

MEETING NUMBER 2593

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



**PROCEEDINGS HELD THURSDAY, SEPTEMBER 14, 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/Treasurer |
| Gregory Best | Elected Trustee/Vice Chairperson |
| Gary Christian | Ex/Officio Alternate Trustee |
| Seth Doyle | Ex/Officio Alternate Trustee |
| Frank English | Elected Trustee/Chairperson |
| DeDan Milton | Ex/Officio Alternate Trustee |
| James Moore | Elected Trustee |
| George Orzech | Elected Trustee |
| Paul Stewart | Elected Trustee |
| Alberta Tinsley-Talabi | Ex/Officio Trustee/City Council Representative |
| Walter Stampor | Executive Secretary |
| Cynthia Thomas | Assistant Executive Secretary |
| Janet S. Lenear | Recording Secretary |
| Ronald Zajac | Legal Counsel |
| Joe Turner | Special Legal Counsel |
| Richard Huddleston | Investment Analyst |

EXCUSED

None

ABSENT

None

CHAIRPERSON

Frank English

**ROLL CALL WAS TAKEN AT 9:12 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 BEASLEY, BEST, CHRISTIAN, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 10**

NAYS – NONE

RETIREMENTS

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

**WALTER FOREMAN – OFFICER – POLICE
DUTY DISABILITY CONVERSION – NEW
25 00 00 – 10 12 06**

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

**NORBERT GRUNDY – OFFICER – POLICE
EARLY RETIREMENT – NEW
20 02 28 – 08 10 06**

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

**THOMAS KOVAL – OFFICER – POLICE
DUTY DISABILITY CONVERSION – NEW
25 00 00 – 09 28 06**

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

**HERMAN PERRY – LIEUTENANT – POLICE
SERVICE – NEW
35 06 10 – 09 02 06**

CONFIRMATIONS

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

THE BOARD RECEIVED THE SUM OF \$98,034.20 ON SEPTEMBER 8, 2006 FROM THE TRELLISES OF KENTUCKY (MMA)

THE BOARD RECEIVED THE SUM OF \$59,431.00 ON SEPTEMBER 8 ,2006 FROM THE COLUMNS OF KENTUCKY (MMA)

CONFIRMATIONS

BY MR. BEST – SUPPORTED BY MR. STEWART

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

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

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 #3210 (WHICH IS REFERENCED AT THE END OF THESE PROCEEDINGS), IN THE AMOUNT OF \$2,029,465.93, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

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

NAYS – NONE

MINUTES OF AUGUST 31, 2006

BY MR. BEST – SUPPORTED BY MR. DOYLE

**RESOLVED, THAT THE MINUTES OF THE MEETING HELD
THURSDAY, AUGUST 31, 2006 BE APPROVED AS RECORDED AND
SUBMITTED BY THE BOARD'S RECORDING SECRETARY:**

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

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:**

BILL PAYMENT REQUESTS

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

**ABBY SOFTWARE – SEPTEMBER 7, 2006 - \$907.49 – POLICE AND
FIRE PORTION OF \$1,814.97 – OFFICE SUPPLIES**

**ADP, INC. – SEPTEMBER 1, 2006 - \$1,869.91 – POLICE AND FIRE
PORTION OF \$3,739.82 – CONTRACT/MISCELLANEOUS SERVICES**

**ADP, INC. – SEPTEMBER 8, 2006 - \$125.00 – POLICE AND FIRE
PORTION OF \$250.00 – CONTRACT/MISCELLANEOUS SERVICES**

**CORPORATE EXPRESS – AUGUST 24, 2006 - \$82.89 – POLICE
AND FIRE PORTION OF \$165.78 – OFFICE SUPPLIES**

**DATA MEDIA STORE – SEPTEMBER 7, 2006 - \$213.75 – POLICE
AND FIRE PORTION OF \$427.50 – OFFICE SUPPLIES**

**DAVIDSON, F. LOGAN – SEPTEMBER 12, 2006 - \$1,525.00 –
LEGAL SERVICES – SAND LAKE CENTRE**

**EARTH LINK – AUGUST 29, 2006 - \$162.40 – POLICE AND FIRE
PORTION OF \$324.80 – TRUSTEE INTERNET ACCESS**

**IKON OFFICE SOLUTIONS – AUGUST 25, 2006 - \$582.35 – POLICE
AND FIRE PORTION OF \$1,164.69 – CONTRACT/MISCELLANEOUS
SERVICES**

**INFORMATIK, INC. – SEPTEMBER 1, 2006 - \$125.00 – POLICE AND
FIRE PORTION OF \$250.00 – OFFICE SUPPLIES**

**IRON MOUNTAIN – AUGUST 31, 2006 - \$800.65 – POLICE AND
FIRE PORTION OF \$1,601.29 – CONTRACT/MISCELLANEOUS
SERVICES**

BILL PAYMENT REQUESTS

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

**IRON MOUNTAIN – AUGUST 31, 2006 - \$85.74 – POLICE AND FIRE
PORTION OF \$171.48 – OFFICE SUPPLIES**

**MCTEVIA & ASSOCIATES – SEPTEMBER 1, 2006 - \$2,291.23 –
AUGUST, 2006 SERVICES – ENVIRONMENTAL DISPOSAL
SYSTEMS, INC.**

**MCTEVIA & ASSOCIATES – SEPTEMBER 1, 2006 - \$1,228.50 –
AUGUST, 2006 SERVICES – CRESCENT PRIVATE CAPITAL**

**MILLENNIUM BUSINESS SYSTEMS – AUGUST 30, 2006 - \$5.00 –
POLICE AND FIRE PORTION OF \$10.00 –
CONTRACT/MISCELLANEOUS SERVICES**

**NATIONAL CONFERENCE OF PUBLIC EMPLOYEES' RETIREMENT
SYSTEM – SEPTEMBER 13 ,2006 - \$600.00 -2007 MEMBERSHIP
DUES**

**O'CONNOR, TAMARA – SEPTEMBER 6, 2006 - \$263.00 –
TRANSCRIPT – CANDICE PETERS' DRRB**

**OFFICE DEPOT – SEPTEMBER 2, 2006 - \$119.78 – POLICE AND
FIRE PORTION OF \$239.56 – OFFICE SUPPLIES**

**PDS, INC. – SEPTEMBER 13 ,2006 - \$21,046.79 – POLICE AND
FIRE PORTION OF \$42,093.57 – COMPUTER EQUIPMENT,
SOFTWARE, SUPPLIES, MAINTENANCE, TRAINING**

**PENN CAPITAL – AUGUST 31, 2006 - \$44,275.59 – 2006 SECOND
QUARTER FEES**

BILL PAYMENT REQUESTS

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

**QUILL CORPORATION – SEPTEMBER 1, 2006 - \$3.99 – POLICE
AND FIRE PORTION OF \$7.98 – OFFICE SUPPLIES**

**QUILL CORPORATION – SEPTEMBER 1, 2006 - \$210.01 – POLICE
AND FIRE PORTION OF \$420.01 – OFFICE SUPPLIES**

**RELIABLE OFFICE PRODUCTS – SEPTEMBER 5, 2006 - \$44.33 –
POLICE AND FIRE PORTION OF \$88.66 – OFFICE SUPPLIES**

**THE HARTFORD – SEPTEMBER 7, 2006 - \$470.50 – POLICE AND
FIRE PORTION OF \$941.00 – CONTRACT/MISCELLANEOUS
SERVICES**

**THE TOWNSEND GROUP – SEPTEMBER 1, 2006 - \$11,250.00 –
SEPTEMBER, 2006 SERVICES**

**WW SOFTWARE – AUGUST 8, 2006 - \$162.50 – POLICE AND FIRE
PORTION OF \$325.00 – OFFICE SUPPLIES**

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

NAYS – NONE

■ TRUSTEE BANDEMER ENTERED THE MEETING.

Pre-Employment Military Service Credit

By Mr. Best – Supported by Mr. Orzech

**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**

Pre-Employment Military Service Credit

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:

Edmund Tillman (Pension #177609)

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

NAYS – NONE

CLARK ET AL & RETIRED POLICE & FIREFIGHTERS' ASSOCIATION ET AL VERSUS THE CITY OF DETROIT BOARD OF TRUSTEES ET AL WAYNE CIRCUIT CASE NO. 82-235598-CL

By Mr. Orzech – Supported by Mr. Moore

Resolved, That all petitions of said pre-July 1, 1983 and pre-July 1, 1986 (as applicable) Option II and Option III retirants, whose beneficiaries pre-deceased the retirants, for adjustment of retirement benefits to a Straight Life retirement be granted effective the first day of the month following the date of application and procedures be followed otherwise identical to the processing and computation for adjustments made to divorced Option II and Option III retirants pursuant to domestic relations court orders:

**CLARK ET AL & RETIRED POLICE & FIREFIGHTERS'
ASSOCIATION ET AL VERSUS THE CITY OF DETROIT BOARD OF
TRUSTEES ET AL WAYNE CIRCUIT CASE NO. 82-235598-CL**

**Name: Hector Gordon
Beneficiary Date of Death: July 18, 2006
Application Filed: August 2, 2006**

**Name: David Sims
Beneficiary Date of Death: July 6, 2006
Application Filed: August 21, 2006**

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

NAYS – NONE

■ COUNSEL ZAJAC ENTERED THE MEETING.

THE REQUEST OF CLIFTON ANDRY

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

**WHEREAS, CLIFTON ANDRY HAS PRESENTED THE BOARD WITH
A WRITTEN REQUEST (DATED SEPTEMBER 7, 2006) TO RECEIVE
A REFUND OF HIS ANNUITY SAVINGS, AND**

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

RESOLVED, THAT THE REQUEST OF MR. ANDRY BE APPROVED:

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

NAYS – NONE

**█ EX/OFFICIO TRUSTEES BEASLEY, MILTON AND TALABI
TEMPORARILY EXCUSED THEMSELVES.**

Finance/Retirement Petty Cash Account

By Mr. Moore – Supported by Mr. Bandemer

**Whereas, The present balance of the Finance/Retirement Petty
Cash account is \$108.38, and**

**Whereas, Staff has requested that the account be replenished to
its maximum amount of \$2,000.00, Therefore Be It**

**Resolved, That the Finance/Retirement Petty Cash account be
replenished to the maximum amount of \$2,000.00 accordingly:**

Police and Fire Retirement System: \$1,205.81

General Retirement System: \$ 685.81

**YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE, MOORE, ORZECH,
STEWART AND CHAIRMAN ENGLISH – 8**

NAYS – NONE

INLAND PRESS

BY MR. MOORE – SUPPORTED BY MR. DOYLE

**WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 18, 2006
QUOTE FROM INLAND PRESS REGARDING THE PRINTING OF
THE SYSTEM'S 2005 ANNUAL REPORT, THEREFORE BE IT**

**RESOLVED, THAT THE BOARD HEREBY APPROVES THE QUOTE
OF INLAND PRESS TO PRINT THE SYSTEM'S 2005 ANNUAL
REPORT, AND BE IT FURTHER**

INLAND PRESS

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE
FORWARDED TO INLAND PRESS:**

**YEAS – TRUSTEES BANDEMER, BEST, CHRISTIAN, DOYLE, MOORE, ORZECH,
STEWART AND CHAIRMAN ENGLISH – 8**

NAYS – NONE

**■ EX/OFFICIO TRUSTEES BEASLEY AND MILTON RE-JOINED THE
MEETING.**

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

LEGAL COUNSEL'S REPORTS

**LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS
MATTERS WITH THE BOARD, INCLUDING WOODBURY VERSUS
WOODBURY, MMA (THE SHEFFIELD), THE BOARD'S EXECUTIVE
SECRETARY LITIGATION, DOT HILL AND FRANKLIN VERSUS
FRANKLIN.**

**MMA REALTY CAPITAL, LLC
\$4,000,000.00 INVESTMENT
MASTER MEZZANINE PARTICIPATION AND SERVICING
AGREEMENT
THE SHEFFIELD
NEW YORK, NEW YORK**

BY MR. MOORE – SUPPORTED BY MR. STEWART

**WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A
JOINDER TO THE MASTER MEZZANINE PARTICIPATION AND
SERVICING AGREEMENT (DATED SEPTEMBER 14, 2006) WITH
MMA REALTY CAPITAL, LLC RELATIVE TO THE ABOVE-
DESIGNATED TRANSACTION, AND**

**MMA REALTY CAPITAL, LLC
\$4,000,000.00 INVESTMENT
MASTER MEZZANINE PARTICIPATION AND SERVICING
AGREEMENT
THE SHEFFIELD
NEW YORK, NEW YORK**

**WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN
RECOMMENDED BY THE BOARD'S SPECIAL LEGAL COUNSEL, F.
LOGAN DAVIDSON, AND**

**WHEREAS, THE EXECUTION OF SAID DOCUMENT HAS BEEN
REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S
GENERAL COUNSEL AND THE EXECUTION OF SAID DOCUMENT
IS CONSISTENT WITH PRIOR ACTION OF THE BOARD, AND**

**WHEREAS, IN CONNECTION WITH SAID INVESTMENT, THE
BOARD IS BEING REQUESTED BY MMA REALTY CAPITAL, LLC TO
WIRE-TRANSFER \$4,000,000.00 TO MMA REALTY CAPITAL, LLC,
THEREFORE BE IT**

**RESOLVED, THAT SAID DOCUMENT BE EXECUTED BY TWO (2)
AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE
IT FURTHER**

**RESOLVED, \$4,000,000.00 BE WIRE-TRANSFERRED TO MMA
REALTY CAPITAL, LLC IN ACCORDANCE WITH WIRING
INSTRUCTIONS APPROVED BY THE BOARD'S EXECUTIVE
SECRETARY, THE BOARD'S GENERAL COUNSEL AND THE
BOARD'S SPECIAL LEGAL COUNSEL:**

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

NAYS – NONE

\$150,000,000.00 MMA CREDIT ENHANCEMENT

BY MR. MOORE – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE “BOARD”) PREVIOUSLY APPROVED AN INCREASE IN THE AMOUNT OF THE MMA CREDIT ENHANCEMENT PROGRAM TO \$150,000,000.00 ALONG WITH A MODIFICATION IN CERTAIN OTHER TERMS AND PROVISIONS THEREOF, SUBJECT TO LEGAL REVIEW FROM CLARK HILL, PLC (THE “SPECIAL LEGAL COUNSEL”), AND

WHEREAS, THE BOARD’S SPECIAL LEGAL COUNSEL PROVIDED THE BOARD ITS DUE DILIGENCE REPORT AND LEGAL REVIEW, RESPECTIVELY, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE SIGNING OF THE CLOSING DOCUMENTS SUBJECT TO APPROVAL AND REVIEW BY THE BOARD’S GENERAL COUNSEL AND SPECIAL LEGAL COUNSEL (THE CLOSING DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO: CREDIT ENHANCEMENT PROGRAM AGREEMENT CONTAINING: (FORM) REIMBURSEMENT AGREEMENT, AND (FORM) GUARANTY OF MUNICIPAL MORTGAGE AND EQUITY, LLC), AND BE IT FURTHER

RESOLVED, THAT THE BOARD AUTHORIZES ITS SIGNATORIES, TWO (2) TRUSTEES (NO MORE THAN ONE EX/OFFICIO TRUSTEE), TO EXECUTE, SIGN AND DELIVER THE CLOSING DOCUMENTS AND ANY DOCUMENTATION REQUIRED BY THE BOARD’S GENERAL COUNSEL AND THE BOARD’S SPECIAL LEGAL COUNSEL TO CONSUMMATE THE CLOSING ON THE CREDIT ENHANCEMENT INCREASE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MMA AND THE BOARD’S SPECIAL LEGAL COUNSEL:

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

NAYS – NONE

**FRANKLIN VERSUS FRANKLIN
WAYNE COUNTY CASE #0H21318-DO**

BY MR. BANDEMER – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF AN OPINION AND ORDER OF THE COURT DATED AUGUST 15, 2006 WHICH VACATES THE AMENDED EDRO DATED FEBRUARY 17, 2006 WHICH AMENDS AN ORIGINAL EDRO DATED OCTOBER 13, 2005 WHICH AMENDS A JUDGMENT OF DIVORCE DATED OCTOBER 11, 2005 WHEREIN THE OCTOBER 11, 2005 EDRO AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF ROSS FRANKLIN (WHO IS CURRENTLY AN ACTIVE EMPLOYEE) TO JANICE FLYNT-FRANKLIN, AND

WHEREAS, THE OCTOBER 13, 2005 EDRO INTENDED FOR ALTERNATE PAYEE TO RECEIVE A PORTION OF PARTICIPANT'S DISABILITY BENEFITS, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS MAY 1, 1956, AND, TO DATE, PARTICIPANT HAS ATTAINED APPROXIMATELY 16 YEARS AND 01 MONTH OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN AND SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, AND ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT, OR TERMINATION OF SERVICE, OR UPON PARTICIPANT ATTAINING THE AGE OF 60, OR UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN, AND THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT OR OTHERWISE RECEIVING RETIREMENT BENEFITS, 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

**FRANKLIN VERSUS FRANKLIN
WAYNE COUNTY CASE #0H21318-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 DATED OCTOBER 13, 2005 AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER DATED OCTOBER 13, 2005, 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 ATTORNEY JANICE BURNS, ATTORNEY WILLIAM JOHNSON, AND TO JANICE FLYNT-FRANKLIN AND ROSS R. FRANKLIN:

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

NAYS – NONE

HOWARD & HOWARD

HENRY BRENNAN AND ASSOCIATE MIKE KELL APPEARED BEFORE THE BOARD TO DISCUSS GSC PARTNERS.

CLOSED SESSION

By Mr. Christian – Supported by Mr. Moore

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, MILTON, MOORE, ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

CLOSED SESSION

The Board entered into Closed Session at 10:12 A.M.

OPEN SESSION

By Mr. Stewart – Supported by Mr. Doyle

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at 11:28 A.M.

THE BOARD EXCUSED MR. BRENNAN AND HIS ASSOCIATE.

MILESTONE REALTY

MARTY WEST AND ASSOCIATE ED WALSH APPEARED BEFORE THE BOARD AND DISCUSSED TWO INVESTMENT PROPOSALS - THE WATERMARK AND THE MONA LISA AT CELEBRATION.

THE BOARD THEN EXCUSED MR. WEST AND HIS ASSOCIATE.

THE TOWNSEND GROUP

STEVE BURNS AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED 2006 FIRST QUARTER MANAGER PERFORMANCE AND THEN EXCUSED THEMSELVES.

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED, AMONG OTHER MATTERS, SMALL-CAP GROWTH AND CORE MANAGER CANDIDATES AND CURRENT MARKET CONDITIONS.

SMALL-CAP GROWTH AND CORE MANAGER PRESENTATIONS

AT THE DIRECTION OF THE CHAIR, ALLEGIANT, NORTH POINTE AND WELLS WILL BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

■ EX/OFFICIO TRUSTEE TALABI EXCUSED HERSELF.

ASSET ALLOCATION MODIFICATION

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS IN RECEIPT OF AN AUGUST 17, 2006 MEMORANDUM FROM NORTH POINT ADVISORS, THE BOARD'S RETAINED CONSULTANT, WHEREIN NORTH POINT RECOMMENDS THAT THE BOARD'S CURRENT ASSET ALLOCATION BE MODIFIED, AND

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

RESOLVED, THAT THE BOARD'S ASSET ALLOCATION POLICY BE MODIFIED AS FOLLOWS:

| <u>ASSET CLASS</u> | <u>CURRENT POLICY</u> | <u>REVISED POLICY</u> |
|---|------------------------------|------------------------------|
| DOMESTIC LARGE-CAP EQUITY | 20% | 18.5% |
| DOMESTIC SMALL-CAP/MID-CAP EQUITY | 20% | 19.5% |
| INTERNATIONAL EQUITY | 16% | 18% |
| INTERNATIONAL EQUITY-LARGE-CAP | 16% | 12% |
| INTERNATIONAL EQUITY-SMALL-CAP DEVELOPED | 0% | 3% |
| EMERGING MARKETS EQUITY | 0% | 3% |

AND BE IT FURTHER

RESOLVED, THAT THE BOARD WILL NOT IMPLEMENT AN EMERGING MARKETS SEARCH UNTIL THE FIRST QUARTER OF 2007, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO NORTH POINT ADVISORS:

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

NAYS – TRUSTEE ORZECH – 1

**\$8,000,000.00 SPRINGARN DEVELOPMENT, LLC
THE WATERMARK – DETROIT – PROPOSED INVESTMENT**

BY MR. DOYLE – SUPPORTED BY MR. STEWART

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) is in receipt of the foregoing investment proposal, the basic and general proposed conditions of which are set forth in written materials previously presented to the Board, and

WHEREAS, on this date, Milestone Realty Services, Inc (the Board Advisor) presented to the Board a due diligence report and its recommendation, and

WHEREAS, the Board has considered and discussed the due diligence report and the Board Advisor’s recommendation, and

WHEREAS, the Board has indicated its willingness to further consider making this proposed investment, subject to a legal review by Special Legal Counsel”, including, but not limited to, the review and drafting of the transaction documents (the “transaction 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 Police and Fire Retirement System of the City of Detroit in its capacity as investor, 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 SpringArn Development, LLC

**\$8,000,000.00 SPRINGARN DEVELOPMENT, LLC
THE WATERMARK – DETROIT – PROPOSED INVESTMENT**

(the Borrower) and its guarantors and subject to approval of the final transaction documents by the Board, and be it further

RESOLVED, that it be expressly understood by all parties that there is no obligation of the Board to make the investment unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's General Counsel and Special Legal Counsel and executed by the Board, the Borrower and 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 due diligence legal fees and expenses being paid from separate escrow accounts funded by the Borrower or its affiliates, and be it further

RESOLVED, that the Board notes the likelihood of suggested additional changes to the proposal may be made by the Board, the Board's Advisor, the Board's Special Legal Counsel or the Board's General 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 documents are subject to approval as to form and content by the Board, the Board's Special Legal Counsel and the Board's General Counsel, and be it further

RESOLVED, that the foregoing is also conditioned upon the Borrower paying, or causing to be paid, all costs and expenses of the Board, including, due diligence, legal fees in document preparation even if this proposed investment is not completed or finalized due to the applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board, or for any other reason deciding not to proceed with the transaction, and be it further

**\$8,000,000.00 SPRINGARN DEVELOPMENT, LLC
THE WATERMARK – DETROIT – PROPOSED INVESTMENT**

RESOLVED, that a copy of this resolution be forwarded to the Borrower, the Board Advisor and Special Legal Counsel, and be it further

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

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

NAYS – NONE

GSC PARTNERS

BY MR. STEWART – SUPPORTED BY MR. CHRISTIAN

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) was provided with a legal report and September 14, 2006 letter from Special Legal Counsel, Howard & Howard, per Henry Brennan, Esq. and Michael Kell, Esq., and certain recommendations were made in Closed Session, and

WHEREAS, The Board discussed this matter with Special Legal Counsel in Closed Session, THEREFORE BE IT

RESOLVED, That the Board hereby directs Special Legal Counsel to proceed with discussions involving the proposed defendants consistent with the Board’s discussion in Closed Session this date, and be it further

GSC PARTNERS

**RESOLVED, That a copy of this resolution be forwarded to
Special Legal Counsel:**

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

NAYS – NONE

PUBLIC FORUM

**AT 2:12 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 2:16 P.M.
UNTIL THURSDAY, SEPTEMBER 21, 2006, AT 9:00 A.M., IN ROOM
910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT,
MICHIGAN 48226.**

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

