

MEETING NUMBER **2614**

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



PROCEEDINGS HELD THURSDAY, **FEBRUARY 8, 2007**

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
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

Gregory Best	Elected Trustee/Vice Chairperson
Gary Christian	Ex/Officio Alternate Trustee
Richard Huddleston	Investment Analyst

ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT **9:00 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

PRAYERS FOR JOSEPH TORKOS AND WALTER GRYSKO

THE BOARD SPENT MOMENTS PRAYING FOR FIRE FIGHTERS **JOSEPH TORKOS** AND **WALTER GRYSKO** WHO WERE SERIOUSLY INJURED IN A CRASH WHILE EN ROUTE TO AN ARSON FIRE IN DETROIT'S NEW CENTER AREA.

CAPRI CAPITAL PARTNERS

By Mr. Bandemer – Supported by Mr. Stewart

Whereas, The Board has been presented with a February 1, 2007 communication from Capri Capital Partners wherein Capri Capital Partners requests that the Board fund its portion of the capital call due for Capri Select Income II in the amount of **\$2,160,000.00** 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, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

LIBERTY LIFE ASSURANCE COMPANY OF BOSTON

By Mr. Bandemer – Supported by Mr. Stewart

Whereas, The Board has been presented with a January 29, 2007 communication from Liberty Life Assurance Company of Boston wherein Liberty Life Assurance Company of Boston requests that the Board fund its portion of the capital call due for Liberty Life Assurance Company of Boston's U. S. II Institutional Fund, L.P. in the amount of **\$1,601,778.00**, 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, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

TOUCHSTONE

By Mr. Bandemer – Supported by Mr. Stewart

Whereas, The Board has been presented with a February 1, 2007 communication from Touchstone wherein Touchstone requests that the Board fund its portion of the capital call due for Touchstone Opportunity Investments II in the amount of **\$2,030,769.23**, Therefore Be It

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approve said funding:

TOUCHSTONE

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

RETIREMENTS

BY MR. STEWART - SUPPORTED BY MR. MOORE

RESOLVED, THAT THE DUTY DISABILITY RETIREMENT CONVERSIONS WHICH ARE OUTLINED BELOW BE APPROVED:

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

RETIREMENTS

NAME, TITLE, DEPARTMENT	EMMETT FREDERICK – SERGEANT – POLICE
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION – NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 00 – 03 01 07

NAME, TITLE, DEPARTMENT	LUCY STEELE – OFFICER – POLICE
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT/EFFECTIVE DATE	25 00 00 – 03 04 07

CONFIRMATIONS

By Mr. Bandemer – Supported by Mr. Moore

RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED ON PAGE 5 BE CONFIRMED:

CONFIRMATIONS

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$100,000.00** ON JANUARY 25, 2007 FROM THE ATHENEUM HOTEL CORPORATION

THE BOARD RECEIVED THE SUM OF **\$1,219,989.88** ON JANUARY 31, 2007 FROM RREEF AMERICA II – 2006 FOURTH QUARTER DISTRIBUTION

THE BOARD RECEIVED THE SUM OF **\$109,505.00** ON JANUARY 31, 2007 FROM LIBERTY LIFE'S CIII FUND

THE BOARD RECEIVED THE SUM OF **\$16,791.66** ON FEBRUARY 2, 2007 FROM ONE KENNEDY SQUARE

THE BOARD RECEIVED THE SUM OF **\$10,000.00** ON FEBRUARY 2, 2007 FROM CROCI – DUE DILIGENCE FEE

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 **#3225**, IN THE AMOUNT OF **\$953,550.57**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

MINUTES OF THURSDAY, JANUARY 18, 2007

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **JANUARY 18, 2007** BE APPROVED AS RECORDED AND SUBMITTED:

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

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

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

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

Doug Davis – January 29, 2007 - \$4,683.60 – January, 2007 computer services

Jason DeLuce – January 29, 2007 - \$4,350.00 – January, 2007 computer services

BILL PAYMENT REQUESTS

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

Douglas Frederick – January 29, 2007 - \$5,080.32 – January, 2007
computer services

Bridgett Hardy – January 29, 2007 - \$3,419.96 – January, 2007
computer services

Harold Lamkin – January 29, 2007 - \$2,396.25 – January, 2007
computer services

Frank Learned – January 29, 2007 - \$3,159.45 – January, 2007
computer services

Anita Linet – January 29, 2007 - \$2,700.56 – January, 2007
computer services

Dennis Linet – January 29, 2007 - \$6,794.97 – January, 2007
computer services

Michael Powning – January 29, 2007 - \$5,192.96 – January, 2007
computer services

Sanjay Prasad – January 28, 2007 - \$5,250.96 – January, 2007
computer services

Ronald Reeves – January 29, 2007 - \$4,320.00 – January, 2007
computer services

Ray Tchou – January 30, 2007 - \$5,842.08 – January, 2007
computer services

Ed Zarzycki – January 29, 2007 - \$2,886.00 – January, 2007
computer services

BILL PAYMENT REQUESTS

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

ADP – January 26, 2007 - \$115.13 – Police and Fire portion of \$230.25 – Miscellaneous expenses

ADP – January 19, 2007 - \$8.38 – Police and Fire portion of \$16.76 – Miscellaneous expenses

ADP – January 26, 2007 - \$47.77 – Police and Fire portion of \$95.54 – Miscellaneous expenses

Advent Capital Management – February 7, 2007 - \$78,726.64 – 2006 fourth quarter fees

The Bank of New York – January 25, 2007 - \$60,377.16 – 2006 fourth quarter fees

CCH Inc. – January 1, 2007 - \$436.00 – Police and Fire portion of \$872.00 – Office supplies

Comerica – January 10, 2007 - \$62.50 – 2006 fourth quarter fees

Credit Suisse – January 25, 2007 - \$32,710.85 – 2006 fourth quarter fees

Dimensional Fund Advisors – January 15, 2007 - \$174,540.07 – 2006 fourth quarter fees

Fischer Investments – January 9, 2007 - \$179,976.46 – 2006 fourth quarter fees

Forms Trac – January 23, 2007 - \$321.18 – Police and Fire portion of \$642.35 – Printing fees

BILL PAYMENT REQUESTS

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

Gabriel, Roeder, Smith & Company – February 2, 2007 - \$4,500.00 – February, 2007 services

GFOA – December 1, 2006 - \$1,862.50 – Police and Fire portion of \$3,725.00 – 2007 membership fees

HSBC – January 26, 2007 - \$83,981.22 – 2006 fourth quarter fees

HSBC – January 26, 2007 - \$28,552.97 – 2006 fourth quarter fees

Ikon Office Solutions – January 15, 2007 - \$231.00 – Police and Fire portion of \$462.00 – Miscellaneous expenses

Income, Research & Management - \$44,158.42 – 2006 fourth quarter fees

Iron Mountain – January 31, 2007 - \$621.16 – Police and Fire portion of \$1,242.31 – Miscellaneous expenses

Kennedy Capital Management – January 29, 2007 - \$604,094.00 – 2006 fourth quarter fees

Loomis, Sayles & Company – January 18, 2007 - \$50,101.86 – 2006 fourth quarter fees

Mayfield Gentry Realty Advisors – January 25, 2007 - \$214,357.57 – January, 2007 asset management and mortgage servicing fees

North Point Advisors – February 5, 2007 - \$20,000.00 – Fee for GVC Winstar due diligence and transaction structuring

BILL PAYMENT REQUESTS

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

Office Depot – January 25, 2007 - \$217.43 – Police and Fire portion of \$434.85 – Office supplies

Pugh Capital Management – January 15, 2007 - \$41,544.20 – 2006 fourth quarter fees

Scantron Service Group – January 25, 2007 - \$2,272.64 – Police and Fire portion of \$4,545.27 – Computer supplies

Sugerman, Donald – January 29, 2007 - \$5,318.23 – Disability Retirement Review Board for Lemuel Wade

Verizon Wireless – January 4, 2007 - \$1,281.23 – Miscellaneous expenses

Wells Capital Management – January 25, 2007 - \$159,375.98 – 2006 fourth quarter fees

Yeas – Trustees Bandemer, Moore, Orzech, Stewart and Chairman English - 5

Nays – None

▶ TRUSTEE TALABI ENTERED THE MEETING.

THE REQUEST OF LAMAR TORAN

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, RETIRANT LEMAR TORAN HAS PRESENTED THE BOARD WITH A JANUARY 25, 2007 REQUEST TO RETURN TO WORK, THEREFORE BE IT

THE REQUEST OF LAMAR TORAN

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

Yeas – Trustees Moore, Orzech, Stewart, Talabi and Chairman
man English - 5

Nays – None

Abstain – Trustee Bandemer – 1

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. Stewart – 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

Casmere Kosicki

Beneficiary Date of Death: November 27, 2006

Application Filed: January 4, 2007

Edmund Kuhnlein

Beneficiary Date of Death: December 17, 2006

Application Filed: January 3, 2007

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

Frank Saims

Beneficiary Date of Death: January 24, 2007

Application Filed: January 31, 2007

Yeas – Trustees Bandemer, Moore, Orzech, Stewart, Talabi and
Chairman English – 6

Nays – None

► SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

THE REQUEST OF DENNIS SMITH

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, DENNIS SMITH HAS PRESENTED THE BOARD WITH A
FEBRUARY 3, 2007 REQUEST TO RECEIVE A REFUND OF THE
MILITARY SERVICE TIME HE PURCHASED, THEREFORE BE IT

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

Yeas – Trustees Bandemer, Moore, Orzech, Stewart, Talabi and
Chairman English – 6

Nays – None

**CROCI DUE DILIGENCE VISIT TO DEUTSCH BANK IN LONDON,
ENGLAND**

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 30, 2007 LETTER FROM THE WAYNE COMPANY REGARDING FEBRUARY 15, 2007 THROUGH FEBRUARY 19, 2007 MEETING DATES IN LONDON, ENGLAND, RE: PROPOSED \$10,000,000.00 INVESTMENT WITH THE DEUTSCH BANK CROCI MARKET CONTRIBUTION NOTES PROGRAM, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVE THE ATTENDANCE OF TRUSTEES, THE EXECUTIVE SECRETARY, THE ASSISTANT EXECUTIVE SECRETARY AND LEGAL COUNSEL AT THE OFFICE DUE DILIGENCE VISIT WITH THE UNDERSTANDING THAT TRAVEL AND LODGING COSTS ARE PAID BY OR ON BEHALF OF THE INVESTMENT SPONSOR BUT NOT BY THE RETIREMENT SYSTEM, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE WAYNE COMPANY:

Yeas – Trustees Bandemer, Moore, Orzech, Stewart, Talabi and
Chairman English – 6

Nays – None

- ▶ TRUSTEE BEASLEY ENTERED THE MEETING.
- ▶ TRUSTEE MILTON ENTERED THE MEETING.

MILESTONE REALTY CAPITAL

MARTY WEST, RONALD STEMPIN AND ED WALSH APPEARED BEFORE THE BOARD AND DISCUSSED THE BROADHEAD ARMORY AND 1425, 1463, 1489 AND 7850 EAST JEFFERSON AS POSSIBLE BUILDING/LAND ACQUISITIONS FOR BUILDING OF RETIREMENT SYSTEMS.

PRIOR TO EXCUSING THEMSELVES, MESSRS. WEST STEMPIN AND WALSH DISCUSSED THE BOARD'S PROPOSED \$3,000,000.00 WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST) INVESTMENT.

► TRUSTEE DOYLE ENTERED THE MEETING.

CHESS CAPITAL

SHONDA WARNER AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED CHESS CAPITAL'S FULL HARVEST AGRICULTURAL FUND AND THEN EXCUSED THEMSELVES.

INTERCONTINENTAL REAL ESTATE CORPORATION

PETER PALANDJIAN AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED INTERCONTINENTAL'S U. S. REAL ESTATE INVESTMENT FUND, LLC AND THEN EXCUSED THEMSELVES.

DISABILITY RETIREMENT REVIEW BOARD OF LEMUEL WADE

BY MR. DOYLE – SUPPORTED BY MR. BEASLEY

WHEREAS, THE BOARD IS IN RECEIPT OF ARBITRATOR SUGERMAN'S JANUARY 29, 2007 OPINION AND AWARD THAT

DISABILITY RETIREMENT REVIEW BOARD OF LEMUEL WADE

LEMUEL WADE'S DISABILITY IS **NOT** DUTY-CONNECTED, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY UPHOLDS ITS **SEPTEMBER 16, 2004** DENIAL OF MR. WADE'S APPLICATION FOR DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MR. WADE:

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

NAYS – NONE

▶ TRUSTEE DOYLE EXCUSED HIMSELF.

▶ TRUSTEE TALABI TEMPORARILY EXCUSED HERSELF AND THE RE- JOINED THE MEETING.

SMITH BARNEY

BRUCE BALLARD AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED 2006 MANAGER PERFORMANCE AND THEN EXCUSED THEMSELVES.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MARVELL TECHNOLOGY AND THE BOARD'S PROPOSED \$3,000,000.00 WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST) INVESTMENT.

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT THE BOARD'S MOTION REGARDING WATERMARK, WHICH WAS TABLED JANUARY 11, 2007, BE REMOVED FROM THE TABLE AND AMENDED BY ADDING A NEW SECOND PARAGRAPH WHICH REFERENCES MILESTONE'S FEBRUARY 7, 2007 REPORT:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

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

NAYS – NONE

FOLLOWING IS THE BOARD'S JANUARY 11, 2007 MOTION REGARDING WATERMARK, AS AMENDED:

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

BY MR. MILTON – SUPPORTED BY MR. DOYLE

Whereas, The Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, and

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

Whereas, The Board is in receipt of a February 7, 2007 report from Milestone which includes a revised presentation which contemplates a \$3,000,000.00 investment in participating debt, and

Whereas, The Board has indicated its willingness to further consider making this proposed investment subject to certain additional terms and modifications of said proposal, which have already been identified by the Board of Trustees and certain additional terms and modifications which will be required after Special Legal Counsel begins to prepare loan investment documents, and

Whereas, The Board's contingent approval is also conditioned upon the understanding that the proposed transaction does not contemplate unrelated Business Taxable Income (UBTI) to the Retirement System as Lender, and

Whereas, The Board will be selecting Special Legal Counsel regarding this proposed investment who is likely to be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be It

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Borrower and project sponsor, and subject to approval of final documents by the Board of Trustees, and be it further

Resolved, That it be expressly understood by all parties that there is no obligation of the Board to make the investment

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

unless final transaction documents are approved as to form and content by the Board and approved as to form by the Board's Legal Counsel and is executed by the Board, Borrower, any Guarantors and other applicable parties, and subject to all terms of any such fully executed documents being met by the parties, including specifically all costs of the Board, including legal fees and expenses being paid from an escrow account funded by Borrower or entities other than the Board, and be it further

Resolved, That the Board notes the likelihood of suggested additional changes to the proposal will be made by the Board and any applicable due diligence monitor and/or business advisor and Special Legal Counsel, and be it further

Resolved, That any commitment or other preliminary transaction documents signed by the Board include the provision that all final transaction loan documents are subject to approval as to form and content by the Board and the Board's Special Legal Counsel, and approval as to form and content by the Board's General Counsel, and be it further

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

Resolved, That the foregoing is also conditioned upon Borrower/applicable party paying all costs and expenses of the Board, including legal fees in document preparation even if this proposed investment is not completed or finalized due to the Borrower/applicable

WATERMARK RESIDENTIAL DEVELOPMENT (CHENE WEST)
\$3,000,000.00 PROPOSED INVESTMENT

party deciding to withdraw the proposal, refusing to execute final documents approved by the Board of Trustees, or for any other reason deciding not to proceed with the transaction, and be it further

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

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

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

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

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

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

BILL PAYMENT REQUESTS

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

HUDSON & MUMA – JANUARY 26, 2007 - \$5,872.00 – 2007
TRAVEL/ACCIDENT INSURANCE POLICY RE-NEWAL (#6407-28-80)

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

NAYS – NONE

**STEWARD REAL ESTATE PARTNERS FUND I, L.P.
\$20,000,000.00 LIMITED PARTNER INVESTMENT**

BY MR. BANDEMER – SUPPORTED BY MS. TALABI

WHEREAS, TH BOARD HAS BEEN REQUESTED TO EXECUTED THE
DOCUMENTS WHICH ARE REFERENCED BELOW (DATED
FEBRUARY 8 ,2007) RELATIVE TO THE AFORESAID TRANSACTION,
AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN
RECOMMENDED BY THE BOARD'S SPECIAL COUNSEL F. LOGAN
DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN
REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S LEGAL
COUNSEL AND THE EXECUTION OF SAID DOCUMENTS IS
CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE
IT

RESOLVED, THAT SAID DOCUMENTS BE EXECUTED BY TWO
AUTHORIZED SIGNATORIES ON BEHALF OF THE BOARD, AND BE IT
FURTHER

STEWARD REAL ESTATE PARTNERS FUND I, L.P.
\$20,000,000.00 LIMITED PARTNER INVESTMENT

RESOLVED, THAT THE INVESTMENT BE FUNDED SUBJECT TO DRAW REQUEST(S) CONSISTENT WITH ESTABLISHED PROCEDURES:

SUBSCRIPTION BOOKLET CONTAINING:

SUBSCRIPTION AGREEMENT
POWER OF ATTORNEY
INVESTOR QUALIFICATION STATEMENT
AGREEMENT OF LIMITED PARTNERSHIP OF STEWARD
REAL ESTATE PARTNERS FUND I, L.P.
SIDE LETTER

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

NAYS – NONE

CLOSED SESSION

By Mr. Bandemer – Supported by Mr. Stewart

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, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

The Board entered into Closed Session at **1:23 P.M.**

► TRUSTEE DOYLE RE-JOINED THE MEETING.

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, DOYLE, MILTON, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

The Board returned to Open Session at **3:15 P.M.**

RDD INVESTMENT CORPORATION

By Mr. Milton – Supported by Mr. Doyle

WHEREAS, THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT IS THE SOLE SHAREHOLDER OF RDD INVESTMENT CORPORATION, AND

WHEREAS, THE BOARD IS AWARE OF THE PENDING EXECUTION OF AN ASSET PURCHASE AND PERMIT TRANSFER AGREEMENT DATED FEBRUARY 8, 2007 BETWEEN RDD INVESTMENT CORPORATION AND ENVIRONMENTAL GEO TECHNOLOGIES, LLC, AND

WHEREAS, THE POLICE AND FIRE RETIRMENT SYSTEM OF THE CITY OF DETROIT NOTES ITS OPPORTUNITY TO INDICATE ANY POSITION REGARDING THIS MATTER, THEREFORE BE IT

RDD INVESTMENT CORPORATION

RESOLVED, THAT THE BOARD HAS NO OBJECTION TO THE EXECUTION OF SAID ASSET PURCHASE AND PERMIT TRANSFER AGREEMENT DATED FEBRUARY 8, 2007, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO RDD INVESTMENT CORPORATION:

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

NAYS – TRUSTEE ORZECH – 1

\$10,000,000.00 Loan to Winstar Communications, LLC and Winstar Government Solution, LLC

By Mr. Bandemer – Supported by Mr. Stewart

WHEREAS, North Point Advisors, per Adrian Anderson, has reported that all requirements for financial and related information have been provided to his satisfaction, and

WHEREAS, Special Legal Counsel, Don Wagner, has reported that agreement has been reached with respect to the legal documents regarding this transaction, and

WHEREAS, Borrower has requested an immediate draw of approximately **one-half** of the **\$10,000,000.00** amount, and

WHEREAS, The Board of Trustees has discussed this matter, Therefore Be It

RESOLVED, That the transaction documents be executed by authorized signatories on behalf of the Police and Fire

\$10,000,000.00 Loan to Winstar Communications, LLC and Winstar Government Solution, LLC

Retirement System and fully executed documents be presented to the Retirement System, and be it further

RESOLVED, That subject to final approval of the transaction documents by Special Legal Counsel and General Counsel, draw requests be wire transferred subject to approval of the Executive Secretary, Special Legal Counsel, and/or General Counsel, including the immediate draw request transfer of funds anticipated for February 1, 2007, and be it further

RESOLVED, That a copy of this resolution be forwarded to Kirkland Dudley, Adrian Anderson and Don Wagner:

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

NAYS – NONE

JOEL SNYDER LITIGATION

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, SPECIAL COUNSEL HAS – IN CLOSED SESSION THIS DATE – UPDATED THE BOARD REGARDING THE STATUS OF THIS LITIGATION, THEREFORE BE IT

RESOLVED, THAT SPECIAL COUNSEL IS AUTORIZED TO PROCEED TO RESOLVE THIS MATTER CONSISTENT WITH THE BOARD'S CLOSED SESSION DISCUSSION OF THIS DATE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL COUNSEL JOE TURNER:

JOEL SNYDER LITIGATION

YEAS – TRUSTEES BEASLEY, DOYLE, MOORE, ORZECH, STEWART,
TALABI AND CHAIRMAN ENGLISH – 7

NAYS – TRUSTEES BANDEMER AND MILTON – 2

RDD INVESTMENT CORPORATION (“RDD”)

BY MR. DOYLE – SUPPORTED BY MR. BEASLEY

WHEREAS, THE BOARD IS IN RECEIPT OF A REQUEST FOR FUNDING IN THE AMOUNT OF **\$798,000.00** FOR THE PERIOD FEBRUARY 1, 2007 THROUGH APRIL 30, 2007, THEREFORE BE IT

RESOLVED, THAT SAID FUNDING BE APPROVED, AND BE IT FURTHER

RESOLVED, THAT DRAW REQUESTS BE HONORED CONSISTENT WITH BOARD RESOLUTIONS SUBJECT TO ESTABLISHED PROCEDURES AND REQUIREMENTS OF AUTHORIZED SIGNATORIES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO RDD INVESTMENT CORPORATION AND SPECIAL COUNSEL F. LOGAN DAVIDSON, P.C.:

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

NAYS – NONE

► TRUSTEE MILTON EXCUSED HIMSELF FOR THE REMAINDER OF THE MEETING.

CHESS CAPITAL

By Mr. Stewart – Supported by Mr. Bandemer

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

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

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

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
STEWART AND TALABI - 6

NAYS – TRUSTEE ORZECH AND CHAIRMAN ENGLISH – 2

INTERCONTINENTAL

By Mr. Beasley – Supported by Mr. Doyle

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

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

Resolved, That The Townsend Group be engaged to perform due diligence on said proposal and submit a written report of their findings to the Board:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

INTERCONTINENTAL

NAYS – NONE

**POTENTIAL ACQUISITION OF LAND FOR BUILDING OF RETIREMENT
SYSTEM OFFICES**

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A FEBRUARY 7, 2007
REPORT REGARDING SITE REVIEWS, AND

WHEREAS, THE BOARD IS AWARE OF THE FEBRUARY 7, 2007
RESOLUTION OF THE BOARD OF TRUSTEES OF THE GENERAL
RETIREMENT SYSTEM OF THE CITY ON DETROIT, THEREFORE BE IT

RESOLVED, THAT THE BOARD DECLARES ITS INTEREST IN
PURSUING THE PURCHASE OF THE PROPERTY BETWEEN EAST
JEFFERSON AND LARNED (KNOWN AS 1425, 1463 AND 1489 EAST
JEFFERSON), AND BE IT FURTHER

RESOLVED, THAT THE **\$37,500.00** DEPOSIT PREVIOUSLY MADE ON
THE GRATIOT AREA PROPERTY BE TRANSFERRED TO THE EAST
JEFFERSON PROPERTY DESCRIBED ABOVE, AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

Inland Retail Real Estate Trust Proxy Vote

By Mr. Stewart – Supported by Mr. Bandemer

WHEREAS, The Board is in receipt of a report and recommendation from the Townsend Group dated January 26, 2007, to vote "**YES**" on the proposals to approve the merger agreement and the merger of the Inland Trust with a subsidiary of the Development Diversified Realty Corporation (DDR), and

WHEREAS, The Board has discussed this matter, Therefore Be It

RESOLVED, That the Board act consistent with the Townsend Group's January 26, 2007 recommendation, and be it further

RESOLVED, That a copy of this resolution be forwarded to the Townsend Group, attention Steve Burns:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

MICHIGAN FREEDOM OF INFORMATION ACT REQUEST

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A **FEBRUARY 1, 2007** COMMUNICATION FROM LEGAL COUNSEL TO ROBINS, KAPLAN, MILLER & CIRESI REGARDING THE ABOVE-CAPTIONED MATTER.

**POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
EIN: 38-6004606 – PLAN #002**

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A **JANUARY 26, 2007** COMMUNICATION FROM

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT
EIN: 38-6004606 – PLAN #002

SPECIAL COUNSEL CLARK HILL TO THE IRS REGARDING THE ABOVE-CAPTIONED MATTER.

RDD INVESTMENT CORPORATION

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A **FEBRUARY 8, 2007** COMMUNICATION FROM SPECIAL COUNSEL CLARK HILL TO THE BOARD REGARDING THE ABOVE-CAPTIONED MATTER.

JOHNSON VERSUS JOHNSON
WAYNE COUNTY CASE NUMBER 96-609955-DM

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 17, 2006 STIPULATED AMENDED ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS AN OCTOBER 11, 1996 JUDGMENT OF DIVORCE WHEREIN JAMES JOHNSON IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN BENEFITS ONLY OF SHEREE JOHNSON WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, THE BOARD PREVIOUSLY ADOPTED A RESOLUTION ON OCTOBER 28, 2004, AND

WHEREAS, THE BOARD HAS BEEN INFORMED THAT PARTICIPANT IS ELIGIBLE TO IMMEDIATELY RETIRE, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS AUGUST 31, 1956 AND, TO DATE, PARTICIPANT HAS ATTAINED APPROXIMATELY 27 YEARS AND 05 MONTHS OF SERVICE CREDIT, AND

JOHNSON VERSUS JOHNSON
WAYNE COUNTY CASE NUMBER 96-609955-DM

WHEREAS, ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN BECAUSE ALL AMOUNTS WERE PREVIOUSLY WITHDRAWN FROM THE DEFINED CONTRIBUTION PLAN; BUT ALTERNATE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS IMMEDIATELY, AND

WHEREAS, THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND THE COURT ORDER PROVIDES FOR THE PARTIES TO SHARE THE COST OF THE ACTUARY'S FEES, AND

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY LAVONNE JACKSON, ATTORNEY RITA YOUNG AND JAMES JOHNSON AND SHEREE JOHNSON:

JOHNSON VERSUS JOHNSON
WAYNE COUNTY CASE NUMBER 96-609955-DM

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

MARTIN VERSUS MARTIN
WAYNE COUNTY CASE NUMBER 99-900730-DM

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 25, 2007 STIPULATED FIRST AMENDED ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A JUDGMENT OF DIVORCE WHEREIN CLEMENTINE MARTIN IS AWARDED CERTAIN RIGHTS TO THE DEFINED CONTRIBUTION PLAN BENEFITS OF HARRISON MARTIN WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS FEBRUARY 19, 1957 AND, TO DATE, PARTICIPANT HAS ATTAINED APPROXIMATELY 23 YEARS AND 07 MONTHS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM ALL OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN AS OF NOVEMBER 16, 2006 (THE BALANCE TO PARTICIPANT), PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN; BUT ALTERNATE PAYEE IS NOT 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

MARTIN VERSUS MARTIN
WAYNE COUNTY CASE NUMBER 99-900730-DM

TERMINATION OF SERVICE, OR UPON PARTICIPANT ATTAINING THE AGE OF 60 YEARS, SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, AND

WHEREAS, SAID MATTER HAS BEEN DISCUSSED WITH LEGAL COUNSEL WHO HAS OPINED THAT THE APPLICABLE TERMS OF SAID COURT ORDER ARE CONSISTENT WITH THE PROVISIONS OF THE RETIREMENT SYSTEM AND APPLICABLE LAW, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER AND PAY PENSION BENEFITS CONSISTENT WITH SAID COURT ORDER, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY LADONNA JOHNS, DEBORAH O'BRIEN AND CLEMENTINE MARTIN AND HARRISON MARTIN:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, MOORE,
ORZECH, STEWART, TALABI AND CHAIRMAN ENGLISH – 8

NAYS – NONE

PUBLIC FORUM

AT **2:58 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 **3:10 P.M.**
UNTIL THURSDAY, **FEBRUARY 15, 2007**, AT 9:00 A.M., IN
ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER,
DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

