

MEETING NUMBER 2631

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



PROCEEDINGS HELD THURSDAY, JUNE 7, 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
Frank English	Elected Trustee/Chairperson
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

None

ABSENT

None

CHAIRPERSON

*Frank English*

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

**CAPRI CAPITAL PARTNERS**

**BY MR. BEST – SUPPORTED BY MS. FREEMAN**

Whereas, The Board has been presented with a June 5, 2007 communication from CAPRI wherein CAPRI requests that the Board fund its portion of the capital call due for CAPRI Select Income II, LLC in the amount of **\$960,000.00**, 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, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

**SMITH WHILEY/PELHAM FUND III**

**BY MR. BEST – SUPPORTED BY MS. FREEMAN**

Whereas, The Board has been presented with a May 25, 2007 communication from Smith Wwhiley wherein Smith Wwhiley requests that the Board fund Draw 1 for Smith Wwhiley's Pelham Fund III, L.P. in the amount of **\$130,288.00**, Therefore Be It

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

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

**SMITH WHILEY/PELHAM FUND III**

**BY MR. BEST – SUPPORTED BY MS. FREEMAN**

Whereas, The Board has been presented with a June 4, 2007 communication from Smith Wwhiley wherein Smith Wwhiley requests that the Board fund Draw 2 for Smith Wwhiley's Pelham Fund III, L.P. in the amount of **\$367,660.00**, Therefore Be It

**SMITH WHILEY/PELHAM FUND III**

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, Scott, Stewart and Chairman English – 9

Nays – None

**RETIREMENTS**

**BY MR. BANDEMER – SUPPORTED BY MR. BEST**

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

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

**RETIREMENTS**

NAME, TITLE, DEPARTMENT	KARLTON MONTGOMERY – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	21 00 07 – 05 12 07

**RETIREMENTS**

NAME, TITLE, DEPARTMENT	SHARON SCHILLING – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	20 05 15 – 07 06 07

NAME, TITLE, DEPARTMENT	EILEEN SCHUMAKER – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	25 09 09 – 07 07 07

**CONFIRMATIONS**

THE BOARD RECEIVED THE SUM OF **\$45.00** ON MAY 24,  
2007 – EXPRESS MAIL FEE

THE BOARD RECEIVED THE SUM OF **\$2,511.27** ON MAY  
30, 2007 FROM THE LAFER BUILDING

THE BOARD RECEIVED THE SUM OF **\$859,091.00** ON MAY  
30, 2007 FROM GSC PARTNERS II

THE BOARD RECEIVED THE SUM OF **\$4,000.00** ON MAY  
31, 2007 FROM ENTRUST CAPITAL – DUE DILIGENCE

THE BOARD RECEIVED THE SUM OF **\$10,797.75** ON MAY  
31, 2007 FROM BANYAN REALTY ADVISORS

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$425,707.35** ON JUNE 1, 2007 FROM TOUCHSTONE OPPORTUNITY, LTD.

THE BOARD RECEIVED THE SUM OF **\$865,302.00** ON JUNE 1, 2007 FROM LIBERTY LIFE'S CV-US POWER FUND II

THE BOARD RECEIVED THE SUM OF **\$127,424.72** ON JUNE 4, 2007 FROM STATE STREET – SECURITY LITIGATION

THE BOARD RECEIVED THE SUM OF **\$4,000.00** ON JUNE 4, 2007 FROM RLJ SELECT – DUE DILIGENCE

THE BOARD RECEIVED THE SUM OF **\$6,600.00** ON JUNE 4, 2007 FROM SG CAPITAL – DUE DILIGENCE

THE BOARD RECEIVED THE SUM OF **\$3,000.00** ON JUNE 4, 2007 FROM MARLOW MILLS – MILITARY SERVICE (36 MONTHS)

THE BOARD RECEIVED THE SUM OF **\$33,996.10** ON JUNE 5, 2007 FROM WACHOVIA – LETTER OF CREDIT

TOTAL: **\$2,342,475.19**

## **CONFIRMATIONS**

### **BY MR. BANDEMER – SUPPORTED BY MS. FREEMAN**

RESOLVED, THAT THE RECEIPTS WHICH ARE OUTLINED ON PAGES 5 AND 6 BE CONFIRMED:

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

## **REFUNDS OF ACCUMULATED CONTRIBUTIONS**

### **BY MR. STEWART – 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 **#3240**, IN THE AMOUNT OF **\$1,773,226.80**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

**MINUTES OF THURSDAY, MAY 24, 2007**

**BY MR. STEWART – SUPPORTED BY MR. BANDEMER**

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **MAY 24, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

Nays – None

■ SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

**BILL PAYMENT REQUESTS**

**BY MR. BEST – SUPPORTED BY MR. BANDEMER**

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

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

BILL PAYMENT REQUESTS

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

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

ADP – MAY 25, 2007 - \$108.13 – POLICE AND FIRE PORTION OF \$216.25 – CONTRACT/MISCELLANEOUS SERVICES

ADP – MAY 25, 2007 - \$45.76 – POLICE AND FIRE PORTION OF \$91.52 – CONTRACT/MISCELLANEOUS SERVICES

CHICAGO EQUITY PARTNERS – APRIL 24, 2007 - \$6,623.67 – FOR THE PERIOD MARCH 31, 2007

DAVIDSON, F. LOGAN – JUNE 1, 2007 - \$3,074.00 – LEGAL FEES – FOR THE PERIOD MARCH 1, 2007 THROUGH MAY 31, 2007 – RDD INVESTMENT CORPORATION

GABRIEL, ROEDER, SMITH & COMPANY – JUNE 1, 2007 - \$4,500.00 – JUNE, 2007 SERVICES

GABRIEL, ROEDER, SMITH & COMPANY – JUNE 1, 2007 - \$400.00 – MISCELLANEOUS SERVICES

HARLAND TECHNOLOGIES – APRIL 3, 2007 - \$5,005.50 – POLICE AND FIRE PORTION OF \$10,011.00 – COMPUTER SUPPLIES

**BILL PAYMENT REQUESTS**

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

MONEY MAGAZINE – APRIL 10, 2007 - \$15.00 – POLICE AND FIRE PORTION OF \$30.00 – SUBSCRIPTION FEE

NEOPOST – MAY 7, 2007 - \$122.50 – POLICE AND FIRE PORTION OF \$245.00 – OFFICE SUPPLIES

NEOPOST – MAY 18, 2007 - \$690.00 – POLICE AND FIRE PORTION OF \$1,380.00 – OFFICE SUPPLIES

OFFICE DEPOT – MAY 23, 2007 - \$311.94 – POLICE AND FIRE PORTION OF \$623.88 – OFFICE SUPPLIES

PDS, INC. – MAY 30, 2007 - \$6,277.87 – POLICE AND FIRE PORTION OF \$12,555.74 – COMPUTER EQUIPMENT, SOFTWARE, TRAINING, MAINTENANCE, SUPPLIES

QUILL CORPORATION – MAY 23, 2007 - \$17.48 – POLICE AND FIRE PORTION OF \$34.95 – OFFICE SUPPLIES

TECH DEPOT – MAY 21, 2007 - \$39.25 – POLICE AND FIRE PORTION OF \$78.50 – OFFICE SUPPLIES

WALKER, LAWRENCE – JUNE 1, 2007 - \$1,528.75 – MAY, 2007 SERVICES – ODYSSEY VERSUS THE SYSTEM

Yeas – Trustees Bandemer, Best, Freeman, Milton, Moore, Orzech, Scott, Stewart and Chairman English – 9

**BILL PAYMENT REQUESTS**

Nays – None

**REQUEST OF THE RETIRED DETROIT POLICE AND FIRE  
FIGHTERS' ASSOCIATION**

**BY MR. MOORE – SUPPORTED BY MR. BANDEMER**

WHEREAS, THE BOARD IS IN RECEIPT OF A JUNE 7, 2007 COMMUNICATION FROM THE RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION WHEREIN THE ASSOCIATION REQUESTS THE NAME, PENSION NUMBER, ADDRESS, DEPARTMENT, OPTION, RETIREMENT DATE AND RANK OF RETIREES, AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF THE ASSOCIATION WITH LEGAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT, THE ASSOCIATION BE PROVIDED ALL REQUESTED INFORMATION, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS COMMUNICATION BE FORWARDED TO THE ASSOCIATION:

Yeas – Trustees Bandemer, Best, Freeman, Milton,  
Moore, Orzech, Scott, Stewart and Chairman  
English – 9

NAYS – NONE

Pre-Employment Military Service Credit

By Mr. Orzech – Supported by Mr. Bandemer

Whereas, The individuals whose names are designated below have applied to this Board for Pre-Employment Military Service Credit and have complied with all of the necessary requirements of Section 54-30-3-B of the Charter Provisions, as amended by Board resolution of February 3, 1983, Therefore Be It

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be credited them as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Lloyd Allen

Marlow Mills

Christopher O'Dell

Yeas – Trustees Bandemer, Best, Freeman, Milton,  
Moore, Orzech, Scott, Stewart and Chairman  
English – 9

NAYS – NONE

## **LEGAL COUNSEL'S REPORTS**

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING AERC, TOUCHSTONE IV, SMITH WHILEY'S PELHAM FUND III, THE FOIA REQUEST OF WXYZ TV REPORTER STEVE WILSON, FIELDS VERSUS FIELDS, LAPORTE VERSUS LAPORTE, BRIAN LAWRENCE AND THE BOARD'S DROP PLAN.

LAPORTE VERSUS LAPORTE  
WAYNE COUNTY CASE #05-521629-DO

BY MR. STEWART – SUPPORTED BY MS. FREEMAN

WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 11, 2007 DOMESTIC RELATIONS ORDER WHICH AMENDS A PRIOR ORDER DATED NOVEMBER 22, 2003 WHICH AMENDS/SUPPLEMENTS A JUNE 6, 2006 JUDGMENT OF DIVORCE WHEREIN CAROL LAPORTE IS AWARDED CERTAIN ADDITIONAL RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF CLAIRE LAPORTE WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, THE BOARD PREVIOUSLY ADOPTED A RESOLUTION ON DECEMBER 7, 2006 AND THE BOARD HAS BEEN INFORMED THAT PARTICIPANT RETIRED EFFECTIVE MAY 29, 1997, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS NOVEMBER 5, 1947 AND PARTICIPANT HAD ATTAINED 25 YEARS OF SERVICE CREDIT, AND

LAPORTE VERSUS LAPORTE  
WAYNE COUNTY CASE #05-521629-DO

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 PAYEE 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, 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, 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 LEONARD MILLER, ATTORNEY ANNETTE BENSON, CAROL LAPORTE AND CLAIRE LAPORTE:

LAPORTE VERSUS LAPORTE  
WAYNE COUNTY CASE #05-521629-DO

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART AND CHAIR-  
MAN ENGLISH – 9

NAYS – NONE

FIELDS VERSUS FIELDS  
MACOMB COUNTY CASE #06-3623-DM

BY MR. MOORE – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 29, 2007 ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A JANUARY 19, 2007 JUDGMENT OF DIVORCE WHEREIN KELI NICOLE STEPHENSON-FIELDS IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF RICK ALLEN FIELDS WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS NOVEMBER 7, 1970 AND, TO DATE, PARTICIPANT HAS ATTAINED 10 YEARS AND 11 MONTHS OF SERVICE CREDIT, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED CONTRIBUTION PLAN, PAYMENT OF WHICH IS SUBJECT TO PARTICIPANT'S ELIGIBILITY FOR WITHDRAWAL FROM DEFINED CONTRIBUTION PLAN, AND ALTERNATE PAYEE IS ENTITLED

FIELDS VERSUS FIELDS  
MACOMB COUNTY CASE #06-3623-DM

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 AND UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN AND SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, AND

WHEREAS, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT OR OTHERWISE RECEIVING RETIREMENT BENEFITS, 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

FIELDS VERSUS FIELDS  
MACOMB COUNTY CASE #06-3623-DM

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 RICK UNGER, ATTORNEY MARK FUGOLO, KELI NICOLE STEPHENSON-FIELDS AND RICK ALLEN FIELDS:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON, MOORE, ORZECH, SCOTT, STEWART AND CHAIRMAN ENGLISH – 9

NAYS – NONE

BRIAN LAWRENCE

BY MR. MOORE – SUPPORTED BY MR. STEWART

**WHEREAS**, Detroit Police Officer Brian Lawrence submitted to the Police and Fire Retirement System of the City of Detroit (the “Retirement System”) an

BRIAN LAWRENCE

application for withdrawal of his defined contribution plan (the “Defined Contribution Plan”), and

**WHEREAS**, Brian Lawrence meets the Retirement System’s minimum qualifications for a Defined Contribution Plan withdrawal, and

**WHEREAS**, Brian Lawrence’s pension and deferred compensation plans are subject to eligible domestic relation orders (EDRO’s) dated July 24, 2001 and December 14, 2001, respectively, pursuant to a Judgment of Divorce dated July 2001 Adrienne Wright-Lawrence v. Brian M. Lawrence, Case No. 01-101612 DM, which, in relevant part, awarded Brian Lawrence one hundred percent (100%) of the Defined Contribution Plan and Ms. Wright-Lawrence \$5000 of the deferred compensation (“Aetna Plan”), and

**WHEREAS**, notwithstanding the foregoing, Brian Lawrence and Ms. Wright-Lawrence each advised the Retirement System that the deferred compensation plan administrator has failed to accept the December 14, 2001 EDRO, and

**WHEREAS**, Brian Lawrence and Ms. Wright-Lawrence, in an effort to resolve the dispute pertaining to Ms. Wright-Lawrence’s \$5000 award of the Aetna Plan proceeds, Brian Lawrence and Ms. Wright-Lawrence entered into a letter agreement dated June 7, 2007 wherein Ms. Wright-Lawrence relinquishes her claim to the \$5000

BRIAN LAWRENCE

award of the Aetna Plan proceeds in lieu of Brian Lawrence paying Ms. Wright-Lawrence \$6000 following his withdrawal of the Defined Contribution Plan, and such letter agreement has been submitted to the Board of Trustees of the Police and Fire Retirement System of the City of Detroit, and

**WHEREAS**, the Board's General Counsel and Special Legal Counsel have reviewed this matter, including the letter agreement, conferred with each party, and advised the Board, and

**WHEREAS**, the Board has considered this matter, and  
**THEREFORE BE IT**

**RESOLVED**, the Board hereby approves Brian Lawrence's request for the withdrawal of his Defined Contribution Plan, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to Brian Lawrence and Ms. Wright-Lawrence:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART AND CHAIR-  
MAN ENGLISH – 9

NAYS – NONE

SMITH WHILEY/PELHAM FUND III

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) previously approved the above-referenced investment, executed closing documents and forwarded same to the Investment Sponsor, and

WHEREAS, subsequent to Investment Sponsor receiving the Board's closing documents but prior to Investment Sponsor signing the documents, the Investment Sponsor extending the closing date, added an additional investor, Bell Atlantic, and revised the formation and subscription documents with pro-investor provisions and resubmitted closing documents to the Special Legal Counsel for review and approval, and

WHEREAS, Special Legal Counsel and General Counsel have reviewed and approved the revised closing documents, and

WHEREAS, the Investment Sponsor has submitted its Notice of Capital Call Dated May 25, 2007 seeking disbursement on June 11, 2007, subject to the review and approval of the General Counsel and Special Legal Counsel, and

WHEREAS, the Board has considered this matter,  
THEREFORE BE IT

SMITH WHILEY/PELHAM FUND III

RESOLVED, that the Board reconfirms its approval of the investment and limits the amount of its capital commitment to the lesser of either (i) Ten Million and no/100 Dollars (\$10,000,000.00) or (ii) ten percent of the total capital commitment for all investors, and be it further

RESOLVED, that the Board hereby approves the signing of the revised closing documents (the Closing Documents), subject to the review and approval by General Counsel and Special Legal Counsel. The Closing Documents, include, but are not limited to the following:

Subscription Document,  
Side Letter,  
W-9, and be it further

RESOLVED, that the Board authorizes its signatories to execute, and deliver the Closing Documents and any documentation required by the Board's General Counsel and the Board's Special Legal Counsel to consummate the closing on the investment, and be it further

RESOLVED, that the Board hereby approves the funding of its investment and authorizes, provided no funding shall exceed ten percent (10%) of the total capital contributions, up to Ten Million and no/100 Dollars

SMITH WHILEY/PELHAM FUND III

(\$10,000,000,00) of total wire transfers to the Investment Sponsor, or its agent, as described in draw requests or notice of capital calls which shall be honored consistent with the Board's established procedures, subject to the review and approval of all authorized signatories for the disbursement request, and be it further

RESOLVED, that a copy of this resolution be forwarded to Smith Whiley, North Point Advisors and the Board's Special Legal Counsel, Clark Hill:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART AND CHAIR-  
MAN ENGLISH – 9

NAYS – NONE

■ TRUSTEE BANDEMER TEMPORARILY EXCUSED HIMSELF.

CLOSED SESSION

By Mr. Best – Supported by Ms. Freeman

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

CLOSED SESSION

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

NAYS – NONE

The Board entered into Closed Session at 9:24 A.M.

DURING CLOSED SESSION, SPECIAL COUNSEL JOE  
TURNER PROVIDED EACH MEMBER OF THE BOARD WITH  
A COPY OF A JUNE 7, 2007 COMMUNICATION  
REGARDING RDD INVESTMENT CORPORATION.

■ TRUSTEE BANDEMER RE-JOINED THE MEETING DURING  
CLOSED SESSION.

OPEN SESSION

By Ms. Freeman – Supported by Mr. Moore

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEST, FREEMAN, MILTON,  
MOORE, ORZECH, SCOTT, STEWART AND CHAIR-  
MAN ENGLISH – 9

NAYS – NONE

## OPEN SESSION

The Board returned to Open Session at 9:29 A.M.

- TRUSTEE BEASLEY ENTERED THE MEETING.
- TRUSTEE TALABI ENTERED THE MEETING.

## POLICE AND FIRE DROP PLAN

LEGAL COUNSEL RONALD ZAJAC PROVIDED EACH BOARD MEMBER WITH A COPY OF A JUNE 6, 2007 COMMUNICATION REGARDING THE BOARD'S DROP PLAN

## INHERITANCE CAPITAL

**ROBERT SHUMAKE** APPEARED BEFORE THE BOARD, DISCUSSED AN EQUITY FINANCING PROPOSAL AND THEN EXCUSED HIMSELF.

## MMA

TRUSTEE ORZECH PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING MIDLAND'S AFFORDABLE HOUSING GROUP TRUST AND REIT.

## JKV GLOBAL ENTERPRISES, INC.

BY MR. MILTON – SUPPORTED BY MS. FREEMAN

**JKV GLOBAL ENTERPRISES, INC.**

RESOLVED, THAT JKV GLOBAL ENTERPRISES, INC. REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS JKV GLOBAL'S BROKERAGE SERVICES:

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

NAYS – NONE

**PARAMOUNT LAND HOLDINGS, LLC**

**BY MR. MILTON – SUPPORTED BY MS. FREEMAN**

RESOLVED, THAT PARAMOUNT LAND HOLDINGS, LLC REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD TO DISCUSS PARAMOUNT'S FORECLOSED HOME PURCHASE PROPOSAL:

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

NAYS – NONE

**INCOME, RESEARCH & MANAGEMENT**

**BRIAN HOULE** AND **JACK SOMMERS** APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AND A

**INCOME, RESEARCH & MANAGEMENT**

COMMERCIAL MORTGAGED-BACKED SECURITIES  
PROPOSAL AND THEN EXCUSED THEMSELVES.

**NORTH POINT ADVISORS**

**ADRIAN ANDERSON** APPEARED BEFORE THE BOARD,  
DISCUSSED MANAGER STYLES, THE BOARD'S MID-CAP  
GROWTH MANAGER SEARCH AND EVERGREEN  
INVESTMENTS AND THEN EXCUSED HIMSELF.

INCOME, RESEARCH AND MANAGEMENT  
COMMERCIAL MORTGAGE-BACKED SECURITIES

BY MR. BEST – SUPPORTED BY MR. STEWART

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") is in receipt of the foregoing investment proposal, 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, its advisors or counsels, and

WHEREAS, The Board has indicated its willingness to further consider making this proposed investment subject to (i) receipt of a favorable due diligence report from North Point Advisors (the "Board's Advisor"), (ii) certain additional terms and modifications of said

INCOME, RESEARCH AND MANAGEMENT  
COMMERCIAL MORTGAGE-BACKED SECURITIES

proposal, which may be identified by the Board or the Board's Advisor, and (iii) certain additional terms and modifications which may be recommended by special legal counsel (the "Special Legal Counsel") following Special Legal Counsel's review and/or drafting of the investment documents (the "Transaction 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 Police and Fire Retirement System of the City of Detroit (the "Retirement System") in its capacity as [Investor] [Lender], and

WHEREAS, Upon the Board's Advisor submitting a favorable due diligence report, the Board will select Special Legal Counsel who is likely to submit proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, including, but not limited to, the Board's UBTI concerns, 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] [Project Sponsor], and

INCOME, RESEARCH AND MANAGEMENT  
COMMERCIAL MORTGAGE-BACKED SECURITIES

subject to approval of final documents by the Board, Special Legal Counsel and General Counsel, 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 execute, documents being met by the parties, including specifically all costs of the Board, including but not limited to, due diligence fees, legal fees and expenses being paid from separate escrow accounts funded by [Borrower] [Project Sponsor] or entities other than the Board even if this proposed investment is not completed or finalized due to t he Borrower/applicable party deciding to withdraw the proposal, refusing to execute final documents approved by the Board, or for any other reason deciding not to proceed with the transaction, and be it further

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

INCOME, RESEARCH AND MANAGEMENT  
COMMERCIAL MORTGAGE-BACKED SECURITIES

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, with the understanding that the investment shall not contemplate UBTI for the Retirement System, and be it further

RESOLVED, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made with the Retirement System for proposed Plan Sponsor to escrow funds for payment of all attorney fees, costs and expenses, 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, and be it further

RESOLVED, That a copy of this resolution be forwarded to Income, Research & Management, North Point Advisors and the Board's Special Legal Counsel, Clark Hill:

INCOME, RESEARCH AND MANAGEMENT  
COMMERCIAL MORTGAGE-BACKED SECURITIES

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

NAYS – NONE

**PFRS WASHINGTON PLAZA, LLC**  
**\$13,300,000 Loan from Prudential Insurance Company**

**By Ms. Freeman – Supported by Mr. Scott**

**WHEREAS**, the Board has been requested to execute the following documents dated June 7, 2007: (i) Consent of Partners of Detroit Policemen and Firemen Property Partners, A California Limited Partnership, and (ii) Authorization of Partners of Detroit Policemen and Firemen Property Partners, A California Limited Partnership, relative to the aforesaid transaction, and

**WHEREAS**, the execution of said documents has been recommended by the Board's special legal counsel, F. Logan Davidson, P.C.,

**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

**PFRS WASHINGTON PLAZA, LLC**

**\$13,300,000 Loan from Prudential Insurance Company**

**RESOLVED**, that said documents be executed by two authorized signatories on behalf of the Board:

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

NAYS – NONE

**PFRS WASHINGTON PLAZA, LLC**

The Board of Trustees has been made aware of the execution of the following documents to be dated the date of the loan closing by an authorized representative of PFRS Washington Plaza, LLC, the general partner of Detroit Policemen and Firemen Property Partners, A California Limited Partnership, the managing general partner of WP Partnership, on behalf of WP Partnership:

1. First Amendment to Promissory Note,
2. Consolidated Amendatory Agreement,
3. Closing Certification,
4. Amendment and Reaffirmation of Environmental Indemnity Agreement,

PFRS WASHINGTON PLAZA, LLC

5. Reaffirmation of Recourse Liabilities Guaranty,
6. Recourse Liabilities Guaranty,
7. Explanation and Waiver of Rights Regarding Confession of Judgment - Borrower,
8. Explanation and Waiver of Rights Regarding Confession of Judgment - Guarantor,
9. Subordination of Management Agreement and Management Fees,
10. Post Closing Obligations Letter, and
11. Closing Statement,

and the following documents dated June 7, 2007 by authorized representatives of PFRS Washington Plaza, LLC, Detroit Policemen and Firemen Property Partners, A California Limited Partnership, WP Partnership and WP Apartments, Inc.:

1. Amendment to Partnership Agreement of WP Partnership,
2. Authorization of Partners of Detroit Policemen and Firemen Property Partners, A California Limited Partnership,

PFRS WASHINGTON PLAZA, LLC

3. Consent of Partners of Detroit Policemen and Firemen Property Partners, A California Limited Partnership,
4. Certification of Consent of Partners of Detroit Policemen and Firemen Property Partners, A California Limited Partnership,
5. Certification of Agreement of Limited Partnership of Detroit Policemen and Firemen Property Partners, A California Limited Partnership,
6. Authorization of Partners of WP Partnership,
7. Certification of Agreement of General Partnership of WP Partnership,
8. Written Consent of Sole Shareholder of WP Apartments, Inc.
9. Certificate of Secretary of WP Apartments, Inc.,  
and
10. Written Consent of Managers of PFRS Washington Plaza, LLC

EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR ENDING  
JUNE 30, 2006

BY MR. BEASLEY – SUPPORTED BY MR. TALABI

RESOLVED, THAT THE BOARD'S MOTION REGARDING EMPLOYER CONTRIBUTIONS DUE JUNE 30, 2006, WHICH WAS TABLED MARCH 29, 2007, BE REMOVED FROM THE TABLE:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE BEASLEY WITHDREW HIS MOTION AND TRUSTEE TALABI WITHDREW HER SUPPORT OF TRUSTEE BEASLEY'S MOTION.

TRUSTEE BEASLEY THEN MADE THE MOTION WHICH FOLLOWS AND TRUSTEE TALABI SUPPORTED SAME:

EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR ENDING  
JUNE 30, 2006

BY MR. BEASLEY – SUPPORTED BY MS. TALABI

EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR ENDING 6-30-06

WHEREAS, IT HAS COME TO THE BOARD'S ATTENTION THAT THERE HAS BEEN A VARIANCE IN THE AMOUNT OF APPROXIMATELY \$7,179,297.65 IN THE CALCULATIONS OF THE RETIREMENT SYSTEM'S ACTUARY (\$64,986,629.40) AND THE EMPLOYER CITY BUDGET (\$57,807,331.74) REGARDING THE EMPLOYER CONTRIBUTIONS DUE THE RETIREMENT SYSTEM ON JUNE 30, 2006 (NET OF PENSION OBLIGATION CERTIFICATE PROCEEDS), AND

WHEREAS, THE EMPLOYER CITY HAS BUDGETED THE AMOUNT DUE THE RETIREMENT SYSTEM, NET OF PENSION OBLIGATION CERTIFICATE PROCEEDS) ON JUNE 30, 2006 AS \$64,986,629.40, BUT HAS INDICATED, NOTWITHSTANDING A POTENTIAL LEGAL DISPUTE, THAT IT APPEARS THAT THERE WERE MISUNDERSTANDINGS REGARDING THE CALCULATIONS, IN PART, DUE TO THE PENSION OBLIGATION CERTIFICATE PROCEEDS, THE TIMING OF RECEIPT OF THE FUNDS AND OTHER RELATED MATTERS, AND

WHEREAS, THE BOARD IS AWARE OF ITS FIDUCIARY RESPONSIBILITIES AND HAS DISCUSSED THIS MATTER WITH ITS ACTUARY AND GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT IN LIGHT OF THE TOTALITY OF CIRCUMSTANCES, THE BOARD HAS DECIDED THAT THE CALCULATION OF THE AMOUNT, RE: THE EMPLOYER CITY CONTRIBUTIONS NET OF PENSION OBLIGATION CERTIFICATE PROCEEDS WHICH WERE DUE ON JUNE 30, 2006, BE \$57,807,331.74, AND BE IT FURTHER

RESOLVED, THAT THE VARIANCE OF **\$7,179,297.65** BE PAID ON OR BEFORE **JUNE 30, 2008**, AND BE IT FURTHER

RESOLVED, THAT THE FINANCIAL REPORTS, INCLUDING APPLICABLE ACTUARIAL REPORTS, REFLECT AMOUNTS CONSISTENT WITH THIS RESOLUTION, AND BE IT FURTHER

EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR ENDING 6-30-06

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE MAYOR, CITY FINANCE DIRECTOR, CITY BUDGET DIRECTOR AND THE BOARD'S ACTUARY:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, THE MOTION WHICH FOLLOWS WAS MADE:

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES BANDEMER, BEST, ORZECH, STEWART  
AND CHAIRMAN ENGLISH – 5

NAYS – TRUSTEES BEASLEY, FREEMAN, MILTON, MOORE,  
SCOTT AND TALABI – 6

TRUSTEES BANDEMER, BEST, ORZECH AND STEWART THEN EXCUSED THEMSELVES AND THE BOARD'S QUORUM WAS LOST. CHAIRMAN ENGLISH THEN ADJOURNED THE MEETING AT **1:15 P.M.** UNTIL THURSDAY, **JUNE 14 2007**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

**ADJOURNMENT**

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY