

MEETING NUMBER **2638**

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



PROCEEDINGS HELD THURSDAY, **JULY 26, 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/Vice Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee/Chairperson
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	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

Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
Richard Huddleston	Investment Analyst

ABSENT

None

CHAIRPERSON

Gregory Best

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

MMA REALTY CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a **July 18, 2007** communication from MMA Realty Capital wherein MMA Realty Capital requests that the Board fund its portion of the capital call due for MRC Balanced Real Estate Fund I, L.P. in the amount of **\$2,313,150.00**, 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, Moore, Orzech, Pegg, Stewart and Chairman Best – 6

Nays – None

ONYX CAPITAL

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with a **July 23, 2007** communication from Onyx Capital wherein Onyx Capital requests that the Board fund its portion of the capital call due

ONYX CAPITAL

for Onyx Capital Advisory Fund I, L.P. in the amount of **\$1,400,000.00**, 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, Moore, Orzech, Pegg, Stewart and Chairman Best – 6

Nays – None

RETIREMENTS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

RETIREMENTS

NAME, TITLE, DEPARTMENT	STEVEN STEWART – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE – NEW
SERVICE CREDIT, EFFECTIVE DATE	25 06 07 – 07 07 07

NAME, TITLE, DEPARTMENT	MASON VIEAU CHILD OF DECEASED BRIAN VIEAU – OFFICER – POLICE
RETIREMENT, PLAN	NON-DUTY – NEW – CHILD
SERVICE CREDIT, EFFECTIVE DATE	09 05 28 – 02 09 07

RETIREMENTS

NAME, TITLE, DEPARTMENT

MICHEL VIEAU – CHILD OF
DECEASED BRIAN VIEAU –
OFFICER – POLICE

RETIREMENT, PLAN

NON-DUTY – NEW – CHILD

SERVICE CREDIT, EFFECTIVE
DATE

09 05 28 – 02 09 07

NAME, TITLE, DEPARTMENT

ROBERT COLLEY, JR. – OFFICER
– POLICE

RETIREMENT, PLAN

SERVICE – NEW

SERVICE CREDIT, EFFECTIVE
DATE

24 11 29 – 08 11 07

NAME, TITLE, DEPARTMENT

ERWIN ROSSER – OFFICER –
POLICE

RETIREMENT, PLAN

VESTED RETIREMENT – NEW

SERVICE CREDIT, EFFECTIVE
DATE

16 06 08 – 06 23 07

NAME, TITLE, DEPARTMENT

THOMAS HARVEY – OFFICER –
POLICE

RETIREMENT, PLAN

SERVICE – NEW

SERVICE CREDIT, EFFECTIVE
DATE

21 04 04 – 08 18 07

NAME, TITLE, DEPARTMENT

NOVELESS DANIELS – OFFICER –
POLICE

RETIREMENT, PLAN

SERVICE – NEW

SERVICE CREDIT, EFFECTIVE
DATE

25 04 26 – 06 16 06

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

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

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Stewart and
Chairman Best – 6

Nays – None

DISBURSEMENT CONFIRMATIONS

THE BOARD DISBURSED THE SUM OF **\$2,499,388.00** ON JULY 18,
2007 TO FUND FALCONHEAD CAPITAL PARTNERS – DRAW ONE

THE BOARD DISBURSED THE SUM OF **\$1,036,904.00** ON JULY 18,
2007 TO FUND FALCONHEAD CAPITAL PARTNERS – DRAW TWO

THE BOARD DISBURSED THE SUM OF **\$890,766.00** ON JULY 18,
2007 TO FUND SW PELHAM III – DRAW FOUR

THE BOARD DISBURSED THE SUM OF **\$20,000,000.00** ON JULY 20,
2007 TO FUND ONE DETROIT CENTER – EQUITY CONTRIBUTION

THE BOARD DISBURSED THE SUM OF **\$76,391.10** ON JULY 20,
2007 FOR ADMINISTRATIVE EXPENSES (CHECK WRITE)

THE BOARD DISBURSED THE SUM OF **\$23,890.73** ON JULY 24,
2007 FOR ADMINISTRATIVE EXPENSES (CHECK WRITE)

THE BOARD DISBURSED THE SUM OF **\$425,049.59** ON JULY 24,
2007 – ANNUITY REFUNDS

DISBURSEMENT CONFIRMATIONS

THE BOARD DISBURSED THE SUM OF **\$12,930.00** ON JULY 24, 2007 TO PAY F. LOGAN DAVIDSON'S DUE DILIGENCE FEES FOR ENTRUST, ONYX AND FALCONHEAD

THE BOARD DISBURSED THE SUM OF **\$4,000.00** ON JULY 24, 2007 – FIRST INDEPENDENCE ESCROW ACCOUNT

TOTAL: **\$24,969,319.42**

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 **#3246**, IN THE AMOUNT OF **\$156,434.10**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Stewart and Chairman Best – 6

Nays – None

▶ TRUSTEE TINSLEY-TALABI ENTERED THE MEETING.

MINUTES OF JULY 12, 2007

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JULY 12, 2007 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

MINUTES OF JULY 12, 2007

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Stewart,
Talabi and Chairman Best – 7

Nays – None

RLJ

► TRUSTEE SCOTT ENTERED THE MEETING.

VAN SINCLAIR, GILL HAZLITT AND ALECIA MARSHALL APPEARED BEFORE THE BOARD AND DISCUSSED THE BOARD'S RECENT INVESTMENT WITH RLJ AS WELL AS CARLTON BYRD WHO LEFT RLJ TO JOIN ANOTHER FIRM.

THE BOARD THEN EXCUSED MESSRS. HAZLITT AND GILL AND MS. MARSHALL.

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

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:

BILL PAYMENT REQUESTS

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

ADP – JULY 13, 2007 - \$107.47 – POLICE AND FIRE PORTION OF \$214.93 – SUPPLIES

ALPHA PARTNERS – JULY 11, 2007 - \$20,800.00 – 2007 FIRST QUARTER FEES

COMERICA – JULY 10, 2007 - \$62.50 – 2007 SECOND QUARTER FEE

IKON OFFICE SOLUTIONS – JULY 15, 2007 - \$259.39 – POLICE AND FIRE PORTION OF \$518.77 – SUPPLIES

LOOMIS, SAYLES & COMPANY – JULY 11, 2007 - \$46,441.26 – 2007 FIRST QUARTER FEES

MAYFIELD GENTRY REALTY ADVISORS – JULY 24, 2007 - \$1,216,067.42 – PFRS DUBLIN CORP. CONSTRUCTION EXPENSES

MAYFIELD GENTRY REALTY ADVISORS – JULY 24, 2007 - \$876,561.85 – GRAND PARK CENTRE CAPITAL CALL AND ADDITIONAL EXPENSES

MAYFIELD GENTRY REALTY ADVISORS – JULY 24, 2007 - \$31,912.93 – GRAND PARK CENTRE CAPITAL CALL AND ADDITIONAL EXPENSES

MAYFIELD GENTRY REALTY ADVISORS – JULY 24, 2007 - \$244,711.60 – JULY, 2007 ASSET MANAGEMENT AND MORTGAGE SERVICING FEES

NORTH POINT ADVISORS – JULY 24, 2007 - \$15,000.00 – SEARCH FEE FOR EMERGING MARKETS EQUITY MANAGER

BILL PAYMENT REQUESTS

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

NORTH POINT ADVISORS – JULY 24, 2007 - \$12,500.00 –
AUGUST/SEPTEMBER, 2007 CONSULTING FEES

RHUMBLINE ADVISORS – JULY 16, 2007 - \$33,780.98 – 2007
SECOND QUARTER FEES

RHUMBLINE ADVISORS – JULY 16, 2007 - \$7,066.90 – 2007 FIRST
QUARTER FEES

STEWARD CAPITAL MANAGEMENT – JULY 13, 2007 - \$48,027.68 –
2007 SECOND QUARTER FEES

SUGERMAN, DONALD – JULY 11, 2007 - \$5,283.95 – DRRB FEES

TRANSAMERICA – JULY 9, 2007 - \$76,719.00 – 2007 FIRST QUARTER
FEES

XJJ COMPANY – JULY 24, 2007 - \$25,480.61 – POLICE AND FIRE
PORTION OF \$50,961,22 – EMPLOYEE PAYROLL FOR THE PERIOD
JUNE 25, 2007 THROUGH JULY 20, 2007

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott,
Stewart, Talabi and Chairman Best – 8

Nays – None

LEGAL COUNSEL'S BILLING

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED JULY 26,
2007 FOR THE MONTH OF JULY, 2007 IN THE AMOUNT OF

LEGAL COUNSEL'S BILLING

\$12,913.64, BE APPROVED AND SAID AMOUNT BE PAID PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott, Stewart, Talabi and Chairman Best – 8

Nays – None

MAYFIELD GENTRY REALTY ADVISORS

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

WHEREAS, MAYFIELD GENTRY REALTY ADVISOR, THE BOARD'S REAL ESTATE ADVISOR, REQUESTS THAT THE BOARD ACCEPT AND APPROVE THE RECOMMENDATION WHICH IS REFERENCED BELOW RELATIVE TO **GRAND PARK CENTRE**, PER A ONE-PAGE JULY 25, 2007 LETTER, AND

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

RESOLVED, THAT THE BOARD ACCEPT AND APPROVE SAID RECOMMENDATION, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MAYFIELD GENTRY REALTY ADVISORS AND RETIREMENT SYSTEM ACCOUNTING STAFF:

RECOMMENDATION

APPROVE GRAND PARK CENTRE'S
2007 BUDGET: **\$2.76 MILLION**

MAYFIELD GENTRY REALTY ADVISORS

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott,
Stewart, Talabi and Chairman Best – 8

Nays – None

Pre-Employment Military Service Credit

By Mr. Bandemer – Supported by Mr. Scott

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:

Police Officer Frank Bica

Police Officer Donnie Espinoza

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott,
Stewart, Talabi and Chairman Best – 8

Nays – None

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

Yeas – Trustees Bandemer, Moore, Orzech, Pegg, Scott, Stewart, Talabi and Chairman Best – 8

Nays – None

THE BOARD ENTERED INTO CLOSED SESSION AT **9:33 A.M.**

- ▶ LEGAL COUNSEL **RONALD ZAJAC** ENTERED THE MEETING.
- ▶ TRUSTEE **BEASLEY** ENTERED THE MEETING.
- ▶ TRUSTEE **TINSLEY-TALABI** EXCUSER HERSELF.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE BOARD RETURN TO OPEN SESSION:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

Yeas – Trustees Bandemer, Beasley, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 8

Nays – None

OPEN SESSION

THE BOARD RETURNED TO OPEN SESSION AT **10:20 A.M.**

RDD INVESTMENT CORPORATION

THE BOARD WAS GIVEN A STATUS UPDATE BY **JOE TURNER** OF CLARK HILL (THE BOARD'S SPECIAL LEGAL COUNSEL) RELATIVE TO RDD INVESTMENT CORPORATION, INCLUDING INFORMATION REGARDING THE HIRING OF **JOHN FROST** AS RDD'S FACILITY MANAGER.

RDD INVESTMENT CORPORATION

BY MR. BANDEMER – SUPPORTED BY MR. MOORE

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") received a proposed budget for the period August 1, 2007 – October 31, 2007 (the "budget") from Gil Goode, the RDD Interim Financial Manager, requiring additional financing of \$172,000 from the Board. and

WHEREAS, the Transition Team has reviewed and approved the proposed budget and financing request, as well as advised the Board during closed session, 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 in open session, **THEREFORE BE IT**

RESOLVED, that the Board acknowledges receipt of the budget and hereby approves the **\$172,000** funding for the budget, provided such funding requirements shall be consistent with the Board's existing policy for RDD budget draws, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Transition Team, Gil Goode and Retirement System Accounting Staff:

Yeas – Trustees Bandemer, Beasley, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 8

Nays – None

PROVIDENT GROUP ASSET MANAGEMENT, LLC

BRIAN MATHIS APPEARED BEFORE THE BOARD, DISCUSSED A FIXED INCOME HEDGE FUNDS PROPOSAL AND THEN EXCUSED HIMSELF.

▶ TRUSTEE **MOORE** EXCUSED HIMSELF.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING INSIGHT 2811, CITI-GROUP, MCTEVIA & ASSOCIATES AND EVANS VERSUS EVANS.

▶ TRUSTEE **MOORE** RE-JOINED THE MEETING.

EVANS VERSUS EVANS – WAYNE COUNTY CASE #05-513571-DM

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A JUNE 13, 2007 DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A JUDGMENT OF DIVORCE WHEREIN KYRA WILLIAMS-EVANS IS AWARDED CERTAIN RIGHTS TO THE DEFINED CONTRIBUTION PLAN BENEFITS ONLY OF STEVE EVANS WHO IS CURRENTLY AN ACTIVE EMPLOYEE; AND WHEREAS THE BOARD HAS BEEN INFORMED THAT PARTICIPANT RETIRED EFFECTIVE OCTOBER 25, 2002 AND PARTICIPANT'S DATE OF BIRTH IS MARCH 7, 1964, AND PARTICIPANT HAD ATTAINED 04 YEARS, 08 MONTHS AND 11 DAYS 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, BUT

EVANS VERSUS EVANS – WAYNE COUNTY CASE #05-513571-DM

ALTERNATE PAYEE IS **NOT** ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN; AND DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 20 YEARS OF SERVICE CREDIT, OR UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN, SUBJECT TO APPLICATION FOR SAME BEING MADE BY THE PARTY SEEKING PAYMENT, 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 KYRA WILLIAMS-EVANS AND STEVE EVANS:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

FAM-GLOBAL BARCLAYS NOTE
\$20,000,000.000 INVESTMENT

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD, PER PRIOR RESOLUTION HAS DECIDED TO INVEST \$20,000,000.00 REGARDING THE FAM-GLOBAL BARCLAYS NOTE TRANSACTION, AND

WHEREAS, THE BOARD'S DUE DILIGENCE ADVISOR, NORTH POINT ADVISORS, HAS RECOMMENDED, PER A JULY 19, 2007 LETTER, THAT OBTAINING OF THE NOTE ISSUED BY BARCLAYS BANK, PLC ("BARCLAYS") BE MADE PER A BROKER DEALER/BROKER SELECTED FROM THE BOARD'S APPROVED BROKER LIST, AND

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

RESOLVED, THAT LOOP CAPITAL IS SELECTED TO PROVIDE THE FOREGOING SERVICES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO LOOP CAPITAL, NORTH POINT ADVISORS, CLARK HILL, THE BOARD'S SPECIAL LEGAL COUNSEL, AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

PROPOSED CONSTRUCTION LOAN PROPOSAL

Presented By: Churchill Financial, LLC
Date Presented: July 26, 2007
Project Name: Summer Wind Apartments
Project Location: Ephrata, Washington
Project Loan Amount: \$1,659,600.00

By Mr. Orzech – Supported by Mr. Scott

Whereas, The Board of Trustees is in receipt of the above-referenced construction loan offering with attached loan summary and related documents, Therefore Be It

Resolved, That the Board approve construction financing consistent with established procedures regarding the Board's participation in construction loan transactions, subject to Legal Counsel approval:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

ARTHUR ZASKE/INSIGHT 2811

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) previously (i) received a favorable due diligence report from Adrian Anderson of North Point Advisors (the “Board’s Advisor”) and legal review from Joe Turner of Clark Hill PLC (the “Special Legal Counsel”), and (ii) approved the above-referenced investment for Ten Million Dollars (\$10,000,000.00), subject to a limitation of contributing no more than 10% of the fund’s aggregate capital commitment (the 10% Limitation), and

WHEREAS, the Board subsequently approved the Investment Sponsor’s request for (i) eliminating the 10% Limitation, and (ii) funding the first Five Million Dollars (\$5,000,000.00) capital contribution, subject to the Board’s receipt and approval of documentation evidencing the Investment Sponsor’s Six Million Dollars (\$6,000,000.00) initial capital contribution, 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**

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

Subscription Agreement; and
Side Letter, 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

ARTHUR ZASKE/INSIGHT 2811

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 of 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 (i) review and approval of all authorized signatories for the disbursement request, and (ii) with respect to the first Five Million Dollars (\$5,000,000.00), the Board's receipt and approval of documentation evidencing the Investment Sponsor's Six Million Dollars (\$6,000,000.00) initial capital contribution, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Investment Sponsor, the Board's Advisor, the Board's Special Legal Counsel and Retirement System Accounting Staff:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

CITI-SMITH BARNEY (CVC INTERNATIONAL)

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, 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**

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

Subscription Booklet; and
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

CITI-SMITH BARNEY (CVC INTERNATIONAL)

RESOLVED, that the Board hereby approves the funding of its investment and authorizes, the funding of 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 the Investment Sponsor, the Board's Advisor, the Board's Special Legal Counsel and Retirement System Accounting Staff:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECZ, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

THE MCRAE GROUP OF COMPANIES

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A JULY 26, 2007 LETTER FROM BANYAN REALTY ADVISORS WHICH PROVIDES, INTER ALIA, ESTIMATED DUE DILIGENCE COSTS IN THE AMOUNT OF \$28,000.00 (PHASE I COSTS OF \$14,000.00, AND PHASE II COSTS OF \$14,000.00), AND

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

THE MCRAE GROUP OF COMPANIES

RESOLVED, THAT THE EXECUTIVE SECRETARY ARRANGE FOR THE ESTABLISHMENT OF AN ESCROW ACCOUNT AND RECEIPT OF FUNDING FROM THE MCRAE GROUP OF COMPANIES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS, THE MCRAE GROUP OF COMPANIES AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

INHERITANCE CAPITAL GROUP

BY MR. BEASLEY – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A JULY 26, 2007 LETTER FROM BANYAN REALTY ADVISORS WHICH PROVIDES, INTER ALIA, ESTIMATED DUE DILIGENCE COSTS IN THE AMOUNT OF \$20,000.00 (PHASE I COSTS OF \$10,000.00, AND PHASE II COSTS OF \$10,000.00), AND

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

RESOLVED, THAT THE EXECUTIVE SECRETARY ARRANGE FOR THE ESTABLISHMENT OF AN ESCROW ACCOUNT AND RECEIPT OF FUNDING FROM INHERITANCE CAPITAL GROUP, AND BE IT FURTHER

INHERITANCE CAPITAL GROUP

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS, INHERITANCE CAPITAL GROUP AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

THE MCCASKILL GROUP

BY MR. SCOTT – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT **DENNIS MCCASKILL** AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

SEIZERT CAPITAL PARTNERS

BY MR. ORZECH – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT **GERALD SEIZERT** AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

PROVIDENT GROUP ASSET MANAGEMENT, LLC

BY MR. BEASLEY – SUPPORTED BY MR. MOORE

Whereas, The Board has been presented with an investment proposal from Provident Group Asset Management, LLC, and

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

Resolved, That subject to Provident Group Asset Management, LLC agreeing to pay the costs for said due diligence and said funds being escrowed by Provident Group Asset Management, LLC with the Retirement System, **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 the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving a due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

Resolved, That a copy of this resolution be forwarded to Provident Group Asset Management, LLC and North Point Advisors:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

First Spirit Bank - \$500,000.00 Investment

By Mr. Moore – Supported by Mr. Stewart

WHEREAS, the Board has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in previously submitted written materials presented to the Board and discussed this date and at previous meetings, and to which certain modifications and additional requirements may be added by the Board or Advisors to the Board, per discussion between or with the Board members, and

WHEREAS, the Board commits to make this proposed investment subject to **First Spirit Bank** obtaining (1) obtaining investments of at least an additional \$9,500,000.00, (2) approval by regulatory authorities and (3) satisfaction of possible additional terms and modifications of said proposal, which may be required after special legal counsel begins to prepare of approved investment documents, and

WHEREAS, the Board will select special legal counsel regarding this proposed investment who may be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, therefore be it

RESOLVED, that subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by **First Spirit Bank** and subject to approval of final documents by the Board of Trustees and general counsel, and be it further

RESOLVED, that in the event the Board selects special legal counsel regarding this matter, arrangements be made for **First**

First Spirit Bank - \$500,000.00 Investment

Spirit Bank to escrow funds for payment of all costs and expenses, and be it further

RESOLVED, that the foregoing is also conditioned upon **First Spirit Bank** 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 **First Spirit Bank** 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 **First Spirit Bank**, the Board's special legal counsel to be selected by the Board and Retirement System Accounting Staff, and be it further

RESOLVED, that the foregoing is also subject to receipt, by the Board, of written acknowledgment from **First Spirit Bank** that proposed applicable party has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein:

YEAS – TRUSTEES BANDEMER, BEASLEY, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

DRRB OF MAYA REECE

THE CHAIRMAN DIRECTED THAT A JULY, 2007 DRRB OPINION AND AWARD **UPHOLDING** THE BOARD'S **APRIL 20, 2006** DENIAL OF **MAYA REECE'S** DUTY DISABILITY RETIREMENT APPLICATION BE MADE A MATTER OF RECORD.

PUBLIC FORUM

AT **11:55 A.M.**, CHAIRMAN BEST 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 BEST ADJOURNED THE MEETING AT **12:05 P.M.** UNTIL THURSDAY, **AUGUST 2, 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