

MEETING NUMBER 2620

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



PROCEEDINGS HELD THURSDAY, MARCH 22, 2007  
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226



PRESENT

|                        |  |
|------------------------|--|
| 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                    |
| 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

|                |                              |
|----------------|------------------------------|
| Marty Bandemer | Elected Trustee              |
| DeDan Milton   | Ex/Officio Alternate Trustee |

ABSENT

None

CHAIRPERSON

**Frank English**

ROLL CALL WAS TAKEN AT **9:10 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

INHERITANCE CAPITAL GROUP

BY MR. MOORE – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a March 21, 2007 communication from Inheritance Capital Group wherein Inheritance requests that the Board fund its portion of the capital call due for Inheritance Capital Group, LLC (the "Fund") in the amount of **\$3,141,762.40**, Therefore Be It

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

YEAS – TRUSTEES BEST, CHRISTIAN, MOORE, ORZECH, STEWART  
AND CHAIRMAN ENGLISH – 6

NAYS – NONE

MMA REALTY CAPITAL – THE LAFER BUILDING

BY MR. MOORE – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a March 20, 2007 communication from MMA Realty Capital wherein MMA requests that the Board fund **Draw "3"** for the Lafer Building in the amount of **\$108,885.19**, Therefore Be It

MMA REALTY CAPITAL – THE LAFER BUILDING

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

YEAS – TRUSTEES BEST, CHRISTIAN, MOORE, ORZECH, STEWART  
AND CHAIRMAN ENGLISH – 6

NAYS – NONE

NON-DUTY DISABILITY RETIREMENT APPLICATION OF LEMUEL  
WADE

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, ON SEPTEMBER 16, 2004, THE BOARD DENIED LEMUEL WADE'S APPLICATION FOR DUTY DISABILITY RETIREMENT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S RECOMMENDATION THAT MR. WADE'S DISABILITY IS NOT DUTY-RELATED, AND

WHEREAS, IN OCTOBER OF 2004, MR. WADE EXERCISED HIS RIGHT TO APPEAL SAID DENIAL PURSUANT TO PROCEDURES ESTABLISHED BY COLLECTIVE BARGAINING, AND

WHEREAS, IN OCTOBER OF 2004, MR. WADE'S CASE WAS REFERRED TO ARBITRATION (DISABILITY RETIREMENT REVIEW BOARD), AND

WHEREAS, ARBITRATOR DONALD F. SUGERMAN PROVIDED THE BOARD WITH A JANUARY 29, 2007 OPINION AND AWARD THAT "MR. WADE'S DISABILITY IS NOT DUTY-CONNECTED," AND

WHEREAS, ON FEBRUARY 8, 2007, THE BOARD UPHELD ITS SEPTEMBER 16, 2004 DENIAL OF MR. WADE'S APPLICATION FOR

NON-DUTY DISABILITY RETIREMENT APPLICATION OF LEMUEL WADE

DUTY DISABILITY RETIREMENT BASED UPON ARBITRATOR SUGERMAN'S JANUARY 29, 2007 OPINION AND AWARD, AND

WHEREAS, MR. WADE HAS NOW PRESENTED THE BOARD WITH A FEBRUARY 16, 2007 APPLICATION FOR NON-DUTY DISABILITY RETIREMENT, THEREFORE BE IT

RESOLVED, THAT MR. WADE'S APPLICATION FOR **NON-DUTY DISABILITY RETIREMENT** BE HEREBY **APPROVED**:

YEAS – TRUSTEES BEST, CHRISTIAN, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 6

NAYS – NONE

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED BELOW BE **CONFIRMED**:

YEAS – TRUSTEES BEST, CHRISTIAN, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 6

NAYS – NONE

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$880,694.54** ON MARCH 16, 2007 FROM MAYFIELD GENTRY REALTY ADVISORS

THE BOARD RECEIVED THE SUM OF **\$52,328.89** ON MARCH 13, 2007 FROM THE SHEFFIELD (MMA)

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$140.00** ON MARCH 16, 2007 FROM THE GFOA (GOVERNMENT FINANCE OFFICERS' ASSOCIATION)

THE BOARD RECEIVED THE SUM OF **\$56,823.28** ON MARCH 20, 2007 FROM BEHRINGER'S HARVARD REIT

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

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 **#3231**, IN THE AMOUNT OF **\$241,336.58**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

■ TRUSTEE BEASLEY ENTERED THE MEETING.

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 7

NAYS – NONE

MINUTES OF THURSDAY, MARCH 8, 2007

BY MR. ORZECH – SUPPORTED BY MR. BEST

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **MARCH 8, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 7

MINUTES OF THURSDAY, MARCH 8, 2007

NAYS – NONE

■ LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

■ SPECIAL COUNSEL JOE TURNER 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:

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

ADP – MARCH 9, 2007 - \$5,817.89 – POLICE AND FIRE PORTION OF **\$11,635.78** – OFFICE SUPPLIES

ADP – MARCH 9, 2007 - \$37.50 – POLICE AND FIRE PORTION OF **\$75.00** – OFFICE SUPPLIES

CLARK HILL – MARCH 14, 2007 - **\$337.50** – DECEMBER 11, 2006 SERVICES – GVC

CLARK HILL – MARCH 14, 2007 - **\$47,284.95** – DECEMBER, 2006 SERVICES – EDS, INC.

BILL PAYMENT REQUESTS

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

CLARK HILL – JANUARY 17, 2007 - **\$9,348.30** – LEGAL FEES – DROP PLAN/MISCELLANEOUS

CTS – FEBRUARY 28, 2007 - **\$66.15** – POLICE AND FIRE PORTION OF **\$132.30** – OFFICE SUPPLIES

DAVIDSON, F. LOGAN – MARCH 15, 2007 - **\$8,122.50** – LEGAL FEES – EDS, INC.

DAVIDSON, F. LOGAN – JANUARY 23, 2007 - **\$1,725.00** – LEGAL FEES – EDS, INC.

FORMS TRAC – MARCH 14, 2007 - **\$425.80** – POLICE AND FIRE PORTION OF **\$851.59** – ENVELOPE PRINTING

FORMS TRAC – MARCH 16, 2007 - **\$16.49** – POLICE AND FIRE PORTION OF **\$32.98** – ENVELOPE PRINTING

GABRIEL, ROEDER, SMITH & COMPANY – MARCH 21, 2007 - **\$800.00** – EDRO FEES

HOWARD AND HOWARD – MARCH 12, 2007 - **\$610.00** – LEGAL FEES – GSC PARTNERS

ORZECH, GEORGE – MARCH 21, 2007 - **\$146.00** – PARKING REIMBURSEMENT

PAYDEN AND RYGEL – MARCH 15, 2007 - **\$27,415.00** – FEBRUARY, 2007 FEES

PENSION BENEFIT INFORMATION – MARCH 7, 2007 - **\$472.50** – POLICE AND FIRE PORTION OF **\$945.00** – MISCELLANEOUS

BILL PAYMENT REQUESTS

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

VERIZON WIRELESS – MARCH 4, 2007 - **\$1,886.63** – PHONE SERVICE FEES

WALL STREET JOURNAL – MARCH 21, 2007 - **\$249.00** – SUBSCRIPTION FEE FOR TRUSTEE PAUL STEWART

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 7

NAYS – NONE

■ TRUSTEE SCOTT ENTERED THE MEETING.

Finance/Retirement Petty Cash Account

By Mr. Orzech – Supported by Mr. Best

Whereas, The present balance of the Finance/Retirement Petty Cash account is **\$198.02**, 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**, and be it further

Resolved, That the amount required to replenish the Finance/Retirement Petty Cash account to **\$2,000.00** be paid accordingly:

Finance/Retirement Petty Cash Account

Police and Fire Retirement System:     **\$1,432.99**

General Retirement System:             **\$ 368.99**

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

EMPLOYER CONTRIBUTIONS DUE THE SYSTEM JUNE 30, 2006

BY MR. ORZECH – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF REVISED CALCULATIONS BASED UPON ACTUARIAL REPORTS AND THE CITY'S BUDGET DEPARTMENT'S CALCULATIONS WHICH INDICATE A VARIANCE BETWEEN TWO CALCULATIONS IN THE AMOUNT OF **\$7,179,297.65**, THEREFORE BE IT

RESOLVED, THAT THE BOARD ACCEPT THE REVISED CALCULATIONS AND ACCEPT THE AFORESAID AMOUNT (**\$7,179,297.65**) AS THE VARIANCE BETWEEN THE TWO CALCULATIONS:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING ACT 312 QUARTERLY DISTRIBUTIONS, COUZENS LANSKY'S DUE DILIGENCE REGARDING

LEGAL COUNSEL'S REPORTS

MEEK MORTGAGE, EDS, INC./RDD INVESTMENT CORPORATION,  
RLJ AND INSIGHT 2811.

■ TRUSTEE TALABI ENTERED THE MEETING.

RLJ SELECT DIVERSIFIED FUND, LLC  
**\$10,000,000.00** PROPOSED INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

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

RLJ SELECT DIVERSIFIED FUND, LLC  
**\$10,000,000.00 PROPOSED INVESTMENT**

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 **F. LOGAN DAVIDSON** as Special Legal Counsel, and be it further

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:

RLJ SELECT DIVERSIFIED FUND, LLC  
**\$10,000,000.00 PROPOSED INVESTMENT**

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

ARTHUR ZASKE & ASSOCIATES/INSIGHT 2811  
**PROPOSED INVESTMENT (UP TO \$10,000,000.00)**

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

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

ARTHUR ZASKE & ASSOCIATES/INSIGHT 2811  
PROPOSED INVESTMENT (UP TO \$10,000,000.00)

Resolved, That the aforesaid investment proposal be assigned to **CLARK HILL** as Special Legal Counsel, and be it further

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 BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

CLOSED SESSION

By Mr. Stewart – 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 BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

The Board entered into Closed Session at **9:50 A.M.**

OPEN SESSION

By Mr. Stewart – Supported by Mr. Moore

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

The Board returned to Open Session at **10:10 A.M.**

FORMER ENVIRONMENTAL DISPOSAL SERVICES  
(EDS) FACILITY

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE “BOARD”) PREVIOUSLY ISSUED A **\$99,600.00** LETTER OF CREDIT (THE “LETTER OF CREDIT”) IN FAVOR OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY FOR THE CLOSURE OBLIGATIONS RELATED TO THE HAZARDOUS WASTE TREATMENT AND DEEP DISPOSAL STORAGE FACILITY LOCATED IN ROMULUS, MICHIGAN (THE “FACILITY”) FOR THE BENEFIT OF RDD INVESTMENT CORPORATION (RDD), THE BOARD’S DESIGNEE, AND

WHEREAS, THE EPA, AS A RESULT OF ITS RULES AND REGULATIONS, HAS REQUESTED THAT THE BOARD EITHER ISSUE ITS LETTER OF CREDIT CONSISTENT WITH THE EPA’S NEW REQUEST, OR SUBMIT A LETTER OF CREDIT ISSUED BY THE BOARD’S CUSTODIAL BANK, AND

WHEREAS, THE BOARD’S SPECIAL COUNSEL CLARK HILL, PLC AND GENERAL COUNSEL ADVISED THE BOARD IN CLOSED SESSION THIS DATE REGARDING THIS MATTER, AND

WHEREAS, THE BOARD HAS CONSIDERED THIS MATTER IN OPEN SESSION THIS DATE, THEREFORE BE IT

RESOLVED, TO THE EXTENT PERMITTED BY THE EPA, THE BOARD HEREBY APPROVES:

1. THE ISSUANCE OF THE BOARD’S REVISED LETTER OF CREDIT IN AN AMOUNT NOT TO EXCEED **\$99,600.00** (THE REVISED LETTER OF CREDIT) IN FAVOR OF THE MDEQ TO COVER THE POST-CLOSURE COSTS OF THE FACILITY IN ACCORDANCE WITH THE CLOSURE

FORMER ENVIRONMENTAL DISPOSAL SERVICES  
(EDS) FACILITY

PLAN AND OTHER REQUIREMENTS OF THE OPERATING PERMIT  
AND LICENSE, AND

2. SIGNING OF ALL RELATED DOCUMENTS REQUIRED BY THE EPA  
AND APPROVED BY THE BOARD'S SPECIAL COUNSEL AND  
GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, TO THE EXTENT THE EPA REQUIRES THE ISSUANCE OF  
A LETTER OF CREDIT BY THE BOARD'S CUSTODIAL BANK, THE  
BOARD HEREBY AUTHORIZES THE BANK OF NEW YORK, THE  
BOARD'S CUSTODIAL BANK, TO ISSUE A **\$99,600.00** STANDBY  
LETTER OF CREDIT IN FAVOR OF THE EPA FOR THE BENEFIT OF RDD  
TO FULFILL THE CLOSURE OBLIGATIONS SET FORTH IN THE  
CLOSURE PLAN FOR THE FACILITY, AND BE IT FURTHER

RESOLVED, THAT THE BOARD AUTHORIZES TWO (2) SIGNATORIES  
OF THE BOARD TO SIGN THE DOCUMENTS NECESSARY TO FULFILL  
THE BOARD'S FOREGOING ACTIONS, SUBJECT TO THE  
APPROVAL OF SUCH DOCUMENTS BY THE BOARD'S SPECIAL  
COUNSEL AND GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED  
TO THE BOARD'S SPECIAL COUNSEL:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH - 9

NAYS – NONE

THE TOWNSEND GROUP

STEVE BURNS AND ASSOCIATE KATE HUTCHINSON APPEARED BEFORE THE BOARD AND DISCUSSED:

- ▶ **2006** FOURTH QUARTER MANAGER PERFORMANCE
- ▶ RREEF'S AMERICA REIT PROXY
- ▶ INTERCONTINENTAL'S U. S. REAL ESTATE INVESTMENT FUND
- ▶ PRISA II INVESTMENT FUND

THE BOARD THEN EXCUSED MR. **BURNS** AND MS. **HUTCHINSON**.

RREEF AMERICA REIT II

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

WHEREAS, the Board is in receipt of the proxy for the upcoming annual meeting of the RREEF America REIT, and

WHEREAS, the Board is in receipt of the report of The Townsend Group, the Board's retained real estate consultant, with respect to Townsend's recommendation for the voting of the RREEF proxy, therefore be it

RESOLVED, that the Assistant Executive Secretary be instructed to vote the RREEF proxy in accordance with Townsend's recommendation:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH, SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH - 9

NAYS – NONE

MUNROS CAPITAL MANAGEMENT, LLC

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, General Counsel has advised the Board that all of the contractual agreements between the Board and Munros Capital Management, LLC have been completed, and

WHEREAS, The Board has received a report from North Point Advisors, the Board's retained consultant, with respect to the funding of the Munros account, therefore be it

RESOLVED, That the Munros account be funded by making the following withdrawals from the Board's international equity accounts, and be it further

RESOLVED, That a copy of this resolution be forwarded to Munros Capital Management, LLC, TT International, Dimensional Fund Advisors and The Bank of New York:

|                            |                 |
|----------------------------|-----------------|
| TT International:          | \$20,000,000.00 |
| Dimensional Fund Advisors: | \$10,000,000.00 |
| The Bank of New York:      | \$30,000,000.00 |

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH - 9

NAYS – NONE

RETIREMENTS

BY MR. BEST – SUPPORTED BY MR. ORZECH

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

RETIREMENTS

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH - 9

NAYS – NONE

RETIREMENTS

|                               |   |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT       | DONALD EDGE – BATTALION FIRE CHIEF<br>– FIRE DEPARTMENT |
| RETIREMENT, PLAN              | SERVICE – NEW   |
| SERVICE CREDIT/EFFECTIVE DATE | 37 02 21 – 04 23 07                                     |

|                               |   |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT       | RICHARD WEAVER – OFFICER – POLICE<br>DEPARTMENT |
| RETIREMENT, PLAN              | SERVICE – NEW                                   |
| SERVICE CREDIT/EFFECTIVE DATE | 37 11 10 – 04 01 07                             |

|                               |   |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT       | ANDREA TORKOS – WIDOW OF<br>DECEASED JOSEPH TORKOS – FIRE<br>ENGINE OPERATOR – FIRE<br>DEPARTMENT |
| RETIREMENT, PLAN              | DUTY DEATH – WIDOW – NEW PLAN   |
| SERVICE CREDIT/EFFECTIVE DATE | 11 04 20 – 02 08 07   |

|                               |   |
|-------------------------------|---|
| NAME, TITLE, DEPARTMENT       | MONIKA TORKOS – CHILD OF<br>DECEASED JOSEPH TORKOS – FIRE<br>ENGINE OPERATOR – FIRE<br>DEPARTMENT |
| RETIREMENT, PLAN              | DUTY DEATH – CHILD – NEW PLAN   |
| SERVICE CREDIT/EFFECTIVE DATE | 11 04 20 – 02 08 07   |

INTERCONTINENTAL U. S. REAL ESTATE INVESTMENT FUND  
**\$15,000,000.00 PROPOSED INVESTMENT**

BY MR. BEASLEY – SUPPORTED BY MR. SCOTT

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

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

INTERCONTINENTAL U. S. REAL ESTATE INVESTMENT FUND  
**\$15,000,000.00 PROPOSED INVESTMENT**

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 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

INTERCONTINENTAL U. S. REAL ESTATE INVESTMENT FUND  
**\$15,000,000.00 PROPOSED INVESTMENT**

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 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 BEASLEY, BEST, CHRISTIAN, ORZECH, SCOTT,  
AND TALABI – 6

NAYS – TRUSTEES MOORE, STEWART AND CHAIRMAN ENGLISH – 3

PRISA II

**\$20,000,000.00 PROPOSED INVESTMENT**

**BY MR. BEST – SUPPORTED BY MR. BEASLEY**

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

PRISA II

**\$20,000,000.00 PROPOSED INVESTMENT**

additional requirements may have been added by the Board or advisors to the Board, per discussion between or with the Board members, 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 unless final transaction documents are approved as to form and content by the Board and approved as to form by the

PRISA II

**\$20,000,000.00 PROPOSED INVESTMENT**

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 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

PRISA II

**\$20,000,000.00 PROPOSED INVESTMENT**

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 BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

ELECTION OF POLICE DEPARTMENT TRUSTEE FOR THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

BY MR. MOORE – SUPPORTED BY MS. TALABI

WHEREAS, THE POLICE DEPARTMENT REQUESTS THAT THE BOARD UNDERWRITE ANY EXPENSES THE POLICE DEPARTMENT MAY INCUR RELATIVE TO THE POLICE DEPARTMENT CONDUCTING A MAY, 2007 ELECTION TO FILL THE EXPIRING TERM (JUNE 30, 2007) OF TRUSTEE **MARTY BANDEMER** ON THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, PER ONE-PAGE COMMUNICATION DATED MARCH 20, 2007 FROM POLICE CHIEF ELLA BULLY-CUMMINGS, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF POLICE CHIEF BULLY-CUMMINGS BE HEREBY APPROVED:

ELECTION OF POLICE DEPARTMENT TRUSTEE FOR THE BOARD OF  
TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE  
CITY OF DETROIT

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

INVESTMENTS INVOLVING SUDAN

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

WHEREAS, The Board of Trustees of the POLICE AND FIRE  
RETIREMENT SYSTEM of the City of Detroit has obtained  
information that certain of its equity stock investments are  
either directly or indirectly supporting the government of  
Sudan, and

WHEREAS, The government of Sudan has engaged in genocide  
against its own Black citizens and has failed to respond to  
threats or pleas from people and countries around the world to  
cease and desist from this activity, and

WHEREAS, It appears that the companies that have been  
identified by the Board have been found to support the oil  
production facilities under the control of the government of  
Sudan, and

WHEREAS, The profits from the production and sale of oil have  
been the primary source of monies used to finance the  
continued assault on the Black citizens of Sudan, and

WHEREAS, The Board has determined that divestment in those  
companies is the most effective way to influence those  
companies that are the most involved in the Sudanese

## INVESTMENTS INVOLVING SUDAN

government and the oil industry to influence the termination of genocide and related matters, and

WHEREAS, The Board has determined that it needs to engage in dialogue with the companies that appear to be less involved with the activities of the Sudanese government in order to determine, with certainty, the level of their involvement before taking further action, THEREFORE BE IT

RESOLVED, That the POLICE AND FIRE RETIREMENT SYSTEM of the City of Detroit take **immediate** action to direct its investment managers holding these problematic stocks to sell the current stocks in companies directly involved with Sudan including, but not limited to, Schlumberger, Ltd., Rolls Royce Group and CHC Helicopter and purchase alternative stocks, and be it further

RESOLVED, That the POLICE AND FIRE RETIREMENT SYSTEM of the City of Detroit engage in communications with certain other companies including, but not limited to, AMEC, PLC, Total Sa Eur. and Cummins, Inc., to determine if the level of their involvement is sufficient to warrant divestment, and be it further

RESOLVED, That the POLICE AND FIRE RETIREMENT SYSTEM of the City of Detroit continues its due diligence to identify any other investments that provide fiscal support to the government of Sudan and divest in those as well, and be it further

RESOLVED, That the Board support the following:

- EFFECTIVE IMMEDIATELY, CUMMINS WILL BAN **ALL** SALES OF ITS PRODUCTS IN SUDAN AND MYANMAR. THE COMPANY HAS BEGUN NOTIFYING ITS SALES ORGANIZATIONS, DISTRIBUTORS AND DEALERS AROUND THE WORLD OF THE CHANGE IN POLICY. THIS DECISION GOES WELL BEYOND CUMMINS' LEGAL

## INVESTMENTS INVOLVING SUDAN

OBLIGATION UNDER UNITED STATES LAW, BUT WE FEEL IT IS NECESSARY GIVEN POTENTIAL UNCERTAINTY OVER THE END USE OF OUR PRODUCTS IN THESE COUNTRIES OF CONCERN.

- CUMMINS' MOST SENIOR UNITED STATES-BASED EXECUTIVES RESPONSIBLE FOR OUR OPERATIONS IN CHINA WAS SENT FROM THE UNITED STATES (IN JUNE, 2006) TO MEET WITH OUR PARTNERS AT DFAC AND DONGFENG, LIMITED TO GAIN MORE INFORMATION ABOUT THE TRUCK SALES TO SUDAN. IN THOSE MEETINGS, CUMMINS TOLD ITS PARTNERS THAT IT DID NOT WANT COMPONENTS PRODUCED BY OUR JOINT VENTURE BEING USED IN EQUIPMENT SOLD TO SUDAN. OUR PARTNERS UNDERSTOOD OUR POSITION AND EXPRESSED A WILLINGNESS TO WORK WITH US ON THIS ISSUE.

- CUMMINS ALSO INTENDS TO HOLD SIMILAR DISCUSSIONS IN THE NEAR FUTURE WITH OTHER JOINT VENTURE PARTNERS TO COMMUNICATE THAT WE DO NOT WANT PRODUCTS MANUFACTURED BY OUR JOINT VENTURE COMPANIES INSTALLED IN EQUIPMENT SOLD TO THIS MARKET.

And be it further

RESOLVED, That copies of this resolution be forwarded to Schlumberger, Ltd., Rolls Royce Group and CHC Helicopter:

YEAS – TRUSTEES BEASLEY, BEST, CHRISTIAN, MOORE, ORZECH,  
SCOTT, STEWART, TALABI AND CHAIRMAN ENGLISH – 9

NAYS – NONE

PUBLIC FORUM

AT **11:23 A.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 **11:27 A.M.** UNTIL THURSDAY, **MARCH 29, 2007**, AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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ASSISTANT EXECUTIVE SECRETARY