

MEETING NUMBER **2606**

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



PROCEEDINGS HELD THURSDAY, DECEMBER 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 **9:05 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 December 11, 2006 communication from Syndicated Communications Venture Partners wherein Syndicated Communications Venture Partners requests that the Board fund its portion of the capital installment due for Syndicated Communications Venture Partners V, L.P. in the amount of \$256,302.00, 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, DOYLE, MILTON, ORZECH, STEWART AND CHAIRMAN ENGLISH – 7

NAYS – NONE

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RECEIPTS WHICH ARE REFERENCED ON PAGE 3 BE CONFIRMED:

CONFIRMATIONS

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

NAYS – NONE

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$20,000.00** ON DECEMBER 6
,2006 FROM UBS O'CONNOR GLOBAL FUND – DUE DILIGENCE
FEE

THE BOARD RECEIVED THE SUM OF **\$74,008.69** ON DECEMBER 8,
2006 FROM INLAND'S RETAIL TRUST – NOVEMBER, 2006
DISTRIBUTION

THE BOARD RECEIVED THE SUM OF **\$48,150.54** ON DECEMBER 11,
2006 FROM THE KALES BUILDING

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 **#3221**, IN THE
AMOUNT OF **\$248,010.48**, INCLUDING INTEREST, BE REFUNDED
PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

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

NAYS – NONE

MINUTES OF NOVEMBER 16, 2006 AND NOVEMBER 30, 2006

BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, NOVEMBER 16, 2006** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY, AND BE IT FURTHER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD **THURSDAY, NOVEMBER 30, 2006** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

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

NAYS – NONE

- ▶ TRUSTEE MOORE ENTERED THE MEETING.
- ▶ TRUSTEE CHRISTIAN ENTERED THE MEETING.

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

EARTH LINK – NOVEMBER 29, 2006 - \$109.75 – POLICE AND FIRE
PORTION OF \$219.50 – TRUSTEE INTERNET ACCESS

FORMS TRAC ENTERPRISES – DECEMBER 5, 2006 - \$618.99 –
POLICE AND FIRE PORTION OF \$1,237.98 – ENVELOPE PURCHASE

GABRIEL, ROEDER, SMITH & COMPANY – DECEMBER 13, 2006 -
\$600.00 – MISCELLANEOUS EXPENSES

HOWARD & HOWARD – DECEMBER 8, 2006 - \$14,421.36 –
NOVEMBER, 2006 SERVICES

IRON MOUNTAIN – NOVEMBER 30, 2006 - \$61.66 – POLICE AND
FIRE PORTION OF \$123.32 – CONTRACT/MISCELLANEOUS
SERVICES

IRON MOUNTAIN – NOVEMBER 30 ,2006 - \$847.72 – POLICE AND
FIRE PORTION OF \$1,695.43 – CONTRACT/MISCELLANEOUS
SERVICES

MAPERS – DECEMBER 1, 2006 - \$50.00 – 2007 MEMBERSHIP DUES

MAYFIELD GENTRY REALTY ADVISORS – DECEMBER 12, 2006 -
\$87,613.57 – OPERATIONAL EXPENSES AND CAPITAL
IMPROVEMENTS – GRAND PARK CENTRE

MAYFIELD GENTRY REALTY ADVISORS – DECEMBER 13, 2006 -
\$221,137.48 – ASSET MANAGEMENT AND SERVICING FEES –
DECEMBER, 2006

BILL PAYMENT REQUESTS

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

MAYFIELD GENTRY REALTY ADVISORS – DECEMBER 12, 2006 - \$67,182.44 – OPERATIONAL EXPENSES (\$55,235.04) AND CAPITAL CALL (\$11,947.40) – GRAND PARK CENTRE

MERRILL LYNCH – DECEMBER 6, 2006 - \$20,431.36 – 2006 THIRD QUARTER FEES

PDS, INC. – DECEMBER 13, 2006 - \$962.50 – POLICE AND FIRE PORTION OF \$1,925.00 – COMPUTER EQUIPMENT, SOFTWARE, TRAINING, SUPPLIES, MAINTENANCE

PLANTE & MORAN – OCTOBER 27, 2006 - \$8,777.50 – POLICE AND FIRE PORTION OF \$16,860.00 – CONTRACT/MISCELLANEOUS SERVICES

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

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

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

BILL PAYMENT REQUESTS

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

CLARK HILL – DECEMBER 11, 2006 - \$60,833.83 – NOVEMBER, 2006 SERVICES – EDS, INC.

CLARK HILL – DECEMBER 11, 2006 - \$8,454.38 – NOVEMBER, 2006 SERVICES – MISCELLANEOUS

CLARK HILL – DECEMBER 11, 2006 - \$1,800.00 – NOVEMBER, 2006 SERVICES – WOCHNA/HEAD

CLARK HILL – DECEMBER 11, 2006 - \$1,237.50 – NOVEMBER, 2006 SERVICES – EVERGREEN INVESTMENTS

CLARK HILL – DECEMBER 11, 2006 - \$422.10 – NOVEMBER, 2006 SERVICES – DROP PROGRAM

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

NAYS – NONE

LEGAL COUNSEL'S BILLING

BY MR. BEST – SUPPORTED BY MR. ORZECH

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED DECEMBER 21, 2006, FOR THE MONTH OF DECEMBER, 2006, IN THE AMOUNT

LEGAL COUNSEL'S BILLING

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:

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

NAYS – NONE

SIDNEY E. FARRIS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, SIDNEY E. FARRIS HAS PRESENTED THE BOARD WITH A
DECEMBER 6, 2006 WRITTEN REQUEST TO RECEIVE A REFUND OF
THE MILITARY SERVICE CREDIT HE PURCHASED (IN EXCESS OF 35
YEARS), THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. FARRIS BE HEREBY
APPROVED:

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

NAYS – NONE

THE REQUEST OF DAVID MICHAEL HOOD

BY MR. MOORE – SUPPORTED BY MR. DOYLE

WHEREAS, **David Michael Hood** has completed an application to withdraw funds from his defined contribution plan (annuity), and

Whereas The DFFA has made a verbal request on Mr. Hood's behalf for consideration to grant the withdrawal due to Mr. Hood's leave without pay status,

Whereas, Mr. Hood does not meet the eligibility requirements to make a withdrawal and legal consul has advised that granting the request of Mr. Hood could harm the I.R.S. status of the System

Resolved, That the request of David Michael Hood be denied and a copy of this resolution be forwarded to him:

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

NAYS – NONE

► TRUSTEE TALABI ENTERED THE MEETING.

MAYFIELD GENTRY REALTY ADVISORS

CHAUNCEY MAYFIELD AND FOUR (4) ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED PFRS' 2007 ANNUAL OPERATING BUDGET AT LENGTH.

MAYFIELD GENTRY REALTY ADVISORS

▶ TRUSTEE BEASLEY ENTERED THE MEETING DURING MAYFIELD GENTRY'S DISCUSSION.

THE BOARD THEN EXCUSED MR. MAYFIELD AND HIS ASSOCIATES.

MARWOOD ALTERNATIVE ASSET MANAGEMENT

ANDREW HUGHES, PETER LEVY AND PAUL PLATKIN APPEARED BEFORE THE BOARD, DISCUSSED HEDGE FUND INVESTING AND THEN EXCUSED THEMSELVES.

FISHER INVESTMENTS

LEON STAMPS AND ROMAN CANISH APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.

▶ TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF.

LEGAL COUNSEL REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING JOHNSON VERSUS JOHNSON, OPPENHEIMER CAPITAL, WIND POINT PARTNERS, DYNEGY, GVC AND THE IRS.

IRS FORM 945/POLICE AND FIRE RETIREMENT SYSTEM

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A COMMUNICATION FROM THE IRS TO THE SYSTEM RELATIVE TO IRS FORM 945 FOR THE TAX PERIODS DECEMBER 31, 2004, 2003, 2002, 2001 AND 2000.

JOHNSON VERSUS JOHNSON
WAYNE COUNTY CASE #1998-805107-DM

BY MR. BEST – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 10, 2006 ORDER FOR LIEN WHICH REQUIRES MONTHLY PAYMENTS UP TO \$635.10 TO THE WAYNE COUNTY FRIEND OF THE COURT, AND

WHEREAS, THE BOARD HAS BEEN INFORMED THAT, PURSUANT TO A PRIOR ORDER, \$100.15 PER MONTH FROM THE \$200.31 MONTHLY BENEFIT IS BEING PAID TO THE WAYNE COUNTY FRIEND OF THE COURT, THEREFORE BE IT

RESOLVED, THAT THE BOARD PAY AMOUNTS CONSISTENT WITH THE NOVEMBER 10, 2006 ORDER FOR LIEN, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO DONNA GIVENS JOHNSON AND PHILIP JOHNSON:

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

NAYS – NONE

WIND POINT PARTNERS IV, L.P.

BY MR. BANDEMER – SUPPORTED BY MR. BEST

Whereas, The Board has been requested to execute an Amendment #2 to the Second Amended and Restated Agreement of the Limited Partnership of Wind Point Partners IV, L.P. (dated December 4, 2006 and executed on December 14, 2006) relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by Wind Point Partners, 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, and be it further

Resolved, That the executed original document be forwarded to the appropriate party, and be it further

Resolved, That the Retirement System retain copies of said executed original document:

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

NAYS – NONE

OPPENHEIMER CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. BEST

Whereas, The Board has been requested to execute an Approval for Oppenheimer Capital to use certain Confidential Information letter (dated November 2, 2006 and executed on December 14, 2006) relative to the aforesaid transaction, and

Whereas, The execution of said document has been recommended by Oppenheimer Capital, 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, and be it further

Resolved, That the executed original document be forwarded to the appropriate party, and be it further

Resolved, That the Retirement System retain copies of said executed original document:

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

NAYS – NONE

GVC (VENTURE CAPITAL)
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. MILTON – SUPPORTED BY MR. DOYLE

Whereas, The Board has indicated its interest in making the foregoing investment subject to a number of conditions being met including the approval of final transaction documents after all negotiations are completed by the Board and Special Legal Counsel, and

Whereas, The Board notes that legal services required to prepare the proposed transaction documents for consideration by the Board will be fairly extensive and time-consuming and will require immediate attention, requiring consecutive hours of attention by Special Legal Counsel, and

Whereas, The Board's policy in such cases is to select and retain Special Legal Counsel relative to such investment proposal who will report to the Board's General Counsel and to the Board of Trustees, as appropriate, with fees and expenses of said Special Legal Counsel to be paid for from an escrow account funded by the Proposed Borrower, and

Whereas, The Board notes the possibility the preliminary legal services regarding the transaction may result in findings that the proposed Borrower will not be able to meet the requirement of the Retirement System as Lender/Investor, THEREFORE BE IT

Resolved, That the aforesaid investment proposal be assigned to **Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C.** as Special Legal Counsel, and be it further

GVC (VENTURE CAPITAL)
\$10,000,000.00 PROPOSED INVESTMENT

Resolved, That a further condition of the Board's continued interest in making this investment loan is proposed Borrower providing the Assistant Administrative Supervisor with written confirmation that proposed Borrower acknowledges receipt of this resolution and agrees to the terms therein, and be it further

Resolved, That Special Legal Counsel and the Assistant Administrative Supervisor arrange for an escrow account into which proposed Borrower will provide funds for costs, expenses and legal services, and be it further

Resolved, That Special Legal Counsel submit itemized billings to the proposed Borrower with copies to the Retirement System, and be it further

Resolved, That the amount to be escrowed will be mutually determined by Special Legal Counsel and proposed Borrower and will be reported to the Board of Trustees and the escrow may be funded in stages with the understanding that legal services will be performed only to the extent of, and after, the escrow deposit(s), and be it further

Resolved, That a copy of this resolution be provided proposed Borrower and Special Legal Counsel:

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

NAYS – NONE

► TRUSTEE TALABI RE-JOINED THE MEETING.

ACT 314 OF 1965 AS AMENDED
PERCENTAGE LIMITATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, ACT 314 OF 1965, AS AMENDED, PROVIDES PERCENTAGE OF PORTFOLIO LIMITATIONS FOR CERTAIN TYPES OF INVESTMENT CATEGORIES, AND

WHEREAS, GENERAL COUNSEL HAS ADVISED THE BOARD THAT PUBLIC ACT 314 OF 1965, AS AMENDED, PROVIDES THE INVESTMENT FIDUCIARY (I.E., THE BOARD OF TRUSTEES) TO ELECT TO CATEGORIZE PUBLIC REAL ESTATE INVESTMENT TRUSTS (REITS) WHICH MEET BOTH THE REQUIREMENTS OF SECTION 14(2) AND SECTION 19(1) TO BE CATEGORIZED IN EITHER SECTION, AND

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

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM'S INVESTMENTS IN REITS WHICH MEET THE REQUIREMENTS OF SECTION 14(2) AND SECTION 19(1) BE CATEGORIZED AS PART OF SECTION 14(2) FOR ACCOUNTING AND SUMMARY PURPOSES FOR MEETING THE PERCENTAGE LIMITATIONS OF PUBLIC ACT 314 OF 1965, AS AMENDED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD'S INVESTMENT CONSULTANT, REAL ESTATE CONSULTANT, INVESTMENT ANALYST AND ACCOUNTING STAFF:

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

NAYS – NONE

ROBECO

MIKAN VAN ZANTEN, ANDREW MUSTERS AND WANDA HINTON-BROWN APPEARED BEFORE THE BOARD, DISCUSSED ROBECO'S PRIVATE EQUITY FUND III PROGRAM AND THEN EXCUSED THEMSELVES.

SUPERIOR CAPITAL PARTNERS, LLC

WILLIAM CAMPBELL AND SCOTT RILEY APPEARED BEFORE THE BOARD, DISCUSSED SUPERIOR FUND 1, PENINSULA FUNDS 1 THROUGH 4 AND HURON FUNDS 1 AND 2 AND THEN EXCUSED THEMSELVES.

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED ONYX FINANCIAL, INSIGHT 2811 (TECHNOLOGY ENTREPRENEUR FUND) AND FISHER INVESTMENTS AT LENGTH.

THE BOARD THEN EXCUSED MR. ANDERSON.

► TRUSTEE CHRISTIAN EXCUSED HIMSELF.

RDD INVESTMENT CORPORATION

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

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:

CLOSED SESSION

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

NAYS – NONE

The Board entered into Closed Session at **2:08 P.M.**

▶ TRUSTEE ORZECH EXCUSED HIMSELF DURING CLOSED
SESSION.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at **2:23 P.M.**

FORMER ENVIRONMENTAL DISPOSAL SERVICES (EDS) FACILITY

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, from 1993 to 2006, the Board of Trustees of the Police and Fire Retirement System (the “Board”), as lender, provided financing to Environmental Disposal Services, Remus Joint Ventures and Romulus Deep Disposal Limited Partnership (collectively, the “Borrowers”) for the acquisition, construction, operation and maintenance of a hazardous waste treatment and deep disposal storage facility located in Romulus, Michigan (the “Facility”) and

WHEREAS, prior to the opening of the Facility and as a condition for the issuance of the operating licenses and permits by the Michigan Department of Environmental Quality (“MDEQ”) and the Environmental Protection Agency, the Borrowers posted a \$621,793.00 hazardous waste management surety bond (the “Closure Bond”) to cover the post-closure costs of the Facility in accordance with the post-closure plan and other requirements of the operating licenses, and

WHEREAS, on or about November 9, 2006, while in default under the loan documents, the Borrowers assigned to the Board’s designee, RDD Investment Corp, all of Borrowers’ right, title and interest in Borrowers’ assets and the Facility. and

WHEREAS, the Closure Bond is scheduled to expire on or about January 30, 2007 and AIG Environmental, the surety, on the Closure Bond, has requested full security of the bond penalty in the form of cash or a Letter of Credit, and

WHEREAS, the Board’s General Counsel advised the Board in Closed Session regarding this matter, and

WHEREAS, the Board has considered this matter in Open Session,
THEREFORE BE IT

RESOLVED, to the extent permitted by the MDEQ and in lieu of renewing the Closure Bond, the Board hereby approves the issuance of the Board’s letter of credit, in an amount not to exceed \$675,000.00 in favor of the MDEQ to cover the post-closure costs of the Facility in accordance with the closure plan and other requirements of the operating license, subject

FORMER ENVIRONMENTAL DISPOSAL SERVICES (EDS) FACILITY

to the Letter of Credit being null and void upon the MDEQ's approval of the transfer of the operating licenses and permits to an entity other than RDD Investment Corp or RDD Operating LLC, a wholly owned subsidiary of RDD Investment Corp, and be it further

RESOLVED, that a copy of this Resolution be forwarded to all special counsel:

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, MILTON,
MOORE, STEWART, TALABI AND CHAIRMAN ENGLISH
– 8

NAYS – NONE

ABSTAIN – TRUSTEE DOYLE - 1

PUBLIC FORUM

AT **2:27 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 **2:29 P.M.** UNTIL THURSDAY, **DECEMBER 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

