

MEETING NUMBER 2601

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



**PROCEEDINGS HELD THURSDAY, NOVEMBER 9, 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

EXCUSED

Richard Huddleston	Investment Analyst
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ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT 9:08 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

SYNDICATED COMMUNICATIONS VENTURE PARTNERS

BY MR. BANDEMER - SUPPORTED BY MR. BEST

Whereas, The Board has been presented with a November 1, 2006 communication from Syndicated Communications Venture Partners wherein Syndicated Communications Venture Partners requests that the Board fund the Capital Call due for Syndicated Communications Ventures Partners V, L.P. in the amount of \$618,338.00, 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 Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

TOUCHSTONE

BY MR. BANDEMER - SUPPORTED BY MR. BEST

Whereas, The Board has been presented with a November 7, 2006 communication from Touchstone wherein Touchstone requests that the Board fund its portion of the Capital Installment

TOUCHSTONE

due for Touchstone Opportunity Investments II, Ltd. in the amount of \$253,846.15, 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 Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

RETIREMENTS

BY MR. BEST - SUPPORTED BY MR. BANDEMER

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

Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

RETIREMENTS

**NAME, TITLE, DEPARTMENT
RETIREMENT, PLAN**

SERVICE CREDIT/EFFECTIVE DATE

**PAUL GOTELAERE - OFFICER - POLICE
DUTY DISABILITY RETIREMENT
CONVERSION - NEW**

25 00 00 - 12 17 06

NAME, TITLE, DEPARTMENT

RETIREMENT, PLAN

SERVICE CREDIT/EFFECTIVE DATE

**WALTER MARTIN - ASSISTANT CHIEF OF
POLICE - POLICE**

SERVICE - NEW

23 03 07 - 12 15 06

RETIREMENTS

NAME, TITLE, DEPARTMENT	MICHAEL MLINARICH - BATTALION FIRE CHIEF - FIRE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT/EFFECTIVE DATE	36 03 13 - 01 18 07

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

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 #3217, IN THE AMOUNT OF \$45,676.59, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

MINUTES OF OCTOBER 19, 2006 AND OCTOBER 26, 2006

BY MR. BANDEMER - SUPPORTED BY MR. MOORE

RESOLVED, THAT THE MINUTES OF THE MEETINGS HELD THURSDAY, OCTOBER 19, 2006 AND THURSDAY, OCTOBER 26, 2006 BE APPROVED AS AMENDED, RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

BILL PAYMENT REQUESTS

BY MR. BEST - SUPPORTED BY MR. BANDEMER

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

WHEREAS, THE BOARD IS SATISFIED THAT SERVICES WERE PROVIDED TO THE BOARD AS REQUESTED BY THE BOARD, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO STAFF AUDIT, THE BOARD APPROVE PAYMENT OF SAID BILLINGS:

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

ADP - OCTOBER 20, 2006 - \$223.36 - POLICE AND FIRE PORTION OF \$446.71 - CONTRACT/MISCELLANEOUS SERVICES

CALAMOS - OCTOBER 26, 2006 - \$151,642.21 - 2006 THIRD QUARTER FEES

CLARK HILL - OCTOBER 18, 2006 - \$5,424.00 - LEGAL FEES

CREDIT SUISSE - OCTOBER 30, 2006 - \$32,226.47 - 2006 THIRD QUARTER FEES

GABRIEL, ROEDER, SMITH AND COMPANY - NOVEMBER 1, 2006 - \$4,500.00 - NOVEMBER, 2006 SERVICES

LETTER PERFECT MAILINGS - OCTOBER 20, 2006 - \$1,148.53 - POLICE AND FIRE PORTION OF \$2,297.05 - MAILING POLICE AND FIRE RETIREMENT SYSTEM AND GENERAL RETIREMENT SYSTEM ANNUAL REPORTS

BILL PAYMENT REQUESTS

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

MOORE, JAMES - NOVEMBER 9, 2006 - \$184.00 - PARKING REIMBURSEMENT

OFFICE DEPOT - OCTOBER 17, 2006 - \$296.16 - POLICE AND FIRE PORTION OF \$592.32 - OFFICE SUPPLIES

SCANTRON SERVICE GROUP - OCTOBER 25, 2006 - \$2,505.35 - POLICE AND FIRE PORTION OF \$5,010.70 - COMPUTER SUPPLIES

TECH DEPOT - OCTOBER 18, 2006 - \$362.92 - POLICE AND FIRE PORTION OF \$725.84 - OFFICE SUPPLIES

WELLS CAPITAL - OCTOBER 26, 2006 - \$151,579.22 - 2006 THIRD QUARTER FEES

Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech, Stewart and Chairman English - 8

Nays - None

LEGAL COUNSEL'S BILLING

BY MR. BEST - SUPPORTED BY MR. BANDEMER

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED OCTOBER 26, 2006, FOR THE MONTH OF OCTOBER, 2006, IN THE AMOUNT OF \$10,664.11, BE APPROVED AND SAID AMOUNT BE PAID PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

LEGAL COUNSEL'S BILLING

**Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech,
Stewart and Chairman English - 8**

Nays - None

CES CONFERENCE

LAS VEGAS

JANUARY 8, 2007 - JANUARY 11, 2007

BY MR. BANDEMER - SUPPORTED BY MR. MOORE

**RESOLVED, THAT THE BOARD APPROVE THE ATTENDANCE OF
COMPUTER CONSULTANTS DENNIS LINET AND MIKE POWNING
AT THE ABOVE-REFERENCED CONFERENCE:**

**Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech,
Stewart and Chairman English - 8**

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. BANDEMER - SUPPORTED BY MR. BEST

**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**

**AUGUSTINE DERUY
BENEFICIARY DIED SEPTEMBER 28, 2006
APPLICATION FILED OCTOBER 2, 2006**

**THOMAS DUANE
BENEFICIARY DIED SEPTEMBER 30, 2006
APPLICATION FILED OCTOBER 21, 2006**

**LAWRENCE PEW
BENEFICIARY DIED SEPTEMBER 26, 2006
APPLICATION FILED OCTOBER 4, 2006**

**Yeas - Trustees Bandemer, Best, Christian, Milton, Moore, Orzech,
Stewart and Chairman English - 8**

Nays - None

■ TRUSTEE DOYLE ENTERED THE MEETING.

■ TRUSTEE TALABI ENTERED THE MEETING.

CLOSED SESSION

By Mr. Moore - Supported by Mr. Stewart

**Resolved, That the Board enter into Closed Session for the
purpose of discussing matters involving land acquisition:**

A Roll Call Vote was taken as follows:

**Yeas - Trustees Bandemer, Best, Christian, Doyle, Milton, Moore,
Orzech, Stewart, Talabi and Chairman English - 10**

Nays - None

CLOSED SESSION

The Board entered into Closed Session at 9:20 A.M.

■ TRUSTEE BEASLEY ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

By Mr. Bandemer - Supported by Mr. Moore

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 9:26 A.M.

ARTHUR ZASKE

ARTHUR ZASKE AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED A PRIVATE EQUITY (INSIGHT 2811) PROPOSAL AND THEN EXCUSED THEMSELVES.

SMITH BARNEY

BRUCE BALLARD AND ASSOCIATE ANDY SPEARMAN APPEARED BEFORE THE BOARD, DISCUSSED 2006 THIRD QUARTER MANAGER PERFORMANCE AND THEN EXCUSED THEMSELVES.

CALAMOS

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

WHEREAS, The Board has, by prior action, instituted a review of all of the System's investment managers, and

WHEREAS, The Board is not confident that Calamos can continue to perform at a level acceptable to the Board, Therefore be it

RESOLVED, That the Investment Management Agreement between the Board and Calamos be terminated effective the earliest possible date permitted in accordance with the respective investment management agreement, and be it further

RESOLVED, That Calamos be instructed to stop trading in its account effective immediately, and be it further

RESOLVED, That a copy of this resolution be forwarded to Calamos, North Point Advisors and The Bank of New York, master securities custodian for the Retirement System:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - Trustee Orzech - 1

GERALDINE SMITH

**GERALDINE SMITH APPEARED BEFORE THE BOARD TO DISCUSS
HER DESIRE TO FILE A DUTY DISABILITY RETIREMENT
APPLICATION.**

CLOSED SESSION

By Mr. Stewart - Supported by Mr. Christian

**Resolved, That the Board enter into Closed Session for the
purpose of discussing matters involving Geraldine Smith:**

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 entered into Closed Session at 11:27 A.M.

OPEN SESSION

By Mr. Moore - Supported by Mr. Best

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

OPEN SESSION

The Board returned to Open Session at 11:58 A.M. and the Board excused Ms. Smith.

■ TRUSTEE ORZECH EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

ALLEGENT

WILLIAM GRUITS AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED PINE RIVER PLASTICS (A MEZZANINE DEBT PROPOSAL) AND THEN EXCUSED THEMSELVES.

■ TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF.

THE TOWNSEND GROUP

STEVE BURNS AND KATE HUTCHINSON APPEARED BEFORE THE BOARD, DISCUSSED 2006 SECOND QUARTER MANAGER PERFORMANCE AND THEN EXCUSED THEMSELVES.

■ TRUSTEE TALABI RE-JOINED THE MEETING DURING MR. BURNS' DISCUSSION.

THE REQUEST OF LORENZO TATE

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, LORENZO TATE HAS PRESENTED THE BOARD WITH A WRITTEN REQUEST (DATED NOVEMBER 9, 2006) TO RETURN TO WORK, THEREFORE BE IT

RESOLVED, THAT THE MEDICAL FILE OF MR. TATE BE FORWARDED TO THE BOARD'S MEDICAL DIRECTOR AND THE BOARD'S MEDICAL DIRECTOR BE REQUESTED TO SCHEDULE AN EXAMINATION APPOINTMENT ON MR. TATE'S BEHALF:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

TROY R. ALEXANDER

BY MR. DOYLE - SUPPORTED BY MR. MILTON

Whereas, The Board of Trustees is in receipt of a November 2, 2006 letter from the Chief of Police wherein the Police Department cites the Act 312 Award, Sections 7 and 8, which reads as follows:

7

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

8

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

Whereas, An October 18, 2006 duty disability retirement application was submitted to the Board of Trustees by Troy R. Alexander, and

TROY R. ALEXANDER

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

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

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

Resolved, That Troy R. Alexander and the Police Department be afforded a copy of this resolution:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING DENNIS CAWTHORNE, STEWARD CAPITAL MANAGEMENT, ADVANCED MARKETING SERVICES, INC., PFRS 3151 BEHREND DRIVE CORPORATION AND PFRS 3202 BEHREND DRIVE CORPORATION.

ADVANCED MARKETING SERVICES, INC.

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 27, 2006 COMMUNICATION FROM SPECIAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP REGARDING THE ABOVE CAPTIONED MATTER.

PFRS 3151 BEHREND DRIVE CORPORATION

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

Whereas, The Board has been requested to execute a Written Consent of Shareholder and Subscription Agreement (dated November 9, 2006) relative to the foregoing transaction, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said document is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

PFRS 3202 BEHREND DRIVE CORPORATION

BY MR. BANDEMER - SUPPORTED BY MR. STEWART

Whereas, The Board has been requested to execute a Written Consent of Shareholder and Subscription Agreement (dated November 9, 2006) relative to the foregoing transaction, and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said document is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board:

PFRS 3202 BEHREND DRIVE CORPORATION

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

PFRS 3151 BEHREND DRIVE CORPORATION

**THE BOARD WAS MADE AWARE OF THE EXECUTION OR ADOPTION, AS
THE CASE MAY BE, OF THE DOCUMENTS WHICH ARE REFERENCED
BELOW BY OFFICERS OF THE CORPORATION:**

**APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (FORMS SS-
4) DATED NOVEMBER 9, 2006**

**UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE:
INCORPORATION MATTERS, DATED NOVEMBER 9, 2006**

**UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE: APPOINTMENT
OF ADVISOR, DATED NOVEMBER 9, 2006**

**BY-LAWS OF PFRS 3151 BEHREND DRIVE CORPORATION DATED
NOVEMBER 9, 2006**

**NOTICE REQUIREMENTS OF THE INTERNAL REVENUE SERVICE DATED
NOVEMBER 9, 2006**

STOCK CERTIFICATE #001 DATED NOVEMBER 9, 2006

**APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN
ARIZONA DATED NOVEMBER 9, 2006**

**CERTIFICATE OF DISCLOSURE DATED NOVEMBER 9, 2006 TO BE
FILED WITH THE APPLICATION FOR AUTHORIZATION TO TRANSACT
BUSINESS IN ARIZONA**

PFRS 3202 BEHREND DRIVE CORPORATION

THE BOARD WAS MADE AWARE OF THE EXECUTION OR ADOPTION, AS THE CASE MAY BE, OF THE DOCUMENTS WHICH ARE REFERENCED BELOW BY OFFICERS OF THE CORPORATION:

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (FORMS SS-4) DATED NOVEMBER 9, 2006

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE: INCORPORATION MATTERS, DATED NOVEMBER 9, 2006

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE: APPOINTMENT OF ADVISOR, DATED NOVEMBER 9, 2006

BY-LAWS OF PFRS 3202 BEHREND DRIVE CORPORATION DATED NOVEMBER 9, 2006

NOTICE REQUIREMENTS OF THE INTERNAL REVENUE SERVICE DATED NOVEMBER 9, 2006

STOCK CERTIFICATE #001 DATED NOVEMBER 9, 2006

APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN ARIZONA DATED NOVEMBER 9, 2006

CERTIFICATE OF DISCLOSURE DATED NOVEMBER 9, 2006 TO BE FILED WITH THE APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN ARIZONA

Romulus Deep Disposal Well, Romulus, Michigan (the "Project")

BY MR. BEASLEY - SUPPORTED BY MR. STEWART

WHEREAS, the Board has been informed that RDD Investment Corp. (the "Corporation"), as the sole member of RDD Operations, LLC ("LLC"), intends to appoint or has appointed Gilbert C. Goode as the non-member manager of the LLC,

WHEREAS, the Board has discussed this matter, now therefore be it

RESOLVED, that the Board has no objection to the action proposed to be taken by the Corporation to appoint Gilbert C. Goode as the non-member manager of the LLC, and to designate him as an additional signatory on the Corporation's and the LLC's bank accounts, as applicable, further

RESOLVED, that copies of this resolution be sent to the Corporation and the LLC for forwarding to the appropriate parties:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

**POLICE AND RETIREMENT SYSTEM OF THE CITY OF DETROIT
MMA AFFORDABLE HOUSING GROUP TRUST, A FLORIDA GROUP
TRUST**

BY MR. DOYLE - SUPPORTED BY MR. BEASLEY

WHERE, the Police and Fire Retirement System of the City of Detroit is one of the beneficiaries of the MMA Affordable Housing Group Trust, a Florida Group Trust ("Group Trust"), and

WHEREAS, the Group Trust (formerly known as the Midland Affordable Housing Group Trust) was created by that certain Amended and Restated Agreement and Declaration of Trust dated January 1, 1992, and thereafter amended by the First Amendment to Confidential Private Placement Memorandum and Amended and Restated Agreement and Declaration of Trust dated as of January 1, 1994, the Second Amendment to the Midland Affordable Housing Group Trust Confidential Private Placement Memorandum dated as of December 1, 1995, the Third Amendment to the Midland Affordable Housing Group Trust Confidential Private Placement Memorandum dated as of October 1, 1997, the Fourth Amendment to the Amended and Restated Agreement and Declaration of Trust dated as of September 11, 2000, the Fifth Amendment to the Midland Affordable Housing Group Trust Confidential Private Placement Memorandum and Amended and Restated Agreement and Declaration of Trust dated as of November 6, 2003 (collectively, the "Original Agreements"), and

WHEREAS, the Group Trust is intended to meet the requirements of Rev. Rul. 81-100,1981-1 C.B. 326 and Section 402(a)24) of the Internal Revenue Code of 1986, as amended (the "Code"), and is organized to afford its Participating Trusts (as hereinafter defined), which are (i) trusts that individually form a part of an employer's pension or profit sharing plan for employees that are exempt from federal income taxation under Section 501(a) of the

**POLICE AND RETIREMENT SYSTEM OF THE CITY OF DETROIT
MMA AFFORDABLE HOUSING GROUP TRUST, A FLORIDA GROUP
TRUST**

Code by reason of qualifying under Section 401(a) of the Code, (ii) governmental plans as defined in Section 414(d) of the Code whether or not plan assets are held in trust, and/or (iii) governmental units as described in Section 818(a)6)(B) of the Code, the opportunity to pool a portion of their assets for investment, primarily for the origination and acquisition of mortgage loan investments, in accordance with the terms and conditions of this Agreement, and

WHEREAS, the Police and Fire Retirement System of the City of Detroit (“Police and Fire Retirement System”), the General Retirement System of the City of Detroit and the Wayne County Employees’ Retirement System are all of the participating trusts (collectively, “Participating Trusts”), and

WHEREAS, a formal presentation was made by the Advisor to the Board of Trustees of each Participating Trust regarding the restructuring of the Group Trust on August 23, 2006, and the Board of Trustees of each Participating Trust approved the Summary of Principal Terms with respect to the restructuring, and

WHEREAS, the Amended Agreements (as defined below) have been submitted and reviewed by counsel for the Participating Trusts, and

WHEREAS, the Police and Fire Retirement System and all other Participating Trusts desire to change the name of the Group Trust to “MRC Mortgage Investment Trust,” and

WHEREAS, the Police and Fire Retirement System and each Participating Trust have agreed to amend and restate the Original Agreements in their entirety as set forth in Supplement

**POLICE AND RETIREMENT SYSTEM OF THE CITY OF DETROIT
MMA AFFORDABLE HOUSING GROUP TRUST, A FLORIDA GROUP
TRUST**

No. 1 to Confidential Private Placement Memorandum and the Second Amended and Restated Agreement and Declaration of Trust (collectively, "Amended Agreements") as described below, and

WHEREAS, each Participating Trust is being asked to consent to, ratify and approve the terms of the Amended Agreements and the Second Amended and Restated Agreement and Declaration of Trust ("Amended Trust Agreement"), THEREFORE BE IT

RESOLVED, that the Police and Fire Retirement System consents to, ratifies and approves the terms of the Amended Agreements and any ancillary documents executed in connection therewith, AND BE IT FURTHER

RESOLVED, the Advisor and Trustees of the Group Trust are authorized to consummate the transactions described in the Amended Agreements, AND BE IT FURTHER

RESOLVED, that the Board of Trustees of the Police and Fire Retirement System are authorized to execute attachment "C" to the MRC Mortgage/Investment Trust Participating Trust Consent any instruments required by the Group Trust to evidence such approval, and be it further

RESOLVED, that the defined terms in the Original Agreements shall have the same meanings in this resolution and facsimile signatures shall be treated as original signatures for all purposes:

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED THE BOARD'S SMALL-CAP CORE/GROWTH MANAGER CANDIDATES AND THE BOARD'S CASH REQUIREMENTS FOR THE REMAINDER OF 2006.

CHICAGO EQUITY PARTNERS

BY MR. BANDEMER - SUPPORTED BY MS. TALABI

WHEREAS, the Board has been conducting a search for small-cap core/growth managers, and

WHEREAS, the Board has interviewed several small-cap core/growth manager candidates, and

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

RESOLVED, that Chicago Equity Partners be hired as a small-cap core/growth manager, and be it further

RESOLVED, that the foregoing is 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 Chicago Equity Partners:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

NORTH POINTE CAPITAL

BY MR. BANDEMER - SUPPORTED BY MS. TALABI

WHEREAS, the Board has been conducting a search for small-cap core/growth managers, and

WHEREAS, the Board has interviewed several small-cap core/growth manager candidates, and

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

RESOLVED, that North Pointe Capital be hired as a small-cap core/growth manager, and be it further

RESOLVED, that the foregoing is 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 North Pointe Capital:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

WELLS

BY MR. BANDEMER - SUPPORTED BY MS. TALABI

WHEREAS, the Board has been conducting a search for small-cap core/growth managers, and

WHEREAS, the Board has interviewed several small-cap core/growth manager candidates, and

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

RESOLVED, that Wells be hired as a small-cap core/growth manager, and be it further

RESOLVED, that the foregoing is 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 Wells:

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

KENNEDY CAPITAL MANAGEMENT

BY MR. BEASLEY - SUPPORTED BY MR. MILTON

RESOLVED, That the Small-Cap Core/Growth Investment Management Agreement between the Board and Kennedy Capital Management be terminated effective the earliest possible date permitted in accordance with the respective investment management agreement, and be it further

RESOLVED, That Kennedy Capital Management be instructed to stop trading in its Small-Cap Core/Growth account effective immediately, and be it further

RESOLVED, That the Small-Cap Core/Growth assets currently held by Kennedy Capital Management be transferred to North Pointe Capital, and be it further

RESOLVED, That a copy of this resolution be forwarded to Kennedy Capital Management, North Point Advisors and The Bank of New York, master securities custodian for the Retirement System:

Yeas - Trustees Bandemer, Beasley, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 9

Nays - Trustee Best - 1

FISHER INVESTMENTS

BY MR. BANDEMER - SUPPORTED BY MR. DOYLE

RESOLVED, THAT FISHER INVESTMENTS BE NOTIFIED IN WRITING THAT FISHER INVESTMENTS HAS BEEN PLACED ON THE BOARD'S INTERNAL "WATCH LIST" AND THAT FISHER INVESTMENTS WILL BE EXPECTED TO RESPOND TO INQUIRIES FROM THE BOARD AND THE BOARD'S INVESTMENT CONSULTANTS REGARDING PERFORMANCE:

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

CASH MANAGEMENT, PAYMENT OF BENEFITS AND EXPENSES

BY MR. STEWART - SUPPORTED BY MR. MOORE

WHEREAS, Staff has prepared the a cash plan which contains the projections of amounts required to pay the benefits and expenses of the system as well as fund the Board's investment commitments, and

WHEREAS, The Board's retained consultant, North Point Advisors has reviewed the cash plan prepared by staff and discussed the cash plan at length with the Board on this date, and

WHEREAS, North Point Advisors has recommended that certain withdrawals be made from the investment manager accounts in order to fund the cash requirements of the system, therefore be it

RESOLVED, that the following withdrawals be made from the investment manager accounts:

Merrill Lynch	20,000,000
Fisher	10,000,000
Rhumblin Russell 1000 Value Index	14,000,000
Earnest Partners	2,000,000
Kennedy Small Cap Value	25,000,000
Rhumblin Russell 2000 Growth Index	7,000,000
Income Research	1,000,000
Loomis Sayles	2,000,000
Credit Suisse	1,000,000

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

BILL PAYMENT REQUESTS

BY MR. CHRISTIAN - SUPPORTED BY MR. MOORE

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

NORTH POINT ADVISORS - NOVEMBER 7, 2006 - \$12,500.00 - DECEMBER, 2006 AND JANUARY, 2007 CONSULTING SERVICES

Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton, Moore, Stewart, Talabi and Chairman English - 10

Nays - None

CONFERENCE

By Mr. Stewart - Supported by Mr. Christian

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

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

CONFERENCE

Public Funds Summit

Arizona

January 9, 2007 - January 13, 2007

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

PRESENTATIONS

BY MR. MOORE - SUPPORTED BY MS. TALABI

RESOLVED, THAT DONALD SNIDER OF FIRST SPIRIT BANK AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (AFRICAN-AMERICAN COMMUNITY BANK) PURPOSES, AND BE IT FURTHER

RESOLVED, THAT ED TAYLOR OF ETHAN BRADLEY ADVISORS, LLC AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (ENTRUST CAPITAL, INC. DIRECT HEDGE FUND LONG/SHORT STRATEGY) PURPOSES:

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

ZASKE

BY MR. STEWART - SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an investment proposal from Zaske, and

ZASKE

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

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

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

**SMITH WHILEY
PROPOSED \$10,000,000.00 INVESTMENT**

BY MR. BEASLEY - SUPPORTED BY MR. MOORE

**WHEREAS, THE BOARD IS INTERESTED IN MAKING A \$10,000,000.00
INVESTMENT WITH SMITH WHILEY/PELHAM II FUND SUBJECT TO
FINAL APPROVAL BY THE BOARD OF ALL ISSUES, INCLUDING THE
LENATURE'S, INC. ISSUE, AND APPROVAL OF ALL TRANSACTION
DOCUMENTS BY THE BOARD'S SPECIAL LEGAL COUNSEL AND THE
BOARD'S GENERAL COUNSEL, AND**

**WHEREAS, THE BOARD DEEMS IT APPROPRIATE FOR ACCOUNTING
AND ALLOCATING PURPOSES TO RESERVE \$10,000,000.00 FOR THE
INVESTMENT IN THE EVENT THE TRANSACTION IS COMPLETED, AND**

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

**RESOLVED, THAT \$10,000,000.00 BE RESERVED ON AN
ALLOCATION/ACCOUNTING BASIS REGARDING THIS PROPOSED
INVESTMENT, AND BE IT FURTHER**

**RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO
SMITH WHILEY AND NORTH POINT ADVISORS:**

**SMITH WHILEY
PROPOSED \$10,000,000.00 INVESTMENT**

**Yeas - Trustees Bandemer, Beasley, Best, Christian, Doyle, Milton,
Moore, Stewart, Talabi and Chairman English - 10**

Nays - None

PUBLIC FORUM

**AT 2:55 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 3:00 P.M.
UNTIL THURSDAY, NOVEMBER 16, 2006, AT 9:00 A.M., IN ROOM
910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT,
MICHIGAN 48226.**

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

