

MEETING NUMBER 2632

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



PROCEEDINGS HELD THURSDAY, JUNE 14, 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

EXCUSED

Richard Huddleston	Investment Analyst
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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.

ENERGY INVESTORS FUND

By Mr. Stewart – Supported by Mr. Best

Whereas, The Board has been presented with a June 11, 2007 communication from Energy Investors Fund wherein Energy Investors Fund requests that the Board fund its portion of the capital installment due for United States Power Fund, L.P. in the amount of **\$2,127,440.00**, 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, Orzech,
Stewart and Chairman English – 6

Nays – None

ENERGY INVESTORS FUND

By Mr. Stewart – Supported by Mr. Best

Whereas, The Board has been presented with a June 8, 2007 communication from Energy Investors Fund wherein Energy Investors Fund requests that the Board

ENERGY INVESTORS FUND

fund its portion of the capital installment due for United States Power Fund II Institutional Fund, L.P. in the amount of **\$671,355.00**, 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, Orzech, Stewart and Chairman English – 6

Nays – None

SERVICE RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BEST

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

Yeas – Trustees Bandemer, Best, Freeman, Orzech, Stewart and Chairman English – 6

Nays – None

RETIREMENTS

NAME, TITLE, DEPARTMENT	IRENE BRIGGS – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	25 10 07 – 07 07 07

RETIREMENTS

NAME, TITLE, DEPARTMENT	JERRY WALLACE – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	34 11 03 – 07 07 07

NAME, TITLE, DEPARTMENT	MICHAEL GUALDONI – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	20 04 00 – 05 25 07

NAME, TITLE, DEPARTMENT	PATRICE DELGADO-WOLFE – WIDOW OF DECEASED ANDRE WOLFE – FIRE FIGHTER/DRIVER – FIRE DEPARTMENT
RETIREMENT, PLAN	WIDOW'S DUTY DEATH - NEW
SERVICE CREDIT, EFFECTIVE DATE	10 09 08 – 05 07 07

NAME, TITLE, DEPARTMENT	LEONARD FRITZ – OFFICER – POLICE DEPARTMENT
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	40 00 10 – 07 07 07

CONFIRMATIONS

THE BOARD RECEIVED THE SUM OF **\$16,791.66** ON JUNE 6, 2007
FROM KENNEDY SQUARE – JUNE, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF **\$15,101.32** ON JUNE 8, 2007
FROM THE COLUMNS OF KENTUCKY – MAY, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF **\$24,910.33** ON JUNE 8, 2007
FROMM THE TRELLISES OF KENTUCKY – MAY, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF **\$48,157.92** ON JUNE 8, 2007
FROM THE KALES BUILDING – MAY, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF **\$3,148.67** ON JUNE 8, 2007
FROM RITE AID – CLASS ACTION SETTLEMENT (PUTNAM MID-CAP)

THE BOARD RECEIVED THE SUM OF **\$30.00** ON JUNE 8, 2007
FROM DOCKERY & HASTY – EXPRESS MAIL FEE

THE BOARD RECEIVED THE SUM OF **\$292,875.80** ON JUNE 11,
2007 – WEEKLY ANNUITY CONTRIBUTIONS

THE BOARD RECEIVED THE SUM OF **\$57,935.55** ON JUNE 11,
2007 FROM THE SHEFFIELD – MAY 9, 2007 – JUNE 8, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF **\$559,078.71** ON JUNE 11,
2007 – MAY, 2007 CONSTRUCTION LOAN INTEREST

THE BOARD RECEIVED THE SUM OF **\$9,893,077.00** ON JUNE 12,
2007 FROM GSC PARTNERS - CDO – DISTRIBUTION

TOTAL: \$10,911,106.96

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BEST

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

Yeas – Trustees Bandemer, Best, Freeman, Orzech,
Stewart and Chairman English – 6

Nays – None

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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 **#3241**, IN THE AMOUNT OF **\$2,429,797.61**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Best, Freeman, Orzech,
Stewart and Chairman English – 6

Nays – None

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. BEST

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

▶ TRUSTEE MILTON ENTERED THE MEETING.

▶ TRUSTEE SCOTT ENTERED THE MEETING.

BILL PAYMENT REQUESTS

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

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

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

ADP – JUNE 1, 2007 - \$125.00 – POLICE AND FIRE PORTION OF \$250.00 – OFFICE SUPPLIES

BANYAN REALTY ADVISORS – MAY 22, 2007 - \$12,000.00 – LIGHTSTONE VALUE PLUS REAL ESTATE INVESTMENT TRUST (“VALUE PLUS REIT”) DUE DILIGENCE

BRYAN, DENISE – JUNE 13, 2007 - \$75.00 – DUE CITY REFUND

CLARK HILL – MAY 31, 2007 - \$6,300.00 – APRIL, 2007 FEES – THE BOARD’S DROP PROGRAM

DELL MARKETING – JUNE 1, 2007 - \$116.99 – POLICE AND FIRE PORTION OF \$233.98 – OFFICE SUPPLIES

EARTHLINK – MAY 29, 2007 - \$109.75 – POLICE AND FIRE PORTION OF \$219.50 – TRUSTEE INTERNET ACCESS

HASTY, DARREL – JUNE 12, 2007 - \$15.00 – ANNUITY FEE REFUND

BILL PAYMENT REQUESTS

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

IRON MOUNTAIN – MAY 31, 2007 - \$196.06 – POLICE AND FIRE
PORTION OF \$392.11 – OFFICE SUPPLIES

MAYFIELD GENTRY REALTY ADVISORS – JUNE 13, 2007 -
\$254,180.40 – JUNE, 2007 ASSET MANAGEMENT AND MORTGAGE
SERVICING FEES

NORTH POINT ADVISORS – JUNE 13, 2007 - \$17,000.00 –
MARWOOD GROUP HEDGE FUND OF FUNDS DUE DILIGENCE

PDS, INC. – JUNE 12, 2007 - \$1,412.02 – POLICE AND FIRE
PORTION OF \$2,824.04 – COMPUTER EQUIPMENT, SOFTWARE,
TRAINING, MAINTENANCE, SUPPLIES

THE TOWNSEND GROUP – JUNE 1, 2007 - \$11,250.00 – JUNE, 2007
SERVICES

Yeas – Trustees Bandemer, Best, Freeman, Milton,
Orzech, Scott, Stewart and Chairman English – 8

Nays – None

LEGAL COUNSEL'S BILLING

BY MR. BANDEMER – SUPPORTED BY MR. BEST

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED JUNE 28,
2007, FOR THE MONTH OF JUNE, 2007, IN THE AMOUNT OF
\$12,574.14, BE APPROVED AND SAID AMOUNT BE PAID
PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE
POLICE AND FIRE RETIREMENT SYSTEM:

LEGAL COUNSEL'S BILLING

Yeas – Trustees Bandemer, Best, Freeman, Milton,
Orzech, Scott, Stewart and Chairman English – 8

Nays – None

Finance/Retirement Petty Cash Account

By Mr. Stewart – Supported by Ms. Freeman

Whereas, The present balance of the Finance/Retirement Petty Cash account is **\$24.72** , 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:

Police and Fire Retirement System: **\$1,495.91**

General Retirement System: **\$ 479.37**

Yeas – Trustees Bandemer, Best, Freeman, Milton,
Orzech, Scott, Stewart and Chairman English – 8

Nays – None

RETURN TO WORK REQUESTS OF DARYEL A. PEAKE AND
WAYNE M. COLLINS

BY MS. FREEMAN – SUPPORTED BY MR. BANDEMER

WHEREAS, DARYEL A. PEAKE HAS PRESENTED THE BOARD WITH A JUNE 6, 2007 REQUEST TO RETURN TO WORK, AND

WHEREAS, WAYNE M. COLLINS HAS PRESENTED THE BOARD WITH A JUNE 8, 2007 REQUEST TO RETURN TO WORK, THEREFORE BE IT

RESOLVED, THAT THE COMPLETE MEDICAL FILES OF MESSRS. PEAKE AND COLLINS BE FORWARDED TO THE BOARD'S MEDICAL DIRECTOR AND THE BOARD'S MEDICAL DIRECTOR BE REQUESTED TO SCHEDULE EXAMINATION APPOINTMENTS ON BEHALF OF MESSRS. PEAKE AND COLLINS:

Yeas – Trustees Bandemer, Best, Freeman, Milton, Orzech, Scott, Stewart and Chairman English – 8

Nays – None

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PERSEUS, DOT HILL, BISYS, AMGEN AND ONYX CAPITAL.

ONE DETROIT CENTER

BY MR. STEWART – SUPPORTED BY MR. SCOTT

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) has previously approved the above-referenced investment, subject to a favorable legal review by Clark Hill PLC, (“Special Legal Counsel”), and

WHEREAS, the Board’s Advisor, Mayfield Gentry Realty Advisors, Inc., has submitted (i) a letter dated June 7, 2007, advising of its recommendation to close on the investment, and (ii) a disbursement request dated June 7, 2007 for Twenty Million Dollars (\$20,000,000), and

WHEREAS, Special Legal Counsel provided a favorable legal review, subject to finalizing the investment structure, UBTI concerns and the closing documentation and, and

WHEREAS, the Board has considered this matter, in open session
THEREFORE BE IT

RESOLVED, that the Board hereby approves the investment in a ten percent (10 %) interest in 500 Woodward LLC (the sole owner of One Detroit Center), subject to Special Legal Counsel's continued negotiations to finalize the investment structure, and resolve UBTI concerns, and be it further

RESOLVED, that **\$10,000,000.00** be withdrawn from Kennedy Capital's Small-cap Value index account and **\$10,000,000.00** be withdrawn from Rhumblin's Russell 1000 Value index account to finalize the closing, and be it further

RESOLVED, that the Board hereby approves the signing of the closing documents (the Closing Documents), including, but not limited to, the formation documentation of an entity or entities to hold the Board’s the right, title and interest in the investment

ONE DETROIT CENTER

protect the Board's interest, subject to the approval by Special Legal Counsel and General Counsel, and be it further

RESOLVED, that the Board authorizes the formation of (i) PFRS One Detroit Center, LLC ("PFODC") as the Board's designee, and names Trustees Marty Bandemer, Paul Stewart, George Orzech and Gregory Best as co-managers of PFODC and either one of them are authorized to act on behalf of PFODC to consummate the transaction contemplated herein, and (ii) any blocker entity, as required by Special Legal Counsel, and General Counsel to protect the Board's interest in the investment, and be it further

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

RESOLVED, that the Board hereby approves the funding of its investment, on behalf of PFODC, and authorizes up to Twenty Million and no/100 Dollars (\$20,000,000.00) of total wire transfers to the Board's Advisor or its agent, as described in disbursement request 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 the Board's Advisor, Mayfield Gentry Realty Advisors, Kennedy Capital, Rhumblin and the Board's Special Legal Counsel:

Yeas – Trustees Bandemer, Best, Freeman, Milton,
Orzech, Scott, Stewart and Chairman English – 8

Nays – None

► TRUSTEE TINSLEY-TALABI ENTERED THE MEETING.

PERSEUS PARTNERS VII GP, L.P.

BY MS. FREEMAN – SUPPORTED BY MR. BEST

Whereas, The Board has been requested to execute **Amendment No. 1 to the Third Amended and Restated Agreement of Limited Partnership** dated June 14, 2007 relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by and

Whereas, The execution of said document has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said document is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board, and be it further

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

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

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

Nays – None

DOT HILL

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JUNE 12, 2007 COMMUNICATION FROM SPECIAL COUNSEL KIRBY, MCINERNEY & SQUIRE REGARDING THE ABOVE-CAPTIONED MATTER.

BISYS

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JUNE 12, 2007 COMMUNICATION FROM SPECIAL COUNSEL KIRBY, MCINERNEY & SQUIRE REGARDING THE ABOVE-CAPTIONED MATTER.

AMGEN, INC.

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JUNE 12, 2007 COMMUNICATION FROM SPECIAL COUNSEL KIRBY, MCINERNEY & SQUIRE REGARDING THE ABOVE-CAPTIONED MATTER.

NCPERS

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH AN ARTICLE REGARDING THE ABOVE-CAPTIONED MATTER (WHICH WAS WRITTEN BY HANK H. KIM, ESQ, OF THE EXECUTIVE DIRECTOR'S CORNER).

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

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

CLOSED SESSION

A Roll Call Vote was taken as follows:

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

Nays – None

The Board entered into Closed Session at **9:12 A.M.**

► TRUSTEES MOORE, AND BEASLEY, AS WELL AS SPECIAL
COUNSEL JOE TURNER ENTERED THE MEETING DURING
CLOSED SESSION.

SPECIAL COUNSEL JOE TURNER PROVIDED EACH BOARD
MEMBER WITH A COPY OF A JUNE 14, 2007
COMMUNICATION REGARDING RDD INVESTMENT
CORPORATION.

THE BOARD DISCUSSED THE FOIA REQUEST OF WXYZ-TV
REPORTER STEVE WILSON.

OPEN SESSION

BY MS. FREEMAN – 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, SCOTT, STEWART
TALABI AND CHAIRMAN ENGLISH – 11

NAYS – NONE

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

PARAMOUNT

ABNER WHORTER AND **SHARON WHORTER** APPEARED BEFORE THE BOARD, DISCUSSED PARAMOUNT LAND HOLDINGS, LLC (A DISTRESSED DEBT ACQUISITION PROPOSAL) AND THEN EXCUSED THEMSELVES.

CLARK HILL

ED HAMMOND APPEARED BEFORE THE BOARD, DISCUSSED THE BOARD'S DROP PROGRAM AND AN IRS PRIVATE LETTER RULING AND THEN EXCUSED HIMSELF.

KELLEY CAWTHORNE

VIA PHONE CONFERENCE, THE BOARD DISCUSSED RDD INVESTMENT CORPORATION AT LENGTH WITH **DENNIS CAWTHORNE**.

KELLEY CAWTHORNE

BY MR. STEWART – SUPPORTED BY MS. TALABI

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”), is in receipt of a letter from Kelley Cawthorne dated June 12, 2007 (“June 12, 2007 Letter”) regarding engagement of Kelley Cawthorne for government relations services relative to the retention of the EPA and MDEQ licenses and permits for the operation of the deep-well disposal, and,

WHEREAS, the Board engaged in a conference call with Dennis Cawthorne of Kelley Cawthorne, to discuss certain provisions of the engagement, and

WHEREAS, the Board was advised by General Counsel and Joe Turner at Clark Hill, PLC, (“Special Legal Counsel”), and

WHEREAS, the Board has considered this matter, in open session
THEREFORE BE IT

RESOLVED, that the Board approves the engagement of Kelley Cawthorne, as its Government Relations Consultant consistent with the June 12, 2007 Letter subject to negotiation of the engagement terms by Special Legal Counsel consistent with the Board’s prior direction, and be it further

RESOLVED, that the Board is authorized to fund the engagement of Kelley Cawthorne with up to \$70,000.00 as follows: \$55,000.00 within 15 days of the engagement, and the remaining \$15,000.00, consistent with the terms of the engagement letter each funding shall be consistent with the established policies of the Board; and be it further

RESOLVED, that a copy of this resolution be forwarded to Kelley Cawthorne, Special Legal Counsel and the Transition Team:

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

TRUSTEE ORZECH THEN MADE THE MOTION WHICH FOLLOWS:

KELLEY CAWTHORNE

BY MR. ORZECH – SUPPORTED BY MR. BEST

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”), is in receipt of a letter from Kelley Cawthorne dated June 12, 2007 (“June 12, 2007 Letter”) regarding engagement of Kelley Cawthorne for government relations services relative to the retention of the EPA and MDEQ licenses and permits for the operation of the deep-well disposal, and,

WHEREAS, the Board engaged in a conference call with Dennis Cawthorne of Kelley Cawthorne, to discuss certain provisions of the engagement, and

WHEREAS, the Board was advised by General Counsel and Joe Turner at Clark Hill, PLC, (“Special Legal Counsel”), and

WHEREAS, the Board has considered this matter, in open session
THEREFORE BE IT

RESOLVED, that the Board approves the engagement of Kelley Cawthorne, as its Government Relations Consultant consistent with the June 12, 2007 Letter subject to negotiation of the engagement terms by Special Legal Counsel consistent with the Board’s prior direction, and be it further

RESOLVED, that the Board is authorized to fund the engagement of Kelley Cawthorne with up to \$70,000.00 as follows: \$55,000.00 within 15 days of the engagement, and the remaining \$15,000.00, consistent with the terms of the engagement letter each funding shall be consistent with the established policies of the Board; and be it further

RESOLVED, that a copy of this resolution be forwarded to Kelley Cawthorne, Special Legal Counsel and the Transition Team:

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

NAYS – TRUSTEE STEWART – 1

ONYX CAPITAL ADVISORY FUND, L.P.
\$10,000,000.00 LIMITED PARTNER INTEREST

BY MR. MOORE – SUPPORTED BY MR. STEWART

Whereas, The Board has been requested to execute the documents which are outlined below relative to the foregoing transaction, and

Whereas, The execution of said documents has been recommended by the Board's Special Legal Counsel, F. Logan Davidson, P.C., and

Whereas, The execution of said documents has been reviewed and approved as to form by the Board's Legal Counsel, and the execution of said documents is consistent with prior action of the Board, Therefore Be It

Resolved, That said document be executed by two (2) authorized signatories on behalf of the Board, and be it further

Resolved, That subject to the foregoing requirement, the capital call amounts be wire-transferred to Onyx Capital Advisors, LLC, the general partner of Onyx Capital Advisory Fund, L.P., in accordance with transmittal documents and wire-transfer instructions, subject to approval of the Executive Secretary, the Board's Special Legal Counsel and the Board's General Counsel, and be it further

Resolved, That a copy of this resolution and executed documents be forwarded to Onyx Capital Advisors, LLC, the general partner of Onyx Capital Advisory Fund, L.P., and be it further

Resolved, That a copy of this resolution be forwarded to the Board's Special Legal Counsel, F. Logan Davidson, P.C. and Retirement System Accounting Staff, and be it further

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

SUBSCRIPTION BOOKLET CONTAINING A SUBSCRIPTION AGREEMENT
DATED JUNE 7, 2007, AN INVESTOR QUALIFICATION STATEMENT
DATED JUNE 7, 2007 AND A POWER OF ATTORNEY DATED JUNE 7,
2007

ONYX CAPITAL ADVISORY FUND, L.P.
\$10,000,000.00 LIMITED PARTNER INTEREST

LIMITED PARTNERSHIP AGREEMENT OF ONYX CAPITAL ADVISORY
FUND, L.P. DATED JUNE 7, 2007

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

NAYS – NONE

GUIDANCE CAPITAL, LLC/THE HARTFORD
GUIDANCE ENHANCED GREEN TERRAIN FUND, LLC INVESTMENT
\$10,000,000.00 INVESTMENT

BY MR. ORZECH – 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, subject to a favorable due diligence report from Adrian Anderson of North Point Advisors (the “Board’s Advisor”) and a legal review from Clark Hill PLC (the “Special Legal Counsel”), and

WHEREAS, the Board’s Advisor submitted a favorable due diligence report and Special Legal Counsel has provided a favorable legal review, and

WHEREAS, the Special Legal Counsel and General Counsel have reviewed and approved the revised closing documents (the “Closing Documents), and

WHEREAS, the Special Legal Counsel and General Counsel have reviewed and approved the closing documents (the “Closing Documents), and

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

GUIDANCE CAPITAL, LLC/THE HARTFORD
GUIDANCE ENHANCED GREEN TERRAIN FUND, LLC INVESTMENT
\$10,000,000.00 INVESTMENT

RESOLVED, that the Board hereby approves the signing of the Closing Documents, which include, but are not limited to, the following:

Subscription Booklet,
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, the funding up to Ten Million and no/100 Dollars (\$10,000,000,00) of total wire transfers to the Investment Sponsor, or its agent, as described in draw requests, notice of capital calls or subscription agreement 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 Guidance Capital, LLC/The Hartford, North Point Advisors, the Board's Special Legal Counsel, Clark Hill, and Retirement System Accounting Staff:

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

NAYS – NONE

KLA-TENCOR CORPORATION

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF A RECOMMENDATION TO AGREE TO MEDIATE FROM ITS SPECIAL LEGAL COUNSEL, KOHN, SWIFT AND GRAF, P.C., REGARDING THIS MATTER, PER LETTER DATED JUNE 11, 2007, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER WITH GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE RECOMMENDATION OF ITS SPECIAL LEGAL COUNSEL TO PROCEED CONSISTENT WITH THE AFORE-REFERENCED JUNE 11, 2007 LETTER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL, KOHN, SWIFT AND GRAF, P.C.:

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

NAYS – NONE

FOIA REQUEST FROM WXYZ-TV

BY MS. FREEMAN – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS AWARE OF AN E-MAIL FROM STEVE WILSON TO CYNTHIA A. THOMAS DATED JUNE 14, 2007 (AT 12:14 P.M.) WHEREIN MR. WILSON REQUESTS AN ON-CAMERA INTERVIEW REGARDING THE TIME-CONSUMING DEMAND TO COMPLY WITH (WHAT THE BOARD DEEMS TO BE) THE EXCESSIVE AND BURDENSOME REQUEST OF MR. WILSON, AND

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

RESOLVED, THAT THE BOARD WILL GRANT MR. WILSON'S REQUEST SUBJECT TO CERTAIN CONDITIONS DISCUSSED THIS DATE, AND BE IT FURTHER

RESOLVED, THAT THE BOARD DENYS THE REQUEST IF MR. WILSON AND WXYZ-TV CANNOT MEET THE CONDITIONS DISCUSSED THIS DATE, AND BE IT FURTHER

RESOLVED, THAT THE EXECUTIVE SECRETARY RESPOND TO MR. WILSON CONSISTENT WITH THE BOARD'S DISCUSSION OF THIS DATE:

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

NAYS – TRUSTEE ORZECH – 1

WXYZ-TV REPORTING – RE: NCPERS CONFERENCE
HELD IN MAY, 2007 IN HONOLULU, HAWAII

BY MR. BEASLEY – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD HAS BEEN MADE AWARE OF A LETTER FROM THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT TO WXYZ-TV WITH COPIES TO VARIOUS INDIVIDUALS AND ENTITIES, AND

WHEREAS, THE BOARD AGREES WITH THE CONTENT OF SAID LETTER AND WISHES TO ALSO BE A SIGNATORY TO SAID LETTER, THEREFORE BE IT

RESOLVED, THAT THE EXECUTIVE SECRETARY ARRANGE FOR THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM TO JOIN WITH THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM AS A SIGNATORY AND THAT THE LETTER BE SENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM WITH OUR **THANKS** AND **APPRECIATION** REGARDING THIS MATTER:

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

NAYS – NONE

INHERITANCE CAPITAL GROUP, INC.
EQUITY FINANCING PROPOSAL

BY MR. MILTON – SUPPORTED BY MR. SCOTT

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 **Banyan Realty Advisors, LLC** (the “Board’s Advisor”), (ii) certain additional terms and modifications of said 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

INHERITANCE CAPITAL GROUP, INC.
EQUITY FINANCING PROPOSAL

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 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

INHERITANCE CAPITAL GROUP, INC.
EQUITY FINANCING PROPOSAL

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 Inheritance Capital Group, Inc., **Banyan Realty Advisors, LLC** and the Board's Special Legal Counsel:

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

NAYS – NONE

PARAMOUNT LAND HOLDINGS, LLC
DISTRESSED DEBT ACQUISITION

BY MR. MILTON – SUPPORTED BY MS. FREEMAN

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 **The Townsend Group** (the "Board's Advisor"), (ii) certain additional terms and modifications of said 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

PARAMOUNT LAND HOLDINGS, LLC
DISTRESSED DEBT ACQUISITION

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 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

PARAMOUNT LAND HOLDINGS, LLC
DISTRESSED DEBT ACQUISITION

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 Paramount, The Townsend Group and the Board's Special Legal Counsel:

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

NAYS – NONE

PUBLIC FORUM

AT **12:53 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 **12:55 P.M.** UNTIL THURSDAY, **JUNE 21, 2007**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

CYNTHIA A. THOMAS
ASSISTANT EXECUTIVE SECRETARY