

**MEETING NUMBER 2592**

**JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF THE  
POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT**



**PROCEEDINGS HELD THURSDAY, SEPTEMBER 7, 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/Treasurer</b>
<b>Gregory Best</b>	<b>Elected Trustee/Vice Chairperson</b>
<b>Gary Christian</b>	<b>Ex/Officio Alternate Trustee</b>
<b>Frank English</b>	<b>Elected Trustee/Chairperson</b>
<b>DeDan Milton</b>	<b>Ex/Officio Alternate Trustee</b>
<b>James Moore</b>	<b>Elected Trustee</b>
<b>George Orzech</b>	<b>Elected Trustee</b>
<b>Tyrone Scott</b>	<b>Ex/Officio Trustee/Fire Commissioner</b>
<b>Paul Stewart</b>	<b>Elected Trustee</b>
<b>Alberta Tinsley-Talabi</b>	<b>Ex/Officio Trustee/City Council Representative</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>Joe Turner</b>	<b>Special Legal Counsel</b>
<b>Richard Huddleston</b>	<b>Investment Analyst</b>

**EXCUSED**

**None**

**ABSENT**

**None**

**CHAIRPERSON**

**Frank English**

**ROLL CALL WAS TAKEN AT 9:11 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.**

**MINUTES OF AUGUST 24, 2006**

**BY MR. BEST – SUPPORTED BY MR. MOORE**

**RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, AUGUST 24, 2006 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:**

**YEAS – TRUSTEES BEST, MILTON, MOORE, ORZECH AND CHAIRMAN ENGLISH – 5**

**NAYS – NONE**

**LIBERTY MUTUAL**

**BY MR. BEST – SUPPORTED BY MR. MILTON**

**Whereas, The Board has been presented with a **September 1, 2006** communication from **Liberty Mutual** wherein Liberty Mutual requests that the Board fund the capital installment due for **USPF II Institutional Fund, L.P.** in the amount of **\$2,150,960.00**, 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 BEST, MILTON, MOORE, ORZECH AND CHAIRMAN ENGLISH – 5**

**NAYS – NONE**

**SYNDICATED COMMUNICATIONS**

**BY MR. BEST – SUPPORTED BY MR. MILTON**

Whereas, The Board has been presented with a **September 6, 2006** communication from **Syndicated Communications** wherein **Syndicated Communications** requests that the Board fund the capital installment due for **Syndicated Communications Venture Partners V, L.P.** in the amount of **\$227,838.00**, 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 BEST, MILTON, MOORE, ORZECZ AND CHAIRMAN  
ENGLISH – 5**

**NAYS – NONE**

**PERSEUS**

**BY MR. BEST – SUPPORTED BY MR. MILTON**

Whereas, The Board has been presented with a **September 6, 2006** communication from **Perseus** wherein **Perseus** requests that the Board fund the capital installment due for **Perseus Partners VII** in the amount of **\$3,588,722.00**, 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 BEST, MILTON, MOORE, ORZECZ AND CHAIRMAN  
ENGLISH – 5**

**NAYS – NONE**

**■ EX/OFFICIO TRUSTEE CHRISTIAN ENTERED THE MEETING.**

**BILL PAYMENT REQUESTS**

**BY MR. MOORE – 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**

**ASPEN PUBLISHERS – AUGUST 23, 2006 - \$108.21- POLICE AND FIRE  
PORTION OF \$216.41 – 2007 PENSION ANSWER BOOK PURCHASE**

**CLARK HILL – AUGUST 28, 2006 - \$4,299.75 – JULY, 2006 SERVICES –  
SMITH WHILEY**

**CLARK HILL – AUGUST 28, 2006 - \$7,777.07 – JULY, 2006 SERVICES –  
PERSEUS**

**CLARK HILL – AUGUST 28, 2006 - \$6,157.06 – JULY, 2006 SERVICES –  
SYNDICATED COMMUNICATIONS**

**CLARK HILL – AUGUST 28, 2006 - \$14.12 – JULY, 2006 SERVICES –  
RED RIVER**

**CLARK HILL – AUGUST 28, 2006 - \$7,656.08 – JULY, 2006  
MISCELLANEOUS SERVICES**

**ENGLISH, FRANK – AUGUST 28, 2006 - \$175.00 – PARKING  
REIMBURSEMENT**

**GABRIEL, ROEDER, SMITH & COMPANY – SEPTEMBER 5, 2006 -  
\$4,500.00 – SEPTEMBER, 2006 SERVICES**

**BILL PAYMENT REQUESTS**

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

**OFFICE DEPOT – AUGUST 22, 2006 - \$209.93 – POLICE AND FIRE  
PORTION OF \$419.85 – OFFICE SUPPLIES**

**OFFICE DEPOT – APRIL 25, 2006 - \$230.18 – POLICE AND FIRE  
PORTION OF \$460.35 – OFFICE SUPPLIES**

**YEAS – TRUSTEES BEST, CHRISTIAN, MILTON, MOORE, ORZECZ AND  
CHAIRMAN ENGLISH – 6**

**NAYS – NONE**

**■ TRUSTEE STEWART ENTERED THE MEETING.**

**LEGAL COUNSEL'S REPORTS**

**LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH  
THE BOARD, INCLUDING ELAINE GALLEN, HEALTH SOUTH SECURITIES  
LITIGATION (HAVING PROVIDED THE BOARD WITH AN AUGUST 24,  
2006 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN,  
LITOWIZ, BERGER AND GROSSMANN, LLP TO LEGAL COUNSEL  
REGARDING SAME), MMA CAPITAL REALTY, MERRILL LYNCH AND  
INCOME, RESEARCH AND MANAGEMENT.**

**■ EX/OFFICIO TRUSTEE BEASLEY ENTERED THE MEETING.**

**AIG GLOBAL**

**■ TRUSTEE BANDEMER AND EX/OFFICIO TRUSTEE TALABI ENTERED  
THE MEETING.**

**GENA STRUM AND AN ASSOCIATE APPEARED BEFORE THE BOARD TO  
DISCUSSED SMALL-CAP EQUITY INVESTING.**

**ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD  
IN LISTENING TO AIG'S PRESENTATION.**

**THE BOARD THEN EXCUSED MS. STRUM AND HER ASSOCIATE.**

■ **TRUSTEES STEWART AND BANDEMER TEMPORARILY EXCUSED THEMSELVES, AS DID EX/OFFICIO TRUSTEE CHRISTIAN.**

**ENHANCEMENT OF TRUSTEE AND STAFF ACCESS TO INFORMATION TECHNOLOGY SYSTEMS**

**BY MR. MOORE – SUPPORTED BY MR. BEST**

WHEREAS, The Board has been pursuing enhancements to the access and availability of the information technology systems to the Trustees, and

WHEREAS, Staff has presented its summary and review of various options with respect to the enhancement of the access of the Trustees and staff to the personnel and information technology systems of the Retirement System, and

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

RESOLVED, That the Retirement System provide remote broadband and cellular equipment and services to any Trustee which requests it, and be it further

RESOLVED, That Verizon be selected as the vendor to provide cellular and broadband support for the retirement system, and be it further

RESOLVED, That the Assistant Executive Secretary be authorized to execute those contracts with Verizon which may be required to implement the foregoing:

YEAS – TRUSTEES BEASLEY, BEST, MILTON, MOORE, ORZECH, TALABI AND  
CHAIRMAN ENGLISH – 7

NAYS – NONE

■ TRUSTEE BANDEMER RE-JOINED THE MEETING.

■ TRUSTEE STEWART RE-JOINED THE MEETING.

■ EX/OFFICIO TRUSTEE CHRISTIAN RE-JOINED THE MEETING.

**MUNROS CAPITAL**

NEILL DUNN AND ASSOCIATE TED DUTCHER APPEARED BEFORE THE BOARD TO DISCUSS SMALL-CAP EQUITY INVESTING.

MUNROS CAPITAL

ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD IN LISTENING TO MUNROS' PRESENTATION.

THE BOARD THEN EXCUSED MESSRS. DUTCHER AND DUNN.

BENEFITS AND EXPENSES OF THE SYSTEM

BY MR. STEWART – SUPPORTED BY MR. CHRISTIAN

WHEREAS, Staff has informed the Board that withdrawals must be made from the investment manager accounts to fund benefits and expenses, and

WHEREAS, The board has discussed this matter with its consultant, Adrian Anderson of North Point Advisors on this date, therefore be it

RESOLVED, That \$50,000,000.00 be withdrawn from the S&P 500 index account managed by Merrill Lynch:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – TRUSTEE ORZECH – 1

FAM-GLOBAL

BY MR. CHRISTIAN – SUPPORTED BY MR. MOORRE

WHEREAS, The board by prior action has approved the investment of \$20 million in the FAM-Global fund, and

WHEREAS, The board has discussed this matter with its consultant Adrian Anderson of North Point Advisors on this date, therefore be it

RESOLVED, That the FAM-Global investment be included within the corporate bond asset allocation, and be it further

RESOLVED, That the target asset allocation of Transamerica be reduced from 4.2% to 3.7%, and be it further

RESOLVED, That \$20 million be withdrawn from the account managed by Transamerica to fund the FAM-Global investment:

FAM-GLOBAL

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – NONE

■ EX/OFFICIO TRUSTEE SCOTT ENTERED THE MEETING.

EVERGREEN

LORI BUFFUM AND AN ASSOCIATE APPEARED BEFORE THE BOARD TO  
DISCUSS SMALL-CAP EQUITY INVESTING.

ADRIAN ANDERSON OF NORTH POINT ADVISORS JOINED THE BOARD IN  
LISTENING TO EVERGREEN'S PRESENTATION.

THE BOARD THEN EXCUSED MS. BUFFUM AND HER ASSOCIATE.

MAYFIELD GENTRY REALTY ADVISORS

CHAUNCEY MAYFIELD AND THREE ASSOCIATES APPEARED BEFORE THE BOARD  
AND DISCUSSED THE BOARD'S POSSIBLE ACQUISITION OF TWO BUILDINGS  
IN PHOENIX, ARIZONA.

THE BOARD THEN EXCUSED MR. MAYFIELD AND HIS ASSOCIATES.

INCOME, RESEARCH AND MANAGEMENT ("IRM")

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 25, 2006 E-MAIL  
EXPLAINING, INTERALIA, TRANSFER OF SHARES BY CO-FOUNDER JOHN  
SOMMERS TO HIS SONS, AND

WHEREAS, INCOME, RESEARCH AND MANAGEMENT REQUESTS THAT THE  
BOARD ACKNOWLEDGE NOTIFICATION AND CONSENT TO THE REDUCTION OF  
MR. SOMMERS' OWNERSHIP BELOW 25%, AND

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

INCOME, RESEARCH AND MANAGEMENT ("IRM")

RESOLVED, THAT THE BOARD ACKNOWLEDGES NOTIFICATION OF THE FOREGOING AND CONSENTS TO THE REDUCTION OF MR. SOMMERS' OWNERSHIP BELOW 25%, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO INCOME, RESEARCH AND MANAGEMENT:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH  
- 11

NAYS – NONE

MAYFIELD GENTRY REALTY ADVISORS  
TRC-W BUILDING AND IPC BUILDING  
PHOENIX, ARIZONA

BY MR. STEWART – SUPPORTED BY MS. TALABI

WHEREAS, THE PROPOSAL, IN SUMMARY, IS THE PURCHASE OF THE TRC-W BUILDING FOR \$37,689,000.00 AND THE IPC BUILDING FOR \$53,211,000.00 SUBJECT TO EXISTING FIRST MORTGAGE LOANS IN THE AMOUNT OF \$24,000,000.00, RE: THE TRC-W BUILDING, AND \$33,700,000.00, RE: THE IPC BUILDING, AND

WHEREAS, THE INVESTMENT BY THE POLICE AND FIRE RETIREMENT SYSTEM WILL REQUIRE AN EQUITY INVESTMENT OF \$14,513,210.00, RE: THE TRC-W BUILDING, AND \$200,244,899.00, RE: THE IPC BUILDING, AND

WHEREAS, MAYFIELD GENTRY REALTY ADVISORS HAS REQUESTED APPROVAL TO GO FORWARD WITH THE ACQUISITION PROPOSALS AND APPROVE THE WIRE-TRANSFER OF \$1,000,000.00 DEPOSIT SUBJECT TO THE USUAL REAL ESTATE PURCHASE AGREEMENT CONDITIONS, AND

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

RESOLVED, THE BOARD APPROVES THE PROPOSAL FOR ACQUISITION OF THE FOREGOING TWO BUILDINGS SUBJECT TO THE USUAL PROCEDURES AND SUBJECT TO APPROVAL OF ALL DOCUMENTS BY THE BOARD'S LEGAL COUNSEL, AND BE IT FURTHER

MAYFIELD GENTRY REALTY ADVISORS  
TRC-W BUILDING AND IPC BUILDING  
PHOENIX, ARIZONA

RESOLVED, THAT THE BOARD APPROVES THE FUNDING OF \$1,000,000.00 AS AN EARNEST DEPOSIT SUBJECT TO THE APPROVAL OF THE BOARD'S LEGAL COUNSEL AND SUBJECT TO LEGAL COUNSEL'S APPROVAL OF APPLICABLE DOCUMENTATION REGARDING THE DEPOSIT AND RELATED MATTERS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MAYFIELD GENTRY REALTY ADVISORS:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECZ, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH

- 11

NAYS – NONE

CLOSED SESSION

BY MR. CHRISTIAN – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING STAFF ISSUES:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECZ, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH

- 11

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT 2:30 P.M.

OPEN SESSION

BY MR. CHRISTIAN – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

OPEN SESSION

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH  
- 11

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT 2:33 P.M.

JOE MUER’S LAND PARCEL

BY MR. ORZECH – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD HAS BEEN CONSIDERING THE ACQUISITION OF THE  
JOE MUER’S LAND PARCEL, AND

WHEREAS, THE BOARD IS IN RECEIPT OF VARIOUS REPORTS AND  
RECOMMENDATIONS FROM MILESTONE REALTY ADVISORS REGARDING THIS  
MATTER, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER EXTENSIVELY WITH  
MILESTONE, AND

WHEREAS, THE BOARD BELIEVES IT TO BE IN THE BEST INTEREST OF THE  
SYSTEM TO ACQUIRE THE LAND PARCEL TO ACHIEVE COST-SAVINGS OF THE  
OPERATION OF THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE REQUEST OF MILESTONE TO  
ENTER INTO NEGOTIATIONS TO ACQUIRE THE AFOREMENTIONED PARCEL,  
AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO  
MILESTONE, THE TOWNSEND GROUP AND THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH  
- 11

NAYS – NONE

MILESTONE REALTY ADVISORS

BY MR. ORZECH – SUPPORTED BY MR. MILTON

RESOLVED, THAT MILESTONE BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS MILESTONE'S MONA LISA AT CELEBRATION PROPOSAL:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH

- 11

NAYS – NONE

SMALL-CAP EQUITY MANAGERS

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE BOARD HIRE TWO OF THE FOLLOWING THREE SMALL-CAP EQUITY MANAGERS TO MANAGE THE BOARD'S SMALL-CAP EQUITY PORTFOLIO:

AIG GLOBAL

MUNROS CAPITAL

EVERGREEN

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH

- 11

NAYS – NONE

MUNROS CAPITAL

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

WHEREAS, the Board has been conducting a search for small-cap equity managers, and

WHEREAS, the Board has interviewed several small-cap equity manager candidates, and

WHEREAS, the Board has discussed this matter with its consultant, North Point Advisors, on this date, therefore be it

RESOLVED, that Munros Capital be hired as a small-cap equity manager, and be it further

RESOLVED, that the account to be managed by Munros Capital be allocated \$50,000,000.00, and be it further

RESOLVED, that the foregoing are explicitly subject to the negotiation of documentation including a fee schedule satisfactory to the Board and general counsel, and be it further

RESOLVED, that a copy of this resolution be forwarded to Munros Capital:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH  
- 11

NAYS – NONE

EVERGREEN

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

WHEREAS, the Board has been conducting a search for small-cap equity managers, and

WHEREAS, the Board has interviewed several small-cap equity manager candidates, and

WHEREAS, the Board has discussed this matter with its consultant, North Point Advisors, on this date, therefore be it

RESOLVED, that Evergreen be hired as a small-cap equity manager, and be it further

RESOLVED, that the account to be managed by Evergreen be allocated \$50,000,000.00, and be it further

RESOLVED, that the foregoing are explicitly subject to the negotiation of documentation including a fee schedule satisfactory to the Board and general counsel, and be it further

RESOLVED, that a copy of this resolution be forwarded to Evergreen:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH  
- 11

NAYS – NONE

TIMING AS TO INVESTMENT DECISIONS PER VOTING AFTER RECEIPT OF DUE DILIGENCE REPORTS FROM DUE DILIGENCE ADVISORS/PROVIDERS

BY MR. BEST – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO ESTABLISH A GENERAL POLICY PROVIDING FOR TIME FOR TRUSTEES TO REVIEW AND CONSIDER DUE DILIGENCE REPORTS PRIOR TO VOTING TO ACCEPT/REJECT AN INVESTMENT PROPOSAL, AND

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

RESOLVED, THAT THE BOARD HEREBY ADOPTS A GENERAL POLICY OF NOT VOTING REGARDING THE ACCEPTANCE/REJECTION OF INVESTMENT PROPOSALS UNTIL AT LEAST ONE WEEK OF TIME TO REVIEW AND CONSIDER DUE DILIGENCE REPORTS SUBJECT TO AN EXCEPTION TO A SITUATION WHERE SUCH EMERGENCY EXISTS TO THE SATISFACTION OF 72.7% OR MORE OF TRUSTEES PRESENT AND VOTING OR ABSTAINING ON VOTING REGARDING THE INVESTMENT PROPOSAL ON THE SAME DAY OF RECEIPT OF THE DUE DILIGENCE REPORT SUBJECT TO THE PARAGRAPH BELOW, AND BE IT FURTHER

RESOLVED, THAT IN CASES WHERE THE EXCEPTION TO THE GENERAL "ONE WEEK DELAY" RULE, THE REPORT SHOULD BE DELIVERED TO EACH TRUSTEE AT THE BEGINNING OF THE MEETING AND THE VOTING, RE: THE INVESTMENT PROPOSAL, WILL TAKE PLACE AT THE END OF THE MEETING AND THE CHAIRMAN WILL DECLARE A BREAK IN THE MEETING TO ALLOW SUFFICIENT TIME (AS DETERMINED BY THE CHAIRMAN UNLESS THAT TIME PERIOD IS OVERRULED PER MOTION BY A MAJORITY OF TRUSTEES PRESENT ENTITLED TO VOTE) FOR THE TRUSTEES TO REVIEW THE DUE DILIGENCE REPORT:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, CHRISTIAN, MILTON, MOORE, ORZECH, SCOTT, TALABI AND CHAIRMAN ENGLISH – 10

NAYS – TRUSTEE STEWART – 1

PUBLIC FORUM

AT **2:35** P.M., CHAIRMAN 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, CHAIRMAN ENGLISH ADJOURNED THE MEETING AT **12:40** P.M. UNTIL THURSDAY, **SEPTEMBER 14, 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