

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

**PROCEEDINGS HELD THURSDAY, JUNE 8, 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 & Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Seth Doyle	Ex/Officio Alternate Trustee
Frank English	Elected Trustee & Chairperson
George Orzech	Elected Trustee
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

ABSENT

None

CHAIRPERSON

Frank English

**ROLL CALL WAS TAKEN AT 9:13 A.M. BY THE BOARD'S
RECORDING SECRETARY AND THE MEETING WAS CALLED TO
ORDER.**

RETIREMENTS

BY MR. BEST - SUPPORTED BY MR. ORZECH

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

**YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ORZECH, STEWART,
TALABI AND CHAIRMAN ENGLISH - 7**

NAYS - NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT

**OREPA DANIELS - WIDOW OF DECEASED
KENNETH DANIELS - OFFICER - POLICE
DUTY DEATH (WIDOW) - NEW**

RETIREMENT, PLAN

08 03 26

SERVICE CREDIT

09 02 04

EFFECTIVE DATE

NAME, TITLE, DEPARTMENT

**KENNETH DANIELS, III - CHILD OF
DECEASED KENNETH DANIELS - OFFICER
- POLICE**

RETIREMENT, PLAN

DUTY DEATH (CHILD) - NEW

SERVICE CREDIT

08 03 26

EFFECTIVE DATE

09 02 04

RETIREMENTS

NAME, TITLE, DEPARTMENT

**KEVIN DANIELS - CHILD OF DECEASED
KENNETH DANIELS - OFFICER - POLICE
DUTY DEATH (CHILD) - NEW**

RETIREMENT, PLAN

08 03 26

SERVICE CREDIT

EFFECTIVE DATE

09 02 04

NAME, TITLE, DEPARTMENT

**LAUREN TURNER - CHILD OF DECEASED
CRAIG TURNER - OFFICER - POLICE
NON-DUTY (CHILD) - NEW**

RETIREMENT, PLAN

20 06 18

SERVICE CREDIT

EFFECTIVE DATE

05 02 06

NAME, TITLE, DEPARTMENT

**CRAIG TURNER, II - CHILD OF DECEASED
CRAIG TURNER - OFFICER - POLICE
NON-DUTY (CHILD) - NEW**

RETIREMENT, PLAN

20 06 18

SERVICE CREDIT

EFFECTIVE DATE

05 02 06

NAME, TITLE, DEPARTMENT

**AARON CAREY - SERGEANT - POLICE
SERVICE - NEW**

RETIREMENT, PLAN

35 02 02

SERVICE CREDIT

EFFECTIVE DATE

05 31 06

NAME, TITLE, DEPARTMENT

**BRYANT WILLIAMS - CAPTAIN - FIRE
SERVICE - NEW**

RETIREMENT, PLAN

33 11 20

SERVICE CREDIT

EFFECTIVE DATE

04 20 06

NAME, TITLE, DEPARTMENT

**CHARLES LEE, JR. - OFFICER - POLICE
SERVICE - NEW**

RETIREMENT, PLAN

29 06 12

SERVICE CREDIT

EFFECTIVE DATE

06 01 06

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$20,000.00** ON MAY 26, 2006 FROM SYNCOM (DUE DILIGENCE FEE)

THE BOARD RECEIVED THE SUM OF **\$20,000.00** ON JUNE 1, 2006 FROM PERSEUS – (DUE DILIGENCE FEE)

THE BOARD RECEIVED THE SUM OF **\$93,218.02** ON MAY 26, 2006 FROM CANYON/JOHNSON

THE BOARD RECEIVED THE SUM OF **\$67,384.31** ON JUNE 2, 2006 FROM CANYON/JOHNSON

THE BOARD RECEIVED THE SUM OF **\$106,754.07** ON MAY 25, 2006 FROM CANYON-JOHNSON

THE BOARD RECEIVED THE SUM OF **\$847,934.00** ON MAY 25, 2006 FROM GSC PARTNERS

THE BOARD RECEIVED THE SUM OF **\$10,805.38** ON MAY 25, 2006 FROM BANYAN REALTY

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

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

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

YEAS – TRUSTEES BANDEMER, BEST, DOYLE, ORZECH, STEWART, TALABI AND
CHAIRMAN ENGLISH – 7

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. ORZECH - 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 #3205 (WHICH IS REFERENCED AT THE END OF THESE PROCEEDINGS), IN THE AMOUNT OF \$595,397.77, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH - 7

NAYS - NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH - SUPPORTED BY MR. STEWART

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:

BILL PAYMENT REQUESTS

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

**AMERICAN ARBITRATION ASSOCIATION - MAY 16, 2006 -
\$3,458.65 - TRUSTEE ELECTION**

**BANK OF NEW YORK - MAY 9, 2006 - \$9,000.00 - THIRD PARTY
FOREIGN EXCHANGE TRANSACTION FEE FOR THE PERIOD
ENDING MARCH 31, 2006**

**BANK OF NEW YORK - MAY 9, 2006 - \$52,698.03 - 2006 FIRST
QUARTER FEES**

**BLACKROCK - MAY 19, 2006 - \$104,095.00 - 200T FIRST
QUARTER FEES**

**CROMWELL COMMUNICATIONS - MAY 30, 2006 - \$725.00 -
AWARD CERTIFICATE - POLICE AND FIRE**

**DETROIT OFFICE INTERIORS - JUNE 1, 2006 - \$3,459.50 -
POLICE AND FIRE PORTION OF \$6,919.00 - PARTIAL
RENOVATION OF RETIREMENT SYSTEM OFFICES**

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

**IRON MOUNTAIN - MAY 31, 2006 - \$750.09 - POLICE AND FIRE
PORTION OF \$1,500.18 - CONTRACT/MISCELLANEOUS SERVICES
- CUSTOMER IDENTIFICATION NUMBER L-166-D**

**MCTEVIA & ASSOCIATES - JUNE 1, 2006 - \$2,080.50 - MAY, 2006
FEES - CRESCENT PRIVATE CAPITAL**

**NORTH POINT ADVISORS - MAY 17, 2006 - \$20,000.00 -
INVESTMENT DUE DILIGENCE - PERSEUS, LLC**

BILL PAYMENT REQUESTS

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

**MIKE POWNING - MAY 30, 2006 - \$4,424.28 - MAY, 2006
COMPUTER CONSULTING SERVICES**

**SANJAY PRASAD - MAY 28, 2006 - \$6,253.75 - MAY, 2006
COMPUTER CONSULTING SERVICES**

**RONALD REEVES - MAY 29, 2006 - \$4,800.00 - MAY, 2006
COMPUTER CONSULTING SERVICES**

**RAY TCHOU - MAY 30, 2006 - \$7,100.10 - MAY, 2006
COMPUTER CONSULTING SERVICES**

**ED ZARZYCKI - MAY 30, 2006 - \$3,705.00 - MAY 2006
COMPUTER CONSULTING SERVICES**

**YEAS - TRUSTEES BANDEMER, BEST, DOYLE, ORZECZ, STEWART,
TALABI AND CHAIRMAN ENGLISH - 7**

NAYS - NONE

■ EX/OFFICIO TRUSTEE JEFFREY BEASLEY ENTERED THE MEETING.

REQUEST OF FREDERICK RILEY

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

**WHEREAS, FREDERICK RILEY HAS PRESENTED THE BOARD WITH A
REQUEST TO RECEIVE A REFUND OF THE MILITARY SERVICE TIME HE
PURCHASED, PER A ONE-PAGE (UNDATED) COMMUNICATION,
THEREFORE BE IT**

**RESOLVED, THAT THE REQUEST OF MR. RILEY IS HEREBY
APPROVED:**

REQUEST OF FREDERICK RILEY

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, ORZECH,
STEWART, TALABI AND CHAIRMAN ENGLISH - 8**

NAYS - NONE

Pre-Employment Military Service Credit

By Mr. Best - Supported by Mr. Bandemer

Whereas, The individuals whose names are designated below have applied to this Board for Pre-Employment Military Service Credit and have complied with all of the necessary requirements of Section 54-30-3-B of the Charter Provisions, as amended by Board resolution of February 3, 1983, Therefore Be It

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be credited them as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Anthony Armstrong

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, ORZECH,
STEWART, TALABI AND CHAIRMAN ENGLISH - 8**

NAYS - NONE

CNL HOTELS & RESORTS

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, Staff has received and reviewed a notice from CNL Hotels & Resorts, Inc. of a special meeting of shareholders to be held on June 20, 2006, and

WHEREAS, Staff has reviewed the proxy materials supplied by CNL, and

WHEREAS, Staff has advised the board that the issues to be voted on at the special meeting are sufficiently complex to warrant the referral of this matter to The Townsend Group, the Board's real estate consultant, and

WHEREAS, The Board has discussed this matter with staff and general counsel on this date, therefore be it

RESOLVED, That the matter of the proxy vote at the special meeting of shareholders of CNL Hotels & Resorts, Inc. be referred to The Townsend Group for a review and recommendation as to how the Board should vote its shares at the upcoming special meeting:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, ORZECH,
STEWART, TALABI AND CHAIRMAN ENGLISH - 8**

NAYS - NONE

■ EX/OFFICIO TRUSTEE GARY CHRISTIAN ENTERED THE MEETING.

INLAND REIT

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, Staff has advised the Board that Madison Liquidity Investments has made an unsolicited proposal to purchase the shares of the Inland REIT, and

WHEREAS, Staff has reviewed the proposal of Madison Liquidity Investments and discussed this matter with the Board on this date, therefore be it

RESOLVED, That the proposal of Madison Liquidity Investments be sent to The Townsend Group, the Board's real estate consultant, for a review and recommendation:

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

NAYS - NONE

ENVIRONMENTAL DISPOSAL SYSTEMS, INC./CRESCENT PRIVATE CAPITAL

GARY GIUMETTI APPEARED BEFORE THE BOARD, DISCUSSED EDS, INC. AND CRESCENT PRIVATE CAPITAL AT LENGTH AND THEN EXCUSED HIMSELF.

CALAMOS

SCOTT BECKER AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.

CRESCENT PRIVATE CAPITAL

BY MR. ORZECH - SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF A COMMUNICATION FROM MCTEVIA & ASSOCIATES WHICH REFERENCES CERTAIN AMOUNTS TO BE WIRE-TRANSFERRED CONSISTENT WITH A FINAL ORDER OF THE ARBITRATOR REGARDING THIS MATTER, AND

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

RESOLVED, THAT SUBJECT TO RECEIPT OF THE FINAL ORDER, CONSISTENT WITH THE BOARD'S DISCUSSION OF THIS DATE, AND SUBJECT TO APPROVAL OF THE EXECUTIVE SECRETARY AND GENERAL COUNSEL, SAID AMOUNTS BE WIRE-TRANSFERRED TO THE APPROPRIATE PARTY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MCTEVIA & ASSOCIATES:

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

NAYS - TRUSTEES BANDEMER AND STEWART - 2

BLACKROCK

BY MR. BEASLEY - SUPPORTED BY MR. STEWART

WHEREAS, The Board, by prior action, terminated Blackrock as a small-cap growth equity manager, and

WHEREAS, The Board, by prior action, directed that the assets formerly managed by Blackrock be managed by Rhumblin in its Russell 2000 Growth Index account, and

WHEREAS, Staff has advised the Board that there are no pending trades outstanding in the Blackrock account, Therefore Be It

RESOLVED, That The Bank of New York, as master securities custodian, be directed to obtain a certified list of assets from Blackrock, and be it further

RESOLVED, That the transition of assets from Blackrock to Rhumblin be put out for bids to the Board's brokers of record, and be it further

RESOLVED, That staff obtain a proposal from Rhumblin as to how they would transition the assets into their account and what costs the Board would expect to incur:

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

NAYS - NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING ORACLE CAPITAL FUND, L.P. AND PFRS ST. ANDREWS CORPORATION.

ORACLE CAPITAL FUND, L.P.

BY MR. STEWART - SUPPORTED BY MR. BEASLEY

WHEREAS, DOCUMENTATION HAS BEEN COMPLETED REGARDING THIS TRANSACTION CONSISTENT WITH RECOMMENDATIONS AND APPROVED BY NORTH POINT ADVISORS, SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL, AND

WHEREAS, GENERAL COUNSEL HAS REPORTED THAT ONE ISSUE REMAINS REGARDING WHETHER A BOND OR INSURANCE POLICY WILL BE A PORTION OF THE DOCUMENTATION AND WILL BE FINALIZED IN EITHER CASE BY GENERAL COUNSEL, AND

WHEREAS, DOCUMENTATION HAS BEEN SUBMITTED FOR SIGNATURE, AND

WHEREAS, THE BOARD ANTICIPATES A CASH-CALL FOR A PORTION OF ORGANIZATIONAL EXPENSES, AND

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

RESOLVED, THAT THE AGREEMENT OF LIMITED PARTNERSHIP, AMENDMENT OF LIMITED PARTNERSHIP AND SUBSCRIPTION BOOKLET DOCUMENTS DATED JUNE 8, 2006 BE EXECUTED BY TWO AUTHORIZED SIGNATORIES ON BEHALF OF THE SYSTEM, AND BE IT FURTHER

RESOLVED, THAT CASH-CALLS BE APPROVED AND HONORED UPON SUBMISSION TO THE SYSTEM SUBJECT TO APPROVAL OF GENERAL COUNSEL AND THE ASSISTANT EXECUTIVE SECRETARY OR EXECUTIVE SECRETARY CONSISTENT WITH THE DOCUMENTATION:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECZ, STEWART, TALABI AND CHAIRMAN ENGLISH - 9

NAYS - NONE

PFRS ST. ANDREWS CORPORATION

BY MS. TALABI - SUPPORTED BY MR. ORZECH

RESOLVED, THAT PAUL STEWART BE AND IS HEREBY ELECTED TO ACT AS A DIRECTOR OF THE CORPORATION, EFFECTIVE IMMEDIATELY, TO SERVE UNTIL THE NEXT ANNUAL MEETING OR OTHER ACTION IS TAKEN REGARDING SAID OFFICE:

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

NAYS - NONE

PFRS ST. ANDREWS CORPORATION

THE BOARD WAS MADE AWARE OF THE UNANIMOUS WRITTEN CONSENT OF DIRECTORS (NOTING THE RESIGNATION OF ROGER CHEEK FROM HIS POSITIONS AS OFFICER AND DIRECTOR OF THE CORPORATION AND ELECTION OF PAUL STEWART AS TREASURER OF THE CORPORATION DATED MAY 25, 2006.

INTERNAL REVENUE SERVICE

BY MR. CHRISTIAN - SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD RECEIVED NINE (9) LETTERS, RE: U.S. RESIDENCY CERTIFICATION REQUESTING MORE INFORMATION, AND

WHEREAS, GENERAL COUNSEL REPORTED TO THE BOARD THAT HE CONTACTED THE IRS AND SPOKE TO A MR. WILLIAMS ON MAY 25, 2006 WHO INFORMED GENERAL COUNSEL THAT ALL ISSUES WERE RESOLVED AND NO FURTHER INFORMATION IS NECESSARY OR REQUESTED BY THE IRS, THEREFORE BE IT

RESOLVED, THAT NO FURTHER ACTION REGARDING THIS MATTER NEED BE TAKEN BASED UPON THIS INFORMATION:

INTERNAL REVENUE SERVICE

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

NAYS - NONE

INTERNAL REVENUE SERVICE 945

**LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A
COPY OF A COMMUNICATION FROM THE IRS TO LEGAL COUNSEL
REGARDING FORM 945 WHICH HE WILL DISCUSS FURTHER WITH THE
IRS AND RETIREMENT SYSTEM ACCOUNTING STAFF.**

**MUTUAL FUNDS INVESTMENT LITIGATION, MDL-1586
SANDERS VERSUS PUTNAM AMERICAN GOVERNMENT INCOME FUND,
(CA NO. JFM-04-0560)**

**LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A
COPY OF A MAY 19, 2006 COMMUNICATION FROM MILBERG WEISS TO
THE HONORABLE J. FREDERICK MOTZ (UNITED STATES DISTRICT
COURT) REGARDING THE ABOVE-CAPTIONED MATTER.**

SAFE NET, INC. SECURITIES LITIGATION

**LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A
COPY OF A MAY 19, 2006 COMMUNICATION FROM BERNSTEIN
LITOWITZ TO EXECUTIVE SECRETARY WALTER STAMPOR REGARDING
THE ABOVE-CAPTIONED MATTER.**

KLA-TENCOR CORPORATION

**LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A
COPY OF A JUNE 5, 2006 COMMUNICATION FROM KOHN, SWIFT AND
GRAF TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.**

KLA-TENCOR CORPORATION

BY MR. ORZECH - SUPPORTED BY MR. BEST

WHEREAS, IT IS BELIEVED THE SYSTEM HAS INCURRED DAMAGES OF OVER **\$400,000.00** DUE TO **KLA-TENCOR CORPORATION** ALLEGEDLY BACKDATING STOCK OPTIONS, AND

WHEREAS, **KOHN, SWIFT AND GRAF** HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST **KLA-TENCOR CORPORATION**, AND

WHEREAS, **KOHN, SWIFT AND GRAF** 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 KOHN, SWIFT AND GRAF 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 **KOHN, SWIFT AND GRAF**:

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

NAYS - NONE

**CARTER VERSUS CARTER
WAYNE COUNTY CASE #05-512144-DO**

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF AN AMENDED MAY 1, 2006 ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS AN AUGUST 2, 2005 JUDGMENT OF DIVORCE WHEREIN DOLORES CARTER IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN BENEFITS ONLY OF RONALD CARTER, AND

WHEREAS, THE BOARD PREVIOUSLY ADOPTED RESOLUTIONS ON MARCH 9, 2006 AND DECEMBER 1, 2005, AND

WHEREAS, THE BOARD HAS BEEN INFORMED THAT PARTICIPANT RETIRED EFFECTIVE MARCH 2, 2006, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS OCTOBER 23, 1950 AND PARTICIPANT HAD ATTAINED 25 YEARS, 09 MONTHS AND 07 MONTHS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S 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

**CARTER VERSUS CARTER
WAYNE COUNTY CASE #05-512144-DO**

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, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, 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 DOLORES CARTER, RONALD CARTER AND ATTORNEY DONALD STOLBERG:

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

NAYS - NONE

WOODBURY VERSUS WOODBURY

BY MR. ORZECH - SUPPORTED BY MR. BEST

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON MAY 26, 2005, INTER ALIA, PROVIDING FOR PAYMENT OF \$5,036.11 TO BE MADE TO RICHARD WOODBURY WHICH WAS PREVIOUSLY UNDERPAID TO HIM AND TO RECOVER SAID AMOUNT FROM DORIS WOODBURY WHICH WAS PREVIOUSLY OVERPAID TO HER, AND

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON JANUARY 19, 2006 WHICH REQUIRED THAT NO FURTHER ACTION BE TAKEN CONSISTENT WITH THE MAY 26, 2005 RESOLUTION UNTIL FURTHER ACTION OF THE BOARD, AND

WHEREAS, THE BOARD HAS NOT BEEN PROVIDED RELEVANT ADDITIONAL INFORMATION TO JUSTIFY A FURTHER DELAY IN IMPLEMENTING THE MAY 26, 2005 RESOLUTION, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO ANY FURTHER ADJUSTMENT, PER REFERRAL TO THE RETIREMENT SYSTEM PER SUPPLEMENTAL OR AMENDED FUTURE COURT ORDERS, THE UNDERPAID AMOUNT BE PAID TO RICHARD WOODBURY WITH INTEREST AT THE ACTUARIAL RATE, AND BE IT FURTHER

RESOLVED, THAT THE OVERPAYMENT AMOUNT BE RECOVERED FROM DORIS WOODBURY:

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

NAYS - NONE

THE WILLIAMS COMPANIES

THE BOARD CONTACTED CHAD JOHNSON OF BERNSTEIN LITOWITZ VIA SPEAKERPHONE.

CLOSED SESSION

By Mr. Best - Supported by Ms. Talabi

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

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

NAYS - NONE

The Board entered into Closed Session at 12:16 P.M.

PRIOR TO THE CONCLUSION OF CLOSED SESSION, LEGAL COUNSEL DISCUSSED EDS, INC. AT LENGTH.

OPEN SESSION

By Mr. Stewart - Supported by Mr. Bandemer

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS - NONE

OPEN SESSION

The Board returned to Open Session at 12:45 P.M.

POLICE AND FIRE ELECTION RESULTS

BY MR. BANDEMER - SUPPORTED BY MR. BEST

RESOLVED, THAT THE BOARD OF TRUSTEES ACKNOWLEDGE THE FIRE DEPARTMENT ELECTION RESULTS ELECTING GEORGE ORZECH TO THE OFFICE OF TRUSTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2006 AND TERMINATING JUNE 30, 2009 AND MR. ORZECH CONTACT THE CITY CLERK'S OFFICE FOR THE PURPOSE OF BEING ADMINISTERED THE OATH OF OFFICE, AND BE IT FURTHER

RESOLVED, THAT THE BOARD OF TRUSTEES ACKNOWLEDGE THE POLICE DEPARTMENT ELECTION RESULTS ELECTING PAUL STEWART TO THE OFFICE OF TRUSTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2006 AND TERMINATING JUNE 30, 2009 AND MR. STEWART CONTACT THE CITY CLERK'S OFFICE FOR THE PURPOSE OF BEING ADMINISTERED THE OATH OF OFFICE:

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

NAYS - NONE

WILLIAMS COMPANIES CLASS ACTION LITIGATION

BY MR. ORZECH - SUPPORTED BY MR. BEST

WHEREAS, THE SYSTEM IS NAMED PLAINTIFF, BUT IS NOT A LEAD OR CO-LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, IN CLOSED SESSION, PER PHONE CONFERENCE CALL SPECIAL LEGAL COUNSEL, BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN (BLBG) MADE THE BOARD AWARE OF A PROPOSED SETTLEMENT AMOUNT WHICH ACCEPTANCE IS RECOMMENDED TO ALL PLAINTIFFS BY BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN, AND

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

RESOLVED, THAT THE BOARD ACCEPTS THE RECOMMENDATION OF SPECIAL LEGAL COUNSEL, BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN AND APPROVE THE SETTLEMENT AMOUNT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMAN:

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

NAYS - NONE

**MAYFIELD GENTRY REALTY ADVISORS
GENESIS VALUE FUND
\$20,000,000.00 PROPOSED INVESTMENT**

BY MS. TALABI - SUPPORTED BY MR. BEASLEY

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 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 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 Borrower and project sponsor, and subject to approval of final documents by the Board of Trustees, and be it further

**MAYFIELD GENTRY REALTY ADVISORS
GENESIS VALUE FUND
\$20,000,000.00 PROPOSED INVESTMENT**

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, Borrower, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including legal fees and expenses being paid from an escrow account funded by Borrower or entities other than the Board, and be it further

Resolved, That the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board and 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

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

Resolved, That the foregoing is also conditioned upon Borrower/applicable party 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 the Borrower/applicable party 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

**MAYFIELD GENTRY REALTY ADVISORS
GENESIS VALUE FUND
\$20,000,000.00 PROPOSED INVESTMENT**

Resolved, That a copy of this resolution be forwarded to proposed Borrower/Project Sponsor and Special Legal Counsel to be selected by the Board, and be it further

Resolved, That the foregoing is also subject to receipt by the Board of written acknowledgment from proposed Borrower/applicable party that proposed Borrower/applicable party has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein:

**YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE,
STEWART, TALABI AND CHAIRMAN ENGLISH - 8**

NAYS - TRUSTEE ORZECH - 1

PRESENTATIONS

BY MR. BEASLEY - SUPPORTED BY MR. DOYLE

RESOLVED, THAT REPRESENTATIVES OF THE FIRMS WHICH ARE LISTED BELOW BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

**LEE CANAAN
BRAEBURN CAPITAL PARTNERS, LLC
SMALL-CAP EQUITIES**

**FRED PRIME
LOOP CAPITAL
BROKERAGE SERVICES**

**ROBERT G . LORENTE
LIGHTSTONE GROUP
VALUE PLUS REIT**

PRESENTATIONS

**WILLIAM CAMPBELL
W. Y. CAMPBELL & COMPANY
MEZZANINE DEBT**

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

NAYS - NONE

SPECIAL LEGAL COUNSEL'S ASSIGNMENTS

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

**RESOLVED, THAT THE BOARD'S MOTION REGARDING SPECIAL LEGAL
COUNSEL'S ASSIGNMENTS, WHICH WAS TABLED MAY 25, 2006, BE
REMOVED FROM THE TABLE:**

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

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

NAYS - NONE

**FOLLOWING IS THE BOARD'S MAY 25, 2006 MOTION REGARDING
SPECIAL LEGAL COUNSEL'S ASSIGNMENTS:**

ASSIGNMENTS TO SPECIAL LEGAL COUNSEL

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

**RESOLVED, THAT SPECIAL LEGAL COUNSEL JOE TURNER (OF CLARK
HILL), UNTIL FURTHER NOTICE BY THE BOARD OF TRUSTEES AND
SUBJECT TO THE BOARD OF TRUSTEES' AVAILABILITY, ATTEND
EACH REGULAR RETIREMENT SYSTEM BOARD MEETING AND ASSIST
GENERAL COUNSEL AS REQUESTED BY THE BOARD OF TRUSTEES
AND/OR GENERAL COUNSEL, AND BE IT FURTHER**

SPECIAL LEGAL COUNSEL'S ASSIGNMENTS

RESOLVED, THAT SPECIAL LEGAL COUNSEL BE PAID AT AN HOURLY RATE OF \$225.00 PER HOUR SUBJECT TO APPROVAL OF SPECIAL LEGAL COUNSEL'S BILLING BY GENERAL COUNSEL AND THE BOARD OF TRUSTEES, AND BE IT FURTHER

RESOLVED, THAT IN THE EVENT GENERAL COUNSEL, AT SOME POINT IN THE FUTURE, CAN NO LONGER CONTINUE TO SERVE AS GENERAL COUNSEL, ANY PERSON SELECTED AS GENERAL COUNSEL MEET THE BOARD'S REQUIREMENTS OF GENERAL COUNSEL (BEING INDEPENDENT OF LAW FIRMS OTHER THAN PERSONALLY-OWNED LAW FIRMS) TO THE SATISFACTION OF THE BOARD OF TRUSTEES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE AFORE-NAMED SPECIAL LEGAL COUNSEL:

YEAS - TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, DOYLE, ORZECZ, STEWART, TALABI AND CHAIRMAN ENGLISH - 7

NAYS - TRUSTEES BEST AND CHAIRMAN ENGLISH - 2

ADMINISTRATION/TELEPHONE ANSWERING SYSTEM

BY MR. BEASLEY - SUPPORTED BY MR. CHRISTIAN

WHEREAS, THE BOARD IS AWARE OF INEFFICIENCIES WITH THE EXISTING PROCEDURES AND TELEPHONE ANSWERING SYSTEM, AND

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

RESOLVED, THAT THE EXECUTIVE SECRETARY, THE TWO ASSISTANT EXECUTIVE SECRETARIES AND MEMBERS OF THE SYSTEM'S IT STAFF TAKE APPROPRIATE ACTION TO REVISE THE EXISTING PROCEDURES AND INITIATE AN IMPROVED TELEPHONE ANSWERING SYSTEM:

ADMINISTRATION/TELEPHONE ANSWERING SYSTEM

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

NAYS - NONE

PUBLIC FORUM

**AT 2:40 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 2:50 P.M.
UNTIL THURSDAY, JUNE 15, 2006 AT 9:00 A.M., IN ROOM 910 OF THE
COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN
48226.**

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY