

MEETING NUMBER 2634

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



PROCEEDINGS HELD THURSDAY, JUNE 28, 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
Seth Doyle	Ex/Officio Alternate Trustee
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
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
Cynthia Thomas	Assistant Executive Secretary

ABSENT

None

CHAIRPERSON

*Frank English*

ROLL CALL WAS TAKEN AT **9:12 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

GUIDANCE CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 21, 2007 communication from Guidance Capital wherein Guidance Capital requests that the Board fund Guidance Enhanced Green Terrain Fund, LLC in the amount of \$10,000,000.00, 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, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

GVC WINSTAR

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 20 ,2007 communication from GVC Winstar wherein GVC Winstar requests that the Board fund Winstar Communications, LLC and Winstar Government Solutions, LLC in the amount of \$2,500,000.00, 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, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

INHERITANCE CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 26, 2007 communication from Inheritance Capital wherein Inheritance requests that the Board fund its portion of the capital call due for Inheritance Capital Group, LLC in the amount of \$266,856.16, Therefore Be It

### INHERITANCE CAPITAL

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

### ORACLE CAPITAL PARTNERS

#### BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 26, 2007 communication from Oracle Capital Partners wherein Oracle Capital Partners requests that the Board fund its portion of the capital call due for Oracle Capital Fund Limited Partnership in the amount of \$62,500.00, 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, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

MARWOOD ASSET MANAGEMENT

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 27, 2007 communication from Marwood Asset Management wherein Marwood Asset Management requests that the Board fund River Road Fund, Ltd. in the amount of \$10,000,000.00, 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, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

STEWARD REAL ESTATE MANAGEMENT, LLC

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a June 20, 2007 communication from Steward Real Estate Management, LLC wherein Steward Real Estate Management, LLC requests that the Board fund Steward Real Estate Partners Fund I, L.P. in the amount o \$5,050,000.00, Therefore Be It

STEWARD REAL ESTATE MANAGEMENT, LLC

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

RETIREMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

RETIREMENTS

NAME, TITLE, DEPARTMENT	DENISE <b>ARMOUR</b> – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	20 06 26 – 07 04 07

RETIREMENTS

NAME, TITLE, DEPARTMENT	JANICE <b>DANIELS</b> – INSPECTOR – PCOA
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	28 02 02 – 07 06 07

NAME, TITLE, DEPARTMENT	ESTHER <b>GIGGER</b> – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	28 05 18 – 07 07 07

NAME, TITLE, DEPARTMENT	GERALD <b>SIMON</b> – COMMANDER - PCOA
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	31 11 28 – 07 07 07

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS  
WHICH ARE REFERENCED BELOW BE CONFIRMED:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman,  
Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

***CONFIRMATIONS  
(RECEIPTS & DISBURSEMENTS)***

THE BOARD RECEIVED THE SUM OF **\$512.50** ON JUNE 22, 2007 FROM ABEL NOSER – MAY, 2007 COMMISSION RECAPTURE

THE BOARD RECEIVED THE SUM OF **\$6,200.00** ON JUNE 22, 2007 FROM CURTIS PARKER - MILITARY SERVICE CREDIT PURCHASE

**TOTAL:        \$6,712.50**

THE BOARD DISBURSED THE SUM OF **\$1,000,000.00** ON JUNE 20, 2007 TO FUND CITIGROUP CAPITAL PARTNERS II – DRAW 2

THE BOARD DISBURSED THE SUM OF **\$195,749.20** ON JUNE 20, 2007 TO FUND ONXY CAPITAL ADVISORS – DRAW 1

THE BOARD DISBURSED THE SUM OF **\$5,150.00** ON JUNE 22, 2007 TO PAY HOWARD & HOWARD'S MAY, 2007 LEGAL FEES

THE BOARD DISBURSED THE SUM OF **\$311.94** ON JUNE 22, 2007 TO REIMBURSE THE CITY OF DETROIT – CHECK-WRITE FEE

THE BOARD DISBURSED THE SUM OF **\$2,500,000.00** ON JUNE 25, 2007 TO FUND GVC NETWORK – DRAW 3

THE BOARD DISBURSED THE SUM OF **\$671,355.00** ON JUNE 25, 2007 TO FUND LIBERTY LIFE'S USPF II – DRAW 11

THE BOARD DISBURSED THE SUM OF **\$2,127,440.00** ON JUNE 26, 2007 TO FUND LIBERTY LIFE'S USPF – DRAW 14

THE BOARD DISBURSED THE SUM OF **\$1,283,346.47** ON JUNE 26, 2007 – ANNUITY REFUNDS (FIRST INDEPENDENCE BANK)

**TOTAL:        \$6,783,352.61**

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND, BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, AS SET FORTH ON LIST **#3243**, IN THE AMOUNT OF **\$2,364,981.59**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

MINUTES OF THURSDAY, JUNE 14, 2007

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **JUNE 14, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Orzech, Stewart and Vice Chairperson Best – 7

Nays – None

► CHAIRMAN ENGLISH AND TRUSTEES MILTON AND MOORE RE-  
JOINED THE MEETING.

VICE CHAIRMAN BEST RELINQUISHED THE CHAIR TO CHAIRMAN ENGLISH.

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 THE SERVICES THAT WERE REQUESTED BY THE BOARD WERE PROVIDED TO 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**

THE BANK OF NEW YORK – JUNE 18, 2007 - \$59,060.10 – 2007 FIRST QUARTER FEES

THE BANK OF NEW YORK – JUNE 18, 2007 - \$9,050.00 – 2007 FIRST QUARTER FEES

CAWTHORNE, KELLEY – UNDATED - \$55,000.00 – LEGAL FEES – RDD INVESTMENT CORPORATION

DELL MARKETING – JUNE 13, 2007 - \$7,408.00 – POLICE AND FIRE PORTION OF \$14,816.00 – MISCELLANEOUS SERVICES

DELL MARKETING – JUNE 13, 2007 - \$238.00 – POLICE AND FIRE PORTION OF \$476.00 – MISCELLANEOUS SERVICES

EVERGREEN INVESTMENTS – JUNE 8, 2007 - \$80,518.55 – MANAGEMENT FEES FOR THE PERIOD FEBRUARY 12, 2007 THROUGH MARCH 31, 2007

BILL PAYMENT REQUESTS

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

GLAZER, MARK – JUNE 21, 2007 - \$4,715.00 – DRRB AWARD FOR ANDREW JACKSON

HARLAND TECHNOLOGY – JUNE 20, 2007 - \$3,172.48 – POLICE AND FIRE PORTION OF \$6,344.95 – COMPUTER SUPPLIES

ITS – JUNE 19, 2007 - \$58,160.87 – CONTRACTUAL PROGRAMMER FEES FOR THE MONTH OF JUNE, 2007

SCM ADVISORS – JUNE 27, 2007 - \$59,097.22 – 2007 FIRST QUARTER FEES

TECH DEPOT – JUNE 8, 2007 - \$54.90 – POLICE AND FIRE PORTION OF \$109.80 - OFFICE SUPPLIES

TECH DEPOT – JUNE 13, 2007 - \$150.03 – POLICE AND FIRE PORTION OF \$300.05 - OFFICE SUPPLIES

TIME – JUNE 25, 2007 - \$9.98 – POLICE AND FIRE PORTION OF \$19.95 - OFFICE SUPPLIES

XJJ COMPANY – JUNE 19, 2007 - \$29,256.51 – POLICE AND FIRE PORTION OF \$58,513.02 – RETIREMENT SYSTEM EMPLOYEE PAYROLL FOR THE PERIOD MAY 21, 2007 THROUGH JUNE 22, 2007

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

NAYS – NONE

ENERGY INVESTORS FUNDS

BY MR. ORZECH – SUPPORTED BY MR. BEST

WHEREAS, ENERGY INVESTORS FUNDS HAS PRESENTED THE BOARD WITH A JUNE 18, 2007 REQUEST TO REFERENCE THE POLICE AND FIRE RETIREMENT SYSTEM AS AN INVESTOR IN ENERGY INVESTORS FUNDS' U.S. POWER FUND III, AND

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

RESOLVED, THAT THE REQUEST OF ENERGY INVESTORS FUNDS BE APPROVED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ENERGY INVESTORS FUNDS:

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

NAYS – NONE

CHICAGO EQUITY PARTNERS

BY MR. ORZECH – SUPPORTED BY MR. BEST

WHEREAS, CHICAGO EQUITY PARTNERS HAS PRESENTED THE BOARD WITH A JUNE 22, 2007 REQUEST TO SUBMIT A PRESS RELEASE ANNOUNCING THAT THE POLICE AND FIRE RETIREMENT SYSTEM RETAINED CHICAGO EQUITY PARTNERS AS A SMALL-CAP CORE – EXTENDED MANDATE MANAGER, AND

CHICAGO EQUITY PARTNERS

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

RESOLVED, THAT THE REQUEST OF CHICAGO EQUITY PARTNERS BE APPROVED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO CHICAGO EQUITY PARTNERS:

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

NAYS – NONE

MHR CAPITAL PARTNERS

BY MR. BEST – SUPPORTED BY MR. BANDEMER

**Whereas**, The Board has been presented with an investment proposal from **MHR Capital Partners**, and

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

**Resolved**, That **North Point Advisors** be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

**Resolved**, That a copy of this resolution be forwarded to **MHR Capital Partners** and **North Point Advisors**:

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

NAYS – NONE

2007-2008 INTEREST RATE FOR ANNUITIES

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD, AFTER CONSIDERATION OF ALL RETIREMENT SYSTEM PROVISIONS, DEEMS IT APPROPRIATE TO DECLARE AN INTEREST RATE OF **10.7%**, THEREFORE BE IT

RESOLVED, THAT THE DEFINED CONTRIBUTION PLAN AMOUNTS EFFECTIVE JULY 1, 2007 BE CREDITED WITH **10.7%**:

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

NAYS – NONE

CLOSED SESSION

By Mr. Bandemer – Supported by Mr. Best

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, DOYLE, FREEMAN,  
MILTON, MOORE, ORZECH, STEWART AND CHAIRMAN  
ENGLISH – 10

NAYS – NONE

The Board entered into Closed Session at **9:23 A.M.**

OPEN SESSION

By Ms. Freeman – Supported by Mr. Stewart

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at **9:42 A.M.**

RDD INVESTMENT CORPORATION

BY MR. DOYLE – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD, IN CLOSED SESSION THIS DATE, RECEIVED A REPORT FROM JOE TURNER OF CLARK HILL, PLC (SPECIAL LEGAL COUNSEL) REGARDING RDD INVESTMENT CORPORATION, AND

WHEREAS, THE BOARD DISCUSSED THIS MATTER IN CLOSED SESSION THIS DATE, THEREFORE BE IT

RESOLVED, THAT SPECIAL LEGAL COUNSEL AND THE BOARD'S GENERAL COUNSEL ACT CONSISTENT WITH THE BOARD'S DIRECTION DURING CLOSED SESSION THIS DATE:

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

NAYS – NONE

KELLEY CAWTHORNE

THE BOARD WAS MADE AWARE OF THE EXECUTION OF THE RETAINER AGREEMENT BETWEEN THE SYSTEM AND KELLEY CAWTHORNE.

BANYAN REALTY ADVISORS

LOU VOGT AND SPECIAL COUNSEL F. LOGAN DAVIDSON APPEARED BEFORE THE BOARD AND DISCUSSED IDLEWYLDE, WASHINGTON PLAZA AND TRANS-CAPITAL.

THE BOARD THEN EXCUSED MESSRS. VOGT AND DAVIDSON.

MMA REALTY CAPITAL

PAUL BERNARD AND THREE ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED MRC'S MORTGAGE INVESTMENT TRUST (REQUESTING AN INCREASE AND EXTENSION OF CURRENT SUBSCRIPTION) AND THE KALES BUILDING.

THE BOARD THEN EXCUSED MR. BERNARD AND HIS ASSOCIATES.

THE KALES BUILDING

BY MR. DOYLE – SUPPORTED BY MS. FREEMAN

WHEREAS, THE BOARD HAS BEEN REQUESTED TO CONSENT TO THE INCREASE OF THE DETROIT INVESTMENT FUND (DIF) MORTGAGE LOAN INVESTMENT FROM \$950,000.00 TO \$1,000,000.00, AND

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

THE KALES BUILDING

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM  
CONSENTS TO THE FOREGOING, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED  
TO MMA REALTY CAPITAL:

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

NAYS – NONE

MCRAE GROUP OF COMPANIES

**RON MCRAE** AND ASSOCIATE **ROBERT SHAW** APPEARED BEFORE  
THE BOARD, DISCUSSED THE MCRAE GROUP OF COMPANIES  
(REAL ESTATE) AND THEN EXCUSED THEMSELVES.

EVERGREEN INVESTMENTS

**LORI BUFFUM** AND **FRANCIS CLARO** (THE HEAD OF EVERGREEN'S  
INTERNATIONAL SMALL/MID-CAP EQUITY TEAM) APPEARED  
BEFORE THE BOARD DISCUSSED INTERNATIONAL SMALL/MID-CAP  
EQUITY INVESTING AND THEN EXCUSED THEMSELVES.

Idlewylde Apartments, Duluth, Georgia

By Mr. Doyle – Supported by Ms. Freeman

WHEREAS, the Board is a member of AERC DPF Georgia Ventures, LLC, a  
Delaware limited liability company (the "Company"), and

WHEREAS, pursuant to Section 9.2 of the Company's Limited Liability  
Company Agreement, AERC of Georgia, Inc., an Ohio corporation  
("AERC"), has exercised its rights to purchase the Board's member interest  
in the Company, and

Idlewylde Apartments, Duluth, Georgia

WHEREAS, in connection with said purchase the Board has been requested to execute (1) an Assignment and Assumption Agreement, (2) an Assignment, Acceptance and Notice Replacement Property Contract & Direction to Convey Assignment, and (3) a Certification of Non-foreign Status relative to the aforesaid transaction, and

WHEREAS, the execution of said documents has been recommended by the Board's real estate advisor, Banyan Realty Advisors, LLC, and its 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 documents be executed by two authorized signatories on behalf of the Board:

Yeas – Trustees Bandemer, Beasley, Best, Doyle, Freeman,  
Milton, Moore, Orzech, Stewart and Chairman English –  
10

Nays – None

► TRUSTEE BEASLEY TEMPORARILY EXCUSED HIMSELF.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING CITI-SMITH BARNEY, WXYZ-TV, CHANNEL 7, KELLEY CAWTHORNE, ELY VERSUS ELY, CASTILLO VERSUS CASTILLO, THE KALES BUILDING AND S & G CAPITAL. HE ALSO PRESENTED EACH BOARD MEMBER WITH A COPY OF A JUNE 26, 2007 COMMUNICATION REGARDING WXYZ-TV, CHANNEL 7.

CITI-SMITH BARNEY (CVC INTERNATIONAL)  
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. BEST – SUPPORTED BY MR. BANDEMER

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 submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, Therefore Be It

CITI-SMITH BARNEY (CVC INTERNATIONAL)  
\$10,000,000.00 PROPOSED INVESTMENT

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 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

CITI-SMITH BARNEY (CVC INTERNATIONAL)  
\$10,000,000.00 PROPOSED INVESTMENT

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 **Citi-Smith Barney** and Special Legal Counsel to be selected by the Board:

YEAS – TRUSTEES BANDEMER, BEST, DOYLE, FREEMAN, MILTON,  
MOORE, ORZECZ, STEWART AND CHAIRMAN ENGLISH  
– 9

NAYS – NONE

ELY VERSUS ELY

BY MR. DOYLE – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON SEPTEMBER 1, 1994 WHICH INDICATED THAT THE APRIL 26, 1994 ELIGIBLE DOMESTIC RELATIONS ORDER AWARDS D'ANDREA ELY A PORTION OF ANTHONY ELY'S DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN, AND

WHEREAS, THE APRIL 26, 1994 EDRO ON FILE ONLY AWARDS A PORTION OF THE DEFINED BENEFIT PLAN (BUT NOT THE DEFINED CONTRIBUTION PLAN) TO ALTERNATE PAYEE, D'ANDREA ELY, AND

ELY VERSUS ELY

WHEREAS, MR. ELY IS SEEKING TO WITHDRAW 100% OF HIS DEFINED CONTRIBUTION PLAN AT THIS TIME, THEREFORE BE IT

RESOLVED, THAT THE BOARD'S RESOLUTION OF SEPTEMBER 1, 1994 IS AMENDED BY ELIMINATING THE PURPORTED AWARD OF A PORTION OF THE DEFINED CONTRIBUTION PLAN TO THE ALTERNATE PAYEE, D'ANDREA ELY, AND BE IT FURTHER

RESOLVED, THAT MR. ELY BE ALLOWED TO WITHDRAW 100% OF HIS DEFINED CONTRIBUTION PLAN UNLESS ANOTHER COURT ORDER IS IMMEDIATELY SUBMITTED TO THE SYSTEM OR UNLESS A CLAIM IS SUBMITTED BY THE ALTERNATE PAYEE, D'ANDREA ELY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY MICHAEL BLAU, ATTORNEY FRED FREEMAN, D'ANDREA ELY AND ANTHONY ELY:

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

NAYS – NONE

CONFERENCES

By Mr. Best – Supported by Mr. Bandemer

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:

NIC CONFERENCE – WASHINGTON, DC – OCTOBER 2, 2007 – OCTOBER 6, 2007

CONFERENCES

NCPERS' PUBLIC SAFETY EMPLOYEES PENSIONS AND BENEFITS CONFERENCE  
– CALIFORNIA – OCTOBER 13, 2007 – OCTOBER 18, 2007

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

NAYS – NONE

► TRUSTEE BEASLEY RE-JOINED THE MEETING.

CHURCHILL FINANCIAL, LLC

BY MR. BEST – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT KEITH J. GLOECKL AND ANY ASSOCIATES OF  
HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD  
FOR PRESENTATION (CONSTRUCTION LOANS) PURPOSES:

Yeas – Trustees Bandemer, Beasley, Best, Doyle, Freeman,  
Milton, Moore, Orzech, Stewart and Chairman English –  
10

Nays – None

THE PROVIDENT GROUP

BY MR. BEST – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT BRIAN P. MATHIS AND ANY ASSOCIATES OF HIS  
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR  
PRESENTATION (HEDGE FUNDS) PURPOSES:

THE PROVIDENT GROUP

Yeas – Trustees Bandemer, Beasley, Best, Doyle, Freeman,  
Milton, Moore, Orzech, Stewart and Chairman English –  
10

Nays – None

TRANS-CAPITAL

BY MR. BEST – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT TRANS-CAPITAL REPRESENTATIVES BE  
REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION  
(STATE TAX CREDIT PROGRAMS) PURPOSES:

Yeas – Trustees Bandemer, Beasley, Best, Doyle, Freeman,  
Milton, Moore, Orzech, Stewart and Chairman English –  
10

Nays – None

MCRAE GROUP OF COMPANIES

BY MR. STEWART – SUPPORTED BY MR. MILTON

**Whereas**, The Board has been presented with an investment  
proposal from the **McRae Group of Companies**, and

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

**Resolved**, That **Banyan Realty Management** be engaged to  
perform due diligence on said proposal and submit their  
findings (in writing) to the Board, and be it further

MCRAE GROUP OF COMPANIES

**Resolved**, That a copy of this resolution be forwarded to the **McRae Group of Companies** and **Banyan Realty Management**:

Yeas – Trustees Bandemer, Beasley, Best, Doyle, Freeman,  
Milton, Moore, Orzech, Stewart and Chairman English –  
10

Nays – None

MMA /MRC MORTGAGE INVESTMENT TRUST (“MRC”)

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD RECENTLY APPROVED THE REORGANIZATION OF THE MRC MORTGAGE INVESTMENT TRUST, AND

WHEREAS, THE BOARD’S COMMITMENT TO PURCHASE ADDITIONAL UNITS FOR \$40,000,000.00 IS SET TO EXPIRE ON APRIL 22, 2008, AND

WHEREAS, THE FUND’S EXISTING LINE OF CREDIT WITH THE BANK OF AMERICA EXPIRES ON JULY 11, 2007, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO RENEW ITS COMMITMENT AND INCREASE THE AMOUNT FROM \$40,000,000.00 TO \$52,000,000.00, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO APPROVAL OF DOCUMENTATION BY THE BOARD’S GENERAL COUNSEL AND ANY FEES AND COSTS OF ANY SPECIAL COUNSEL BEING PAID BY MMA OR MRC, THE BOARD APPROVE A NEW COMMITMENT TO THE FUND NOT TO

MMA /MRC MORTGAGE INVESTMENT TRUST (“MRC”)

EXCEED \$52,000,000.00 FOR A THREE-YEAR PERIOD ENDING  
AUGUST 22, 2011, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED  
TO MRC:

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

NAYS – TRUSTEES BEASLEY, DOYLE, FREEMAN MILTON AND  
MOORE – 5

THE FOREGOING MOTION **FAILED**.

IN APPRECIATION OF TRUSTEE **FRANK ENGLISH**

BY MR. STEWART – SUPPORTED BY MR. DOYLE

RESOLVED, THAT THE BOARD OF TRUSTEES EXTENDS ITS SINCERE  
**APPRECIATION** AND HEARTFELT **THANKS** TO **FRANK ENGLISH** 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 (**JULY 1, 2004 THROUGH  
JUNE 30, 2007**) AS A TRUSTEE OF THE POLICE AND FIRE  
RETIREMENT SYSTEM OF THE CITY OF DETROIT, AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, DOYLE, FREEMAN,  
MILTON, MOORE, ORZECH AND STEWART – 9

NAYS – NONE

IN APPRECIATION OF TRUSTEE **FRANK ENGLISH**

ABSTAIN – CHAIRMAN ENGLISH – 1

PUBLIC FORUM

AT **1:57 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, **JULY 12, 2007**, AT **9:00 A.M.**, IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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WALTER STAMPOR  
EXECUTIVE SECRETARY