

MEETING NUMBER **2622**

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



PROCEEDINGS HELD THURSDAY, **APRIL 5, 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
Gregory Best	Elected Trustee/Vice Chairperson
Shereece Fleming-Freeman	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

Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
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ABSENT

None

CHAIRPERSON

Frank English

ROLL CALL WAS TAKEN AT **9:07 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CANYON-JOHNSON

BY MR. BANDEMER – SUPPORTED BY MR. BEST

Whereas, The Board has been presented with an **April 2, 2007** communication from Canyon-Johnson wherein Canyon-Johnson requests that the Board fund its portion of the capital call due for Canyon-Johnson's Urban Fund, L.P. in the amount of **\$32,993.52**, 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, FREEMAN, MILTON, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

RETIREMENTS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

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

RETIREMENTS

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE,
ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	CHARLES D. TOWNE, III – SENIOR CHIEF – FIRE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	37 11 07 – 05 09 07

NAME, TITLE, DEPARTMENT	GREGORY A. PLUMMER – INSPECTOR – PCOA – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT/EFFECTIVE DATE	32 10 14 – 04 18 07

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$149,190.00** ON
MARCH 29, 2007 FROM LIBERTY LIFE C-V – U. S. POWER
FUND II

THE BOARD RECEIVED THE SUM OF **\$200,000.00** ON
MARCH 30, 2007 FROM LIBERTY LIFE C-IV – U. S. POWER
FUND

THE BOARD RECEIVED THE SUM OF **\$82,129.00** ON
MARCH 30, 2007 FROM LIBERTY LIFE C-III – PROJECT
FINANCE FUND III

CONFIRMATIONS

RESOLVED, THAT THE RECEIPTS WHICH ARE DESIGNATED ON PAGE **3** AND **BELOW** BE CONFIRMED:

THE BOARD RECEIVED THE SUM OF **\$5,441.44** ON MARCH 29, 2007 FROM BANYAN REALTY ADVISORS

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE,
ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BEST – SUPPORTED BY MR. MOORE

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 **#3233**, IN THE AMOUNT OF **\$587,794.45**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE,
ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

MINUTES OF THURSDAY, MARCH 15, 2007

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **MARCH 15, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

- LEGAL COUNSEL **RONALD ZAJAC** ENTERED THE MEETING.

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. BANDEMER

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

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

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

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

ADP – MARCH 23, 2007 - \$84.18 – POLICE AND FIRE PORTION OF \$168.36 – OFFICE SUPPLIES

BILL PAYMENT REQUESTS

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

ASPEN PUBLISHING – MARCH 23, 2007 - \$127.78 – POLICE AND FIRE PORTION OF \$255.56 – OFFICE SUPPLIES

CLARK HILL – MARCH 28, 2007 - \$9,961.65 – FEBRUARY, 2007 LEGAL SERVICES – ONE DETROIT CENTER

CLARK HILL – MARCH 27, 2007 - \$112.50 – FEBRUARY, 2007 LEGAL SERVICES – WOCHNA-HEAD

CLARK HILL – MARCH 27, 2007 - \$1,674.00 – FEBRUARY, 2007 LEGAL SERVICES – JOEL SNYDER

GABRIEL, ROEDER, SMITH AND COMPANY – APRIL 1, 2007 - \$4,500.00 - APRIL, 2007 ACTUARIAL SERVICES

MERCURY STORAGE – MARCH 29, 2007 - \$850.00 – POLICE AND FIRE PORTION OF \$1,700.00 – STORAGE FEES

MILLENNIUM BUSINESS SYSTEMS – MARCH 15, 2007 - \$2,000.00 – POLICE AND FIRE PORTION OF \$4,000.00 – CONTRACT/MISCELLANEOUS SERVICES

NORTH POINT ADVISORS – APRIL 2, 2007 - \$15,000.00 - CONSULTING SERVICES – MID-CAP CORE/GROWTH MANAGER SEARCH

NORTH POINT ADVISORS – APRIL 2, 2007 - \$15,000.00 – CONSULTING SERVICES – ENTRUST DUE DILIGENCE

NORTH POINT ADVISORS – APRIL 2, 2007 - \$20,000.00 – CONSULTING SERVICES – GUIDANCE CAPITAL DUE DILIGENCE (BLUE TERRAIN, GREEN AND ENHANCED GREEN TERRAIN FUNDS)

BILL PAYMENT REQUESTS

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

ORRICK - OCTOBER 30, 2006 - \$557.44 – SEPTEMBER, 2006 LEGAL SERVICES – CRESCENT PRIVATE CAPITAL

PENSIONS AND INVESTMENTS – FEBRUARY 17, 2007 - \$79.50 – POLICE AND FIRE PORTION OF \$159.00 – OFFICE SUPPLIES

PLANTE & MORAN – MARCH 13, 2007 - \$290.00 – POLICE AND FIRE PORTION OF \$580.00 – 2006 YEAR-END CONTRACT FEE

SHARE IT! – MARCH 28, 2007 - \$172.00 – POLICE AND FIRE PORTION OF \$344.00 – OFFICE SUPPLIES

WALL STREET JOURNAL – MARCH 21, 2007 - \$99.00 – SUBSCRIPTION FEE FOR TRUSTEE GEORGE ORZECH

ZAJAC, RONALD – MARCH 27, 2007 - \$2,937.75 – OUT-OF-POCKET EXPENSES (PFRS CORPORATIONS, LITIGATION FILINGS, ETC.) FOR THE PERIOD MAY 17, 2004 THROUGH MARCH 27, 2007

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE, ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

REQUEST OF EUGENE EDMONDS

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, **EUGENE EDMONDS** REQUESTS TO CONVERT FROM A DUTY DISABILITY RETIREMENT TO A SERVICE RETIREMENT PER A ONE-PAGE APRIL 4, 2007 WRITTEN REQUEST, AND

REQUEST OF EUGENE EDMONDS

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF MR. EDMONDS, THEREFORE BE IT

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

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE,
ORZECH, STEWART AND CHAIRMAN ENGLISH – 8

NAYS – NONE

- TRUSTEE TINSLEY-TALABI ENTERED THE MEETING.

PAYMENT OF UNUSED SICK LEAVE

BY MR. ORZECH – SUPPORTED BY MR. BEST

RESOLVED, THAT NOTICE BE FORWARDED TO THE POLICE AND FIRE DEPARTMENTS THAT A DISABILITY RETIREE'S CONVERSION DATE IS THE DATE UPON WHICH A DISABILITY RETIREE IS CREDITED WITH **25** YEARS OF SERVICE CREDIT, AND BE IT FURTHER

RESOLVED, THAT UNUSED SICK LEAVE SHOULD BE PAID TO RETIREES WHO ATTAINED 25 YEARS OF SERVICE CREDIT:

- TRUSTEE BEASLEY ENTERED THE MEETING.

FOLLOWING DISCUSSION OF THE ABOVE-DESIGNATED MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. ORZECH – SUPPORTED BY MR. BEST

RESOLVED, THAT THE ABOVE-DESIGNATED MOTION BE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

PAYMENT OF UNUSED SICK LEAVE

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

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS
WITH THE BOARD, INCLUDING THE DPOA'S ACT 312 AWARD AND
PFRS GLENWOOD PLAZA CORPORATION.

CITIGROUP

BRUCE BALLARD, MICHAEL DANIELS AND JOSEPH BARRETT
APPEARED BEFORE THE BOARD, DISCUSSED CITIGROUP'S
EMERGING MARKETS AND PRIVATE EQUITY PROPOSAL AND THEN
EXCUSED THEMSELVES.

PRUDENTIAL FINANCIAL

ROGER PRATT AND KEVIN SMITH APPEARED BEFORE THE BOARD
AND DISCUSSED PRISA II (AN OPEN-END COMMINGLED REAL
ESTATE FUND) AND THE EXCUSED THEMSELVES.

WITHDRAWALS OF DEFINED CONTRIBUTION PLAN AMOUNTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE 2007 DPOA ACT 312 AWARD PROVIDES THAT THE "25 AND
OUT" RULE FOR REGULAR SERVICE RETIREMENT IS MODIFIED TO A "20 AND
OUT" RULE, AND

WHEREAS, THE BOARD'S INTERPRETATION OF THE 2007 DPOA ACT 312
AWARD IS THAT THE NEW "20 AND OUT" RULE ALLOWS FOR THE
WITHDRAWAL OF DEFINED CONTRIBUTION PLAN AMOUNTS (SUBJECT TO

WITHDRAWALS OF DEFINED CONTRIBUTION PLAN AMOUNTS

INTERNAL REVENUE CODE WITHDRAWAL PROVISIONS INCLUDING EXPOSURE TO THE TEN PERCENT (10%) ADDITIONAL TAX RULES) UPON THE REACHING OF 20 YEARS OF SERVICE CREDIT, AND

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

RESOLVED, THAT DPOA MEMBERS ARE ALLOWED TO WITHDRAW DEFINED CONTRIBUTION PLAN AMOUNTS IN PART OR IN WHOLE SUBJECT TO INTERNAL REVENUE CODE PROVISIONS, AND BE IT FURTHER

RESOLVED, THAT OTHER UNION MEMBERS WHO ARE ENTITLED TO THE FOREGOING, PURSUANT TO APPLICABLE LAW, BE PROVIDED THE SAME BENEFITS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE DPOA AND RETIREMENT SYSTEM STAFF:

YEAS – TRUSTEES BANDEMER, BEST, MOORE, ORZECH, STEWART, TALABI AND
CHAIRMAN ENGLISH - 7

NAYS – TRUSTEES BEASLEY, FREEMAN AND MILTON – 3

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED:

- ▶ INLAND'S TRANSACTION WITH DEVELOPERS DIVERSIFIED REALTY
- ▶ GVC
- ▶ NORTH POINT'S MID-CAP GROWTH MANAGER SEARCH
- ▶ A HEDGE FUND REVIEW OF MARWOOD, GUIDANCE CAPITAL AND ENTRUST

THE BOARD THEN EXCUSED MR. ANDERSON.

GARY CHRISTIAN

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT THE BOARD OF TRUSTEES EXTENDS ITS APPRECIATION AND HEARTFELT THANKS TO **GARY CHRISTIAN** FOR HIS FAITHFUL AND DEVOTED INTEREST AND SERVICE TO THE MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT DURING HIS TENURE AS A TRUSTEE OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT FROM JANUARY 8, 2004 TO MARCH 22, 2007, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **GARY CHRISTIAN**:

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

NAYS – NONE

PFRS GLENWOOD PLAZA CORPORATION
SUBSCRIPTION AGREEMENT

BY MR. MOORE – SUPPORTED BY MS. TALABI

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE SUBSCRIPTION AGREEMENT TO PURCHASE **1,000** SHARES OF STOCK IN PFRS GLENWOOD PLAZA CORPORATION (THE “CORPORATION”) FOR THE PAR VALUE PRICE OF ONE DOLLAR (\$1.00) PER SHARE, AND

WHEREAS, THE EXECUTION OF SAID SUBSCRIPTION AGREEMENT HAS BEEN RECOMMENDED BY THE BOARD’S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, AND

PFRS GLENWOOD PLAZA CORPORATION
SUBSCRIPTION AGREEMENT

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

RESOLVED, THAT SAID SUBSCRIPTION AGREEMENT BE EXECUTED BY TWO (2) AUTHORIZED SIGNATORIES ON BEHALF OF THE BOARD:

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

NAYS – NONE

PFRS GLENWOOD PLAZA CORPORATION
SUBSCRIPTION AGREEMENT

THE BOARD WAS MADE AWARE OF THE EXECUTION OR ADOPTION, AS THE CASE MAY BE, OF THE FOLLOWING DOCUMENTS BY OFFICERS OF THE CORPORATION:

UNANIMOUS WRITTEN CONSENT OF DIRECTORS
(INCORPORATION MATTERS) DATED APRIL 5, 2007

UNANIMOUS WRITTEN CONSENT OF DIRECTORS (ACQUISITION
OF PROPERTY AND BORROWING OF LOAN) DATED APRIL 5, 2007

BY-LAWS OF PFRS GLENWOOD PLAZA CORPORATION DATED
APRIL 5, 2007

NOTICE REQUIREMENTS OF THE IRS DATED APRIL 5, 2007

**PFRS GLENWOOD PLAZA CORPORATION
SUBSCRIPTION AGREEMENT**

STOCK CERTIFICATE NUMBER 001 DATED APRIL 5, 2007

APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN
NORTH CAROLINA DATED APRIL 5, 2007

APPLICATION FOR FEDERAL EMPLOYER IDENTIFICATION NUMBER
(FORM SS-4) DATED APRIL 5, 2007

CLOSED SESSION

By Mr. Stewart – 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:

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

NAYS – NONE

The Board entered into Closed Session at **1:20 P.M.**

OPEN SESSION

By Mr. Stewart – Supported by Mr. Bandemer

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

OPEN SESSION

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

NAYS – NONE

The Board returned to Open Session at **1:45 P.M.**

DURING CLOSED SESSION, SPECIAL COUNSEL JOE TURNER PROVIDED EACH BOARD MEMBER WITH A COPY AN APRIL 5, 2007 COMMUNICATION FROM SPECIAL COUNSEL JOE TURNER TO THE BOARD REGARDING RDD INVESTMENT CORPORATION.

CONFERENCES

By Mr. Moore – Supported by Mr. Best

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

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

MAPERS Conference – Traverse City, Michigan – June 2, 2007 – June 5, 2007

International Foundation's Washington's Legislative Update Conference – Washington, D. C. – May 20, 2007 – May 24, 2007

CONFERENCES

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

NAYS – NONE

SPARE TIME/HEALTHY ACCESS

BY MR. MILTON – SUPPORTED BY MR. ORZECH

RESOLVED, THAT **ROBERT POLK** AND ANY ASSOCIATE(S) OF HIS
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION PURPOSES (SPARE TIME FAMILY ENTERTAINMENT
CENTER, LLC), AND BE IT FURTHER

RESOLVED, THAT **TONY MEANS** AND ANY ASSOCIATE(S) OF HIS
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION PURPOSES (HEATH CARE SERVICES):

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

NAYS – NONE

GUIDANCE CAPITAL/ENHANCED GREEN
\$10,000,000.00 PROPOSED INVESTMENT

BY MS. TALABI – SUPPORTED BY MR. STEWART

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 conditioned upon the Board's written receipt 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, 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

GUIDANCE CAPITAL/ENHANCED GREEN
\$10,000,000.00 PROPOSED INVESTMENT

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 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

GUIDANCE CAPITAL/ENHANCED GREEN
\$10,000,000.00 PROPOSED INVESTMENT

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

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

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

NAYS – NONE

ETHAN BRADLEY ADVISORS/ENTRUST
\$10,000,000.00 PROPOSED INVESTMENT

BY MS. TALABI – SUPPORTED BY MR. STEWART

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 conditioned upon the Board's written receipt 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, 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

ETHAN BRADLEY ADVISORS/ENTRUST
\$10,000,000.00 PROPOSED INVESTMENT

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 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

ETHAN BRADLEY ADVISORS/ENTRUST
\$10,000,000.00 PROPOSED INVESTMENT

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

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

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

NAYS – NONE

PUBLIC FORUM

AT **1:55 P.M.**, CHAIRMAN ENGLISH DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,
CHAIRMAN ENGLISH ADJOURNED THE MEETING AT **2:00 P.M.**
UNTIL THURSDAY, **APRIL 12, 2007**, AT 9:00 A.M., IN ROOM 910
OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT,
MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

ASSISTANT EXECUTIVE SECRETARY

