED**

**None**

**ABSENT**

**None**

**CHAIRPERSON**

**Frank English**

**ROLL CALL WAS TAKEN AT 9:06 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.**

**LIBERTY MUTUAL**

**BY MR. BEST - SUPPORTED BY MR. ORZECH**

**Whereas, The Board has been presented with a May 3, 2006 communication from Liberty Mutual wherein Liberty Mutual requests that the Board fund its portion of the Capital Installment due for Liberty Mutual's U.S. Power Fund II Institutional Fund, L.P. in the amount of \$1,964,377.00, 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, Best, Christian, Doyle, Orzech, Talabi and Chairman English - 7**

**Nays - None**

**RETIREMENTS**

**BY MR. ORZECH - SUPPORTED BY MR. BEST**

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

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi and Chairman English - 7**

**Nays - None**

**RETIREMENTS**

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

**MARVIN MASSEY - CAPTAIN - FIRE  
SERVICE - NEW  
35 00 15  
06 10 06**

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

**JERROLD APEL - FIRE ENGINE OPERATOR  
- FIRE  
SERVICE - NEW  
31 06 24  
06 29 06**

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

**LARRY GILMER - CAPTAIN - FIRE  
SERVICE - NEW  
35 00 11  
06 27 06**

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

**DAVID VARRIALE - CAPTAIN - FIRE  
SERVICE - NEW  
33 09 12  
06 01 06**

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

**ALFRED VENTRE - CAPTAIN - FIRE  
SERVICE - NEW  
33 04 18  
06 29 06**

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

**MICHAEL MCGUIRE - SERGEANT - POLICE  
SERVICE - NEW  
24 05 29  
06 26 06**

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

**TED WASIK - SERGEANT - POLICE  
SERVICE - NEW  
35 08 18  
06 30 06**

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

**GLADIS WYCHE - OFFICER - POLICE  
DUTY DISABILITY RETIREMENT  
CONVERSION - NEW  
25 00 00  
05 18 06**

**CONFIRMATIONS**

**BY MR. ORZECH - SUPPORTED BY MR. BEST**

**RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED BELOW  
BE CONFIRMED:**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English - 7**

**Nays - None**

**CONFIRMATIONS**

THE BOARD RECEIVED THE SUM OF **\$109,505.00** ON APRIL 28, 2006  
FROM LIBERTY LIFE'S C-III FUND

THE BOARD RECEIVED THE SUM OF **\$200,000.00** ON APRIL 27, 2006  
FROM LIBERTY LIFE'S C-IV FUND

THE BOARD RECEIVED THE SUM OF **\$298,442.76** ON APRIL 28, 2006  
FROM RREEF AMERICA II

**REFUNDS OF ACCUMULATED CONTRIBUTIONS**

**BY MR. ORZECH - SUPPORTED BY MR. DOYLE**

**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 #3201 (WHICH IS REFERENCED AT THE END OF  
THESE PROCEEDINGS), IN THE AMOUNT OF \$507,094.41,  
INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY  
RETIREMENT SYSTEM ACCOUNTING STAFF:**

**REFUNDS OF ACCUMULATED CONTRIBUTIONS**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English - 7**

**Nays - None**

**MINUTES OF THURSDAY, APRIL 20, 2006**

**BY MR. BEST - SUPPORTED BY MR. CHRISTIAN**

**RESOLVED, THAT THE MINUTES OF THE MEETING HELD  
THURSDAY, APRIL 20, 2006 BE APPROVED AS AMENDED,  
RECORDED AND SUBMITTED BY THE BOARD'S RECORDING  
SECRETARY:**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English - 7**

**Nays - None**

**REQUEST OF DENNIS A. WELCHER**

**BY MR. ORZECH - SUPPORTED BY MR. BEST**

**WHEREAS, DENNIS A. WELCHER HAS PRESENTED THE BOARD  
WITH AN APRIL 28, 2006 REQUEST TO RECEIVE A REFUND OF  
THE MILITARY SERVICE TIME HE PURCHASED, THEREFORE BE  
IT**

**RESOLVED, THAT THE BOARD HEREBY APPROVES THE  
REQUEST OF DENNIS A. WELCHER:**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English - 7**

**Nays - None**

**REQUEST OF EDWARD H. BARBARICH**

**BY MR. DOYLE - SUPPORTED BY MR. BEST**

**WHEREAS, EDWARD H. BARBARICH HAS PRESENTED THE BOARD WITH A MARCH 20, 2006 REQUEST TO CANCEL HIS DUTY DISABILITY RETIREMENT APPLICATION (DATED FEBRUARY 22, 2006), THEREFORE BE IT**

**RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF EDWARD H. BARBARICH:**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi and Chairman English - 7**

**Nays - None**

**BILL PAYMENT REQUESTS**

**BY MR. ORZECH - SUPPORTED BY MR. BEST**

**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**

**ADVENT CAPITAL - MARCH 31, 2006 - \$74,818.21 - 2006 FIRST QUARTER FEES**

**BILL PAYMENT REQUESTS**

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

**BANK OF NEW YORK - MARCH 7, 2006 - \$52,443.73 - 2006 FIRST  
QUARTER FEES**

**DIMENSIONAL FUND ADVISORS - APRIL 8, 2006 - \$149,673.86 -  
2006 FIRST QUARTER FEES**

**GABRIEL, ROEDER, SMITH & COMPANY - MAY 1, 2006 -  
\$4,300.00 - MAY, 2006 SERVICES**

**O'NEAL, REGINALD - MAY 3, 2006 - \$1,875.00 - EXAMINATION  
FEES**

**OPPENHEIMER - APRIL 24, 2006 - \$165,004.96 - 2006 FIRST  
QUARTER FEES**

**QUILL CORPORATION - APRIL 27, 2006 - \$125.37 - POLICE AND  
FIRE PORTION OF \$250.73 - OFFICE SUPPLIES**

**TT INTERNATIONAL - APRIL 2Y, 2006 - \$216,457.98 - 2006 FIRST  
QUARTER FEES**

**VIKING OFFICE PRODUCTS - APRIL 27, 2006 - \$73.71 - POLICE  
AND FIRE PORTION OF \$147.41 - OFFICE SUPPLIES**

**WELLS FARGO - APRIL 25, 2006 - \$156,100.62 - 2006 FIRST  
QUARTER FEES**

**XJJ COMPANY - MAY 3, 2006 - \$27,312.06 - POLICE AND FIRE  
PORTION OF \$54,624.12 - APRIL 2006 PARY, RETROACTIVE PAY  
AND TRUSTEE STIPEND**

**BILL PAYMENT REQUESTS**

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

**DOUG DAVIS - MAY 2, 2006 - \$5,976.47 - APRIL, 2006 COMPUTER SERVICES**

**JASON DELUCE - MAY 1, 2006 - \$6,375.00 - APRIL, 2006 COMPUTER SERVICES**

**DOUG FREDERICK - MAY 1, 2006 - \$8,433.60 - APRIL, 2006 COMPUTER SERVICES**

**BRIDGETT HARDY - MAY 1, 2006 - \$4,006.60 - APRIL, 2006 COMPUTER SERVICES**

**HAROLD LAMKIN - MAY 1, 2006 - \$5,917.66 - APRIL, 2006 COMPUTER SERVICES**

**FRANK LEARNED - MAY 1, 2006 - \$5,918.00 - APRIL, 2006 COMPUTER SERVICES**

**ANITA LINET - MAY 1, 2006 - \$2,847.72 - APRIL, 2006 COMPUTER SERVICES**

**DENNIS LINET - MAY 1, 2006 - \$8,913.08 - APRIL, 2006 COMPUTER SERVICES**

**MIKE POWNING - MAY 1, 2006 - \$5,718.72 - APRIL, 2006 COMPUTER SERVICES**

**SANJAY PRASAD - APRIL 30, 2006 - \$7,649.28 - APRIL, 2006 COMPUTER SERVICES**

**BILL PAYMENT REQUESTS**

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

**RONALD REEVES - MAY 1, 2006 - \$6,000.00 - APRIL, 2006  
COMPUTER SERVICES**

**RAY TCHOU - MAY 1, 2006 - \$8,713.32 - APRIL, 2006 COMPUTER  
SERVICES**

**ED ZARZYCKI - APRIL 28, 2006 - \$4,875.00 - APRIL, 2006  
COMPUTER SERVICES**

**Yeas - Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English - 7**

**Nays - None**

**LEGAL COUNSEL'S REPORTS**

**LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS  
MATTERS WITH THE BOARD, INCLUDING WASHINGTON PLAZA  
AND DRS HOLDINGS, INC.**

**PFRS WASHINGTON PLAZA, LLC**

**THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE  
MICHIGAN 2006 LIMITED LIABILITY COMPANY ANNUAL  
STATEMENT (DATED MAY 4, 2006) BY A MANAGER OF THE  
COMPANY.**

**DRS HOLDINGS, INC.**

**THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE  
UNANIMOUS WRITTEN CONSENT OF SHAREHOLDER AND  
DIRECTORS IN LIEU OF ANNUAL MEETING (DATED MAY 4, 2006)  
BY OFFICERS OF THE CORPORATION.**

**BAUSCH & LOMB, INC.**

BY MR. ORZECH – SUPPORTED BY MR. BEASLEY

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY **\$440,218.00** ON ITS INVESTMENTS IN **BAUSCH & LOMB, INC.** STOCK FROM **JANUARY 27, 2005** TO THE **PRESENT**, AND

WHEREAS, **BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP** HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST BAUSCH & LOMB, INC., AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP 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, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP:

**Yeas – Trustees Beasley, Best, Christian, Doyle, Orzech, Talabi  
and Chairman English – 7**

**Nays – None**

**WESTIN BOOK CADILLAC HOTEL  
CREDIT ENHANCEMENT  
\$15,000,000.00 PROPOSED INVESTMENT**

**BY MR. ORZECH – SUPPORTED BY MR. BEST**

**RESOLVED, THAT THE BOARD SELECT SPECIAL COUNSEL TO INITIATE LITIGATION AGAINST THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT SEEKING TO VACATE THE BOARD'S DECISION TO PROVIDE A \$15,000,000.00 CREDIT ENHANCEMENT TO THE FERCHILL GROUP, RE: THE DEVELOPMENT OF THE WESTIN BOOK CADILLAC HOTEL:**

**YEAS – TRUSTEES BEST, ORZECH AND CHAIRMAN ENGLISH  
- 3**

**NAYS – TRUSTEES BEASLEY, CHRISTIAN, DOYLE AND  
TALABI – 4**

**WESTIN BOOK CADILLAC HOTEL  
CREDIT ENHANCEMENT  
\$15,000,000.00 PROPOSED INVESTMENT**

**BY MR. BEASLEY – SUPPORTED BY MR. DOYLE**

**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-**

**WESTIN BOOK CADILLAC HOTEL  
CREDIT ENHANCEMENT  
\$15,000,000.00 PROPOSED INVESTMENT**

**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, P.C. 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 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**

**WESTIN BOOK CADILLAC HOTEL  
CREDIT ENHANCEMENT  
\$15,000,000.00 PROPOSED INVESTMENT**

**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 forwarded to proposed Borrower and Special Legal Counsel:**

**Yeas – Trustees Beasley, Best, Christian, Doyle, Talabi and Chairman English – 6**

**Nays – Trustee Orzech – 1**

**ENVIRONMENTAL DISPOSAL SYSTEMS, INC.**

**DOUG WICKLUND APPEARED BEFORE THE BOARD AND DISCUSSED EDS, INC. AT LENGTH.**

**THE BOARD THEN EXCUSED MR. WICKLUND.**

**SYNCOM**

**TERRY JONES AND THREE ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED A VENTURE CAPITAL PROPOSAL (SYNDICATED COMMUNICATIONS VENTURE CAPITAL PARTNERS, V., L. P.) AT LENGTH AND THEN EXCUSED THEMSELVES.**

**BANYAN REALTY ADVISORS, LLC**

**LOU VOGT APPEARED BEFORE THE BOARD, DISCUSSED WASHINGTON PLAZA THE ISLE OF CAPRI AND THEN EXCUSED HIMSELF.**

**WASHINGTON PLAZA  
2006 CAPITAL IMPROVEMENTS BUDGET**

**BY MR. DOYLE - SUPPORTED BY MR. BEST**

**WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 3, 2006 REQUEST FROM BANYAN REALTY ADVISORS WHEREIN BANYAN REQUESTS THAT THE BOARD APPROVE THE 2006 AMENDED CAPITAL IMPROVEMENTS BUDGET FOR WASHINGTON PLAZA, AND**

**WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT**

**RESOLVED, THAT THE BOARD HEREBY APPROVES THE 2006 AMENDED CAPITAL IMPROVEMENTS BUDGET FOR WASHINGTON PLAZA:**

**YEAS - TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, TALABI AND CHAIRMAN ENGLISH - 7**

**NAYS - NONE**

**WASHINGTON PLAZA/ISLE OF CAPRI**

**BY MR. DOYLE - SUPPORTED BY MR. BEST**

**WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 2, 2006 COMMUNICATION FROM BANYAN REALTY ADVISORS WHEREIN BANYAN REQUESTS THAT THE BOARD ACCEPT AND APPROVE BANYAN'S RECOMMENDATION THAT THE BOARD REJECT THE**

**WASHINGTON PLAZA/ISLE OF CAPRI**

**ISLE OF CAPRI'S MODIFIED UNSOLICITED SECOND OFFER TO PURCHASE WASHINGTON PLAZA, AND**

**WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT**

**RESOLVED, THAT THE BOARD HEREBY REJECTS THE ISLE OF CAPRI'S MODIFIED UNSOLICITED SECOND OFFER TO PURCHASE WASHINGTON PLAZA, AND BE IT FURTHER**

**RESOLVED, THAT BANYAN REALTY ADVISORS BE DIRECTED TO ACT CONSISTENT WITH THE BOARD'S DISCUSSION OF THIS DATE:**

**YEAS - TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, TALABI AND CHAIRMAN ENGLISH - 7**

**NAYS - NONE**

**SOLITRON, INC.**

**BY MR. BEASLEY - SUPPORTED BY MR. CHRISTIAN**

**RESOLVED, THAT SPECIAL COUNSEL F. LOGAN DAVIDSON REVIEW INFORMATION PROVIDED BY REAL ESTATE CONSULTANT BANYAN REALTY ADVISORS AND PROVIDE A REPORT TO THE BOARD REGARDING RIGHTS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT REGARDING ITS AGREEMENT TO COLLECT AMOUNTS FROM SOLITRON, INC., AND BE IT FURTHER**

**RESOLVED, THAT SPECIAL COUNSEL AND BANYAN REALTY ADVISORS DISCUSS THIS MATTER, AND BE IT FURTHER**

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL COUNSEL F. LOGAN DAVIDSON AND BANYAN REALTY ADVISORS:**

**SOLITRON, INC.**

**YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH,  
TALABI AND CHAIRMAN ENGLISH – 7**

**NAYS – NONE**

**TRANSAMERICA**

**HEIDI HU AND AN ASSOCIATE APPEARED BEFORE THE BOARD,  
DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.**

**TRUSTEE PAUL STEWART AND MARTY BANDEMER ENTERED  
THE MEETING.**

**BROKERS OF RECORD**

**BY MR. BEASLEY – SUPPORTED BY MR. DOYLE**

WHEREAS, At the Board's meeting of April 27, 2006 staff was directed to prepare a communication for forwarding to each of the Board's Investment Managers reminding the Board's Investment Managers of the Board's policy with respect to trading with the Board's brokers of record, and

WHEREAS, Staff has presented the Board with the requested communication, and

WHEREAS, The Board has read and accepts said communication, Therefore Be It

RESOLVED, That said communication be IMMEDIATELY forwarded to each of the Board's Investment Managers:

Yeas – Trustees Beasley, Best, Christian, Doyle, Orzech,  
Stewart,

Talabi and Chairman English – 8

**BROKERS OF RECORD**

Nays – None

Abstain – Trustee Bandemer – 1

**FIRST INDEPENDENCE BANK**

COMPUTER CONSULTANTS DENNIS LINET AND RAY TCHOU AND RHONDA PUGH AND ROSE LACEY OF FIRST INDEPENDENCE BANK APPEARED BEFORE THE BOARD AND DISCUSSED MAY 1, 2006 DIRECT DEPOSIT FOR POLICE AND FIRE RETIREES.

THE BOARD THEN EXCUSED MESSRS. TCHOU, LINET AND MS. PUGH AND MS. LACEY.

**WASHINGTON PLAZA  
2006 BUSINESS PLAN AND BUDGET**

**BY MR. BEST – SUPPORTED BY MR. CHRISTIAN**

WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 3, 2006 COMMUNICATION FROM BANYAN REALTY ADVISORS WHEREIN BANYAN REQUESTS THAT THE BOARD APPROVE THE 2006 BUSINESS PLAN AND BUDGET FOR WASHINGTON PLAZA, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE 2006 BUSINESS PLAN AND BUDGET FOR WASHINGTON PLAZA:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN,  
DOYLE, ORZECH, STEWART, TALABI AND CHAIRMAN  
ENGLISH – 9

WASHINGTON PLAZA  
2006 BUSINESS PLAN AND BUDGET

NAYS – NONE

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

BY MR. BEST – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO GRANT ENVIRONMENTAL DISPOSAL SYSTEMS, INC. AN ADDITIONAL LOAN OF **\$3,406,442.00**, PER AN APRIL 19, 2006 REPORT FROM MCTEVIA AND ASSOCIATES, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF ENVIRONMENTAL DISPOSAL SYSTEMS, INC.:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE DOYLE WITHDREW HIS SUPPORT OF TRUSTEE BEST'S MOTION.

TRUSTEE ORZECH THEN SUPPORTED TRUSTEE BEST'S MOTION:

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

BY MR. BEST – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD HAS BEEN REQUESTED TO GRANT ENVIRONMENTAL DISPOSAL SYSTEMS, INC. AN ADDITIONAL LOAN OF **\$3,406,442.00**, PER AN APRIL 19, 2006 REPORT FROM MCTEVIA AND ASSOCIATES, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF ENVIRONMENTAL DISPOSAL SYSTEMS, INC. SUBJECT TO THE PROVISIO THAT EDS, INC. COMPLIES WITH CERTAIN RECOMMENDATIONS OUTLINED IN MCTEVIA & ASSOCIATES' APRIL 19, 2006 REPORT:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. ORZECH – SUPPORTED BY MR. BEST

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

YEAS – TRUSTEES BEST AND ORZECH – 2

NAYS – TRUSTEES BANDEMER, BEASLEY, CHRISTIAN,  
DOYLE, STEWART, TALABI AND CHAIRMAN  
ENGLISH - 7

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

BY MR. BEST – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD HAS BEEN REQUESTED TO GRANT ENVIRONMENTAL DISPOSAL SYSTEMS, INC. AN ADDITIONAL LOAN OF **\$3,406,442.00**, PER AN APRIL 19, 2006 REPORT FROM MCTEVIA AND ASSOCIATES, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF ENVIRONMENTAL DISPOSAL SYSTEMS, INC. SUBJECT TO THE PROVISO THAT EDS, INC. COMPLIES WITH CERTAIN RECOMMENDATIONS OUTLINED IN MCTEVIA & ASSOCIATES' APRIL 19, 2006 REPORT:

▣ TRUSTEE BANDEMER EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE BEST WITHDREW HIS MOTION AND TRUSTEE ORZECH WITHDREW HIS SUPPORT OF TRUSTEE BEST'S MOTION.

TRUSTEE BEASLEY THEN MADE THE MOTION WHICH FOLLOWS:

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

BY MR. BEASLEY  
SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO GRANT AN ADDITIONAL LOAN OF **\$3,406,442.00**, PER AN APRIL 19, 2006 REPORT FROM MCTEVIA AND ASSOCIATES, AND

WHEREAS, THE BOARD HAS CONSIDERED THE 14 RECOMMENDATIONS INDICATED ON PAGES 3 AND 4 OF MCTEVIA AND ASSOCIATES' APRIL 19, 2006 REPORT, AND

WHEREAS, THE BOARD IS NOT PREPARED AT THIS TIME TO APPROVE THE REQUESTED **\$3,406,442.00** AMOUNT BASED UPON A TWELVE-MONTH-FORWARD PERIOD, AND

WHEREAS, THE BOARD ACCEPTS THE BULLET RECOMMENDATIONS ON PAGES 3 AND 4 OF MCTEVIA AND ASSOCIATES' APRIL 19, 2006 REPORT, NUMBERED 2 THROUGH 7 AND 12 THROUGH 14 AND BULLET RECOMMENDATION NUMBER 11 IS MODIFIED TO ELIMINATE THE BIRMINGHAM OFFICE AND REPLACE SAME WITH A CITY OF DETROIT OFFICE, AND

WHEREAS, THE PROPOSED BUDGET IS (1) REDUCED BY **\$598,000.00** PLUS **\$85,000.00**, AND (2) THEN

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

REDUCED TO **25%** TO, IN EFFECT, APPLY TO THE FORWARD THREE MONTHS, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVE A FUNDING/LOAN IN THE AMOUNT OF APPROXIMATELY **\$681,000.00** SUBJECT TO THE REQUIREMENTS INDICATED IN BULLETS 2 THROUGH 7 AND 12 THROUGH 14:

2. REQUEST OR REQUIRE THE PERSONAL GUARANTEE OF MR. WICKLUND ON ADDITIONAL BUDGET FUNDINGS (HIS PERSONAL GUARANTEE ON THE PRIOR PFRS LOANS WAS RELEASED UPON ISSUANCE OF THE OPERATING LICENSE)
3. REQUIRE THAT ANY ADVANCES UNDER THIS PROPOSED BUDGET BE REPAYED (WITH INTEREST) PRIOR TO ANY ROYALTY PAYMENTS AND THAT ROYALTY HOLDERS BE ADVISED ACCORDINGLY AND CONSENT TO THIS PROVISION
4. IMPLEMENT A DRAW PROCEDURE REQUIRING AND CONFIRMING THAT DRAWN FUNDS HAVE BEEN SPECIFICALLY APPLIED AS REQUESTED

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

5. REQUIRE THAT MONTHLY PROFIT AND LOSS REPORTS BE PROVIDED TO THE BOARD
6. REQUIRE THAN AN ANNUAL DETAILED BUDGET BE PREPARED AND PROVIDED TO THE BOARD NOT LATER THAN DECEMBER 1ST FOR EACH ENSUING YEAR
7. REQUIRE THE CONTINUATION OF QUARTERLY FIELD AUDITS AND A REPORT TO THE BOARD REGARDING DISBURSEMENTS
12. REQUIRE DISCLOSURE OF ANY TRANSACTIONS RELATED TO MR. WICKLUND, ET AL, PRIOR TO THEIR OCCURRENCE
13. REQUEST A QUARTERLY UPDATE ON THE DISPOSITION OF THE M-1 WELL PROPERTY
14. CONSIDER THE FEASIBILITY OF A MANAGEMENT AGREEMENT DETAILING SPECIFIC PERFORMANCE ISSUES FOR MR. WICKLUND, AND

RESOLVED, THAT THE FOREGOING APPROVAL IS FURTHER SUBJECT TO THE REPLACEMENT OF THE BIRMINGHAM OFFICE TO A CITY OF DETROIT OFFICE AND SUBJECT TO ALL COSTS OF SPECIAL COUNSEL AND

ENVIRONMENTAL DISPOSAL SYSTEMS, INC.  
ROMULUS DISPOSAL PROJECT

MCTEVIA AND ASSOCIATES BEING ULTIMATELY PAID BY BORROWER, AND FURTHER SUBJECT TO APPROVAL OF FINAL DOCUMENTATION BY THE BOARD, GENERAL COUNSEL AND SPECIAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE **IMMEDIATELY** FORWARDED TO DOUG WICKLUND, GARY GIUMETTI OF MCTEVIA AND ASSOCIATES, SPECIAL COUNSEL F. LOGAN DAVIDSON AND THE BOARD'S GENERAL COUNSEL:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, TALABI AND CHAIRMAN ENGLISH – 7

NAYS – TRUSTEE STEWART – 1

SYNCOM

BY MR. DOYLE – SUPPORTED BY MR. BEASLEY

Whereas, The Board has been presented with a venture capital investment proposal from Syncom, and

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

SYNCOM

Resolved, That Adrian Anderson of North Point Advisors be engaged to perform due diligence on the proposal and submit a written report of his findings to the Board:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, TALABI AND CHAIRMAN ENGLISH – 7

NAYS – NONE

ABSTAIN – TRUSTEE STEWART – 1

STEWARD CAPITAL MANAGEMENT

BY MS. TALABI – SUPPORTED BY MR. BEASLEY

Whereas, The Board has been presented with a venture capital private equity real estate investment proposal from Steward Capital, and

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

Resolved, That Steve Burns of the Townsend Group be engaged to perform due diligence on the proposal and submit a written report of his findings to the Board:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

STEWARD CAPITAL MANAGEMENT

NAYS – NONE

2005 TAX RETURN EXECUTION

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE FOLLOWING 2005 TAX RETURNS DATED MAY 4, 2006 BY AN OFFICER OF THE RESPECTIVE CORPORATIONS:

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX OF PFRS YAMATO CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX OF PF COLONNADES WEST CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TX OF PFRS OAK GROVE CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX OF PFRS ST ANDREWS CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX OF PFRS DUBLIN CORPORATION

CALIFORNIA EXEMPT ORGANIZATION ANNUAL INFORMATION RETURN OF PFRS DUBLIN CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX OF PFRS PATRICK CENTER CORPORATION

2005 TAX RETURN EXECUTION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME  
TAX OF SAND LAKE CENTRE CORPORATION

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME  
TX OF PF FUND MUTUAL BUILDING

U.S. RETURN OF ORGANIZATION EXEMPT FROM INCOME  
TAX OF PFRS AVANTI CORPORATION

OKLAHOMA RETURN OF ORGANIZATION EXEMPT FROM  
INCOME TAX OF PFRS AVANTI CORPORATION

OKLAHOMA ANNUAL FRANCHISE TAX RETURN OF PFRS  
AVANTI CORPORATION

PUBLIC FORUM

**AT 2:27 P.M.**, CHAIRPERSON ENGLISH 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  
ENGLISH ADJOURNED THE MEETING AT **2:31 P.M.** UNTIL THURSDAY, **MAY  
18, 2006** AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG  
MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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ASSISTANT EXECUTIVE SECRETARY

