

MEETING NUMBER **2644**

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



PROCEEDINGS HELD THURSDAY, SEPTEMBER 6, 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
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee-Fire Commissioner
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Representative
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ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT **9:06 A.M.** BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

SYNDICATED COMMUNICATIONS VENTURE PARTNERS V, L.P.

BY MS. FREEMAN – SUPPORTED BY MR. BANDEMER

Whereas, The Board has been presented with an August 31, 2007 communication from Syndicated Communications Venture Partners wherein Syndicated Communications Venture Partners requests that the Board fund its portion of the capital call due for Syndicated Communications Venture Partners V, L.P. in the amount of **\$223,803.00**, 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, Freeman, Milton, Moore, Stewart and Chairman Best – 6

Nays – None

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

CONFIRMATIONS

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Stewart
 and Chairman Best – 6

Nays – None

RECEIPTS

Police and Fire Retirement Systems of the City of Detroit			
Summary of Receipts			
From August 29-Sept 4, 2007			
Date	Received From	Explanation	Amount
	Bank of New York		
8/30/2007	Banyan Realty Advisors	Remittance -P&F Funds & Interest	10,792.96
8/31/2007	General Fund	Weekly Annuity Contributon-Week 09/08	292,217.72
		Total Receipts	303,010.68

DISBURSEMENTS

Police and Fire Retirement Systems of the City of Detroit			
Summary of Disbursements			
From August 29-Sept 4, 2007			
Date	Wired To	Explanation	Amount
8/29/2007	First Independence	Retired Payroll August, 2007-direct deposit	\$15,700,239.54
	FAM Global	Full Funding	20,000,000.00
8/30/2007	Programmers	Fees-August, 2007	53,583.00
8/31/2007	Lafer Building	Capital Call	359,641.93
	RDD Operations-EDS	Capital Call	48,000.00
	MRC Balanced Real Estate	Capital Call	6,048,714.00
	General Retirement	Staff Wages & Employee Adj , August'07	32,201.24
	Ron Zajac	Fees, August'07	12,913.64
	RLJ Select Diversified	Full Funding	10,000,000.00
	Checkwrite	A/P -Various Management Fees 2nd Qtr'07	1,024,927.22
9/4/2007	First Independence	Retired payroll-august'07, checks	3,570,446.76
	Bank of New York	List # 3251	32,500.00
	Bank of New York	Lawrence Rucker-Reissue refund ck	49,388.65
		TOTAL DISBURSEMENT	\$56,932,555.98

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 **#3252**, IN THE AMOUNT OF **\$70,000.00**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Stewart and Chairman Best – 6

Nays – None

BILL PAYMENT REQUESTS

BY MR. MILTON – 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

BANK OF NEW YORK – APRIL 27, 2007 - \$61,554.76 – 2007 SECOND QUARTER FEES

BILL PAYMENT REQUESTS

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

COMPREHENSIVE PSYCHIATRIC SERVICES – JUNE 26, 2007 -
\$850.00 – MAYA REECE DRRB

DELL MARKETING – AUGUST 19, 2007 - \$664.52 – POLICE AND
FIRE PORTION OF \$1,329.04 – SUPPLIES

DELL MARKETING – AUGUST 20, 2007 - \$4,084.21 – POLICE AND
FIRE PORTION OF \$8,168.42 – SUPPLIES

DELL MARKETING – AUGUST 20, 2007 - \$6,430.91 – POLICE AND
FIRE PORTION OF \$12,861.82 – SUPPLIES

FORMS TRAC – AUGUST 23, 2007 - \$111.34 – POLICE AND FIRE
PORTION OF \$222.68 – PRINTING

IKON OFFICE SOLUTIONS – AUGUST 26, 2007 - \$582.35 – POLICE
AND FIRE PORTION OF \$1,164.69 – SUPPLIES

LOOP CAPITAL – AUGUST 24, 2007 - \$30,000.00 - BROKERAGE
FEES (BARCLAY'S NOTE)

NORTH POINT ADVISORS – AUGUST 31, 2007 - \$12,000.00 – REAL
TIMES DUE DILIGENCE

OFFICE DEPOT – AUGUST 20, 2007 - \$250.14 – POLICE AND FIRE
PORTION OF \$500.27 – SUPPLIES

REEVES, RONALD – SEPTEMBER 3, 2007 - \$960.00 – AUGUST, 2007
COMPUTER CONSULTING FEES

ZONES – AUGUST 27, 2007 - \$32.50 – POLICE AND FIRE PORTION
OF \$64.99 – SUPPLIES

BILL PAYMENT REQUESTS

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

ZONES – AUGUST 24, 2007 - \$342.00 – POLICE AND FIRE PORTION
OF \$684.00 – SUPPLIES

Yeas – Trustees Bandemer, Freeman, Milton, Moore, Stewart
and Chairman Best – 6

Nays – None

TRUSTEE DOYLE ENTERED THE MEETING.

REQUEST OF FRANK ENGLISH

BY MR. MILTON – SUPPORTED BY MR. STEWART

WHEREAS, FRANK ENGLISH HAS PRESENTED THE BOARD WITH A
WRITTEN REQUEST TO RECEIVE A REFUND OF THE MILITARY
SERVICE CREDIT HE PURCHASED, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. ENGLISH BE HEREBY
APPROVED:

Yeas – Trustees Bandemer, Doyle, Freeman, Milton, Moore,
Stewart and Chairman Best – 7

Nays – None

TRUSTEE ORZECH ENTERED THE MEETING.

TRUSTEE SCOTT ENTERED THE MEETING AND TRUSTEE DOYLE
EXCUSED HIMSELF.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING SYNCOM AND WASHINGTON PLAZA.

SYNDICATED COMMUNICATIONS VENTURE PARTNERS V, L.P.

BY MS. FREEMAN – SUPPORTED BY MR. BANDEMER

WHEREAS, The Police and Fire Retirement System of the City of Detroit (“System”) is a limited partner in Syndicated Communications Venture Partners V, L.P. (SynCom), and

WHEREAS, On August 24, 2007, Syncom Partners V, LLC, the General Partner of SynCom, in anticipation of the final closing, submitted to the Retirement System a request for consent to amendments to SynCom’s Limited Partnership Agreement Dated May 2, 2006, along with the proposed Amended and Restated Limited Partnership Agreement and Limited Partner Consent, and

WHEREAS, Joe Turner, of Clark Hill PLC (“Special Counsel”) has reviewed the Partnership Agreement, the Amended and Restated Limited Partnership Agreement and Limited Partner Consent, consulted with General Counsel, and each concludes the proposed amendments are favorable to limited partners of SynCom, and

WHEREAS, Section 13.1.1 of the Partnership Agreement requires a two-thirds in interest of limited partners approval for any amendment to become effective, and

WHEREAS, Special Counsel approves the form of the Amended and Restated Limited Partnership Agreement and Limited Partner Consent and recommends the Board signs the amendment documents, and

SYNDICATED COMMUNICATIONS VENTURE PARTNERS V, L.P.

WHEREAS, The Board has considered this matter in open session,
Therefore Be It

RESOLVED, That the Board hereby consents to the requested amendments and execution of the SynCom Limited Partner Consent, as well as any documents to effectuate the System's consent to the amendments (collectively, the "Amendment Documents"), and be it further

RESOLVED, That the Board authorizes its signatories to execute, and deliver the Amendment Documents approved by Special Counsel and General Counsel to effectuate the Board's consent to the partnership amendments, and be it further

RESOLVED, That a copy of this resolution be forwarded to SynCom Partners V, LLC and Special Counsel:

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

Nays – None

TRUSTEE BEASLEY ENTERED THE MEETING.

WASHINGTON PLAZA APARTMENTS
2006 TAX RETURNS FOR WP APARTMENTS, INC.

THE BOARD WAS MADE AWARE OF THE EXECUTION OF 2006 TAX RETURNS (DATED SEPTEMBER 6 ,2007) FOR WP APARTMENTS, INC.:

U. S. CORPORATION INCOME TAX RETURN

PENNSYLVANIA CORPORATION INCOME TAX RETURN

WASHINGTON PLAZA APARTMENTS
2006 TAX RETURNS FOR WP APARTMENTS, INC.

THE BOARD WAS ALSO MADE AWARE OF A WRITTEN CONSENT OF SOLE SHAREHOLDER OF WP APARTMENTS, INC. (DATED SEPTEMBER 6 ,2007), THE SOLE SHAREHOLDER BEING DETROIT POLICE AND FIRE PROPERTY PARTNERS BY PFRS WASHINGTON PLAZA, LLC GENERAL PARTNER REGARDING THE REPLACEMENT OF FRANK ENGLISH AS VICE PRESIDENT BY JEFFREY M. PEGG.

MILLER JACOBS ARCADIA FUND

THE BOARD DISCUSSED MILLER JACOB'S ARCADIA FUND WITH ADRIAN ANDERSON VIA CONFERENCE CALL.

RUSSELL 2000 GROWTH EXCHANGE TRADED FUND (IWO)

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

WHEREAS, The Board currently holds 94,000 share of the Russell 2000 Growth Exchange Traded Fund (IWO) in the domestic transition account, and

WHEREAS, The Board desires to sell these shares, therefore be it

RESOLVED, That Loop Capital be designated to sell said shares, and be it further

RESOLVED, That the standard commission rate of three (3) cents per share apply, and be it further

RESOLVED, That Loop be instructed to begin selling the shares **“market not held”**:

RUSSELL 2000 GROWTH EXCHANGE TRADED FUND (IWO)

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

Nays – None

I-NETWORKS

BY MR. BEASLEY – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT ANTHONY LACENERE AND ANY ASSOCIATES
OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE
BOARD FOR PRESENTATION (I-NETWORK BIO-OPPORTUNITY
FUND, L.P.) PURPOSES:

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

Nays – None

CONWAY, MACKENZIE & DUNLEAVY

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT CONWAY, MACKENZIE & DUNLEAVY
REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD
FOR PRESENTATION (C, M & D EQUITY FUND, L.P.) PURPOSES:

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

Nays – None

CAPRI

BY MR. BEASLEY – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT CAPRI REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (NEW INVESTMENT PROPOSAL) PURPOSES:

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

Nays – None

LOOP CAPITAL

FRED PRIME AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED A MUNICIPAL NOTE PROPOSAL AND THEN EXCUSED THEMSELVES.

STEWARD REAL ESTATE

ANMAR SARAFA AND CRAIG BLAKE APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.

MAYFIELD GENTRY REALTY ADVISORS

ALICA DIAZ AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED THE COMERICA BUILDING AND THEN EXCUSED THEMSELVES.

TRUSTEE PEGG ENTERED THE MEETING.

THE TOWNSEND GROUP

STEVE BURNS DISCUSSED THE MCMANN/MCRAE GROUP OF COMPANIES WITH THE BOARD VIA PHONE CONFERENCE.

REAL ESTATE CONSULTANT

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD IS DESIROUS OF ADDING A NEW REAL ESTATE CONSULTANT TO ITS LIST OF REAL ESTATE CONSULTANTS, AND

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

RESOLVED, THAT THE APPROPRIATE RFP'S (REQUEST FOR PROPOSALS) BE **IMMEDIATELY** ISSUED:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

Cash Requirements of the System

By Mr. Orzech – Supported by Mr. Scott

WHEREAS, The Board has a policy with respect to the maintenance of a minimum level of cash reserves, and

WHEREAS, Staff has advised the Board on this date that the cash reserves of the System have fallen below the Board's minimum level, and

WHEREAS, Staff has further advised the Board of the upcoming requirements of the System to pay benefits and expenses, and

WHEREAS, The Board has reviewed the recommendation of North Point Advisors, the board's retained consultant, Therefore be it

Cash Requirements of the System

RESOLVED, That \$20,000,000.00 be withdrawn from the **corporate bond account** managed by **TransAmerica**, and be it further

RESOLVED, That \$20,000,000.00 be withdrawn from the **all-cap (core) equity account** managed by **Fisher**, and be it further

RESOLVED, That \$10,000,000.00 be withdrawn from the **international equity account** managed by **TT International**, and be it further

RESOLVED, That \$10,000,000.00 be withdrawn from the **international equity account** managed by **The Bank of New York Mellon**, and be it further

RESOLVED, That \$10,000,000.00 be withdrawn from the **international equity account** managed by **Dimensional Fund Advisors**, and be it further

RESOLVED, That the foregoing withdrawals be completed prior to **September 30, 2007**:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

PROPOSAL FOR RENTAL SPACE FOR RETIREMENT SYSTEM OFFICES AT ONE DETROIT CENTER

BY MR. MILTON – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD HAS HEARD A PRESENTATION REGARDING THE FOREGOING AND HAS DISCUSSED THIS MATTER, THEREFORE BE IT

RESOLVED, THAT HE BOARD INDICATES ITS **LACK** OF INTEREST IN BECOMING A TENANT AT ONE DETROIT CENTER IN FAVOR OF BECOMING AN OWNER (OR CO-OWNER WITH THE GENERAL

PROPOSAL FOR RENTAL SPACE FOR RETIREMENT SYSTEM OFFICES
AT ONE DETROIT CENTER

RETIREMENT SYSTEM) OF THE PROPERTY AS A SITE FOR
RETIREMENT SYSTEM OFFICES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED
TO MAYFIELD GENTRY REALTY ADVISORS:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore,
Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

MILESTONE REALTY SERVICES, INC.

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD HAS DISCUSSED THE STATUS OF THE
PROPOSED ACQUISITION OF PROPERTY REGARDING OFFICES OF
THE POLICE AND FIRE RETIREMENT SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD INDICATES ITS INTENTION OF NOT
BECOMING A TENANT BUT, INSTEAD, OCCUPY OFFICES AS AN
OWNER OR CO-OWNER OF THE PROPERTY, AND BE IT FURTHER

RESOLVED, THAT THE BOARD PREFERS THE ACQUISITION OF THE
PRESENTLY CITY-OWNED PROPERTY AND MILESTONE IS
REQUESTED TO PROCEED WITH THE ACQUISITION OF SAID
PROPERTY, AND BE IT FURTHER

RESOLVED, THAT MILESTONE REALTY ALSO CONTINUE TO TAKE
ACTION TO COMPLETE THE ACQUISITION OF THE 7850 EAST
JEFFERSON PROPERTY FOR FUTURE RE-SALE OR DEVELOPMENT,
AND BE IT FURTHER

MILESTONE REALTY SERVICES, INC.

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MILESTONE REALTY SERVICES, INC.:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

MCMANN GROUP/MCRAE
\$15,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – 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 receipt of **written acknowledgment** from McMann Group/McRae that McMann Group/McRae has

MCMANN GROUP/MCRAE
\$15,000,000.00 PROPOSED INVESTMENT

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

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 McMann Group/McRae, 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, McMann Group/McRae, 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 McMann Group/McRae or entities other than the Board, and be it further

MCMANN GROUP/MCRAE
\$15,000,000.00 PROPOSED INVESTMENT

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 McMann Group/McRae to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon McMann Group/McRae 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 McMann Group/McRae, 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 McMann Group/McRae and Special Legal Counsel to be selected by the Board:

MCMANN GROUP/MCRAE
\$15,000,000.00 PROPOSED INVESTMENT

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Pegg, Scott and Stewart - 8

Nays – Trustees Orzech and Chairman Best – 2

“NAY” VOTE REASONING:

TRUSTEES ORZECH AND BEST VOTED AGAINST APPROVING THE FOREGOING INVESTMENT FOR THE FOLLOWING REASONS:

THERE IS NO CASH RETURN OR INCOME FROM THIS INVESTMENT FOR A MINIMUM OF FOUR (4) YEARS

THE BOARD HAS TO LIQUIDATE STOCK INVESTMENTS TO FUND THIS INVESTMENT

THERE'S A \$300,000.00 SALES COMMISSION GOING TO A FORMER POLICE AND FIRE TRUSTEE (STEVEN PANKAKE) WHO LOST MONEY FOR THIS BOARD IN THE PAST

DISCLOSURE OF WHO IS TO RECEIVE THIS COMMISSION HAD TO BE ASKED A SECOND TIME IN ORDER TO ACCURATELY COMPLETE THE SYSTEM'S 6 POINT QUESTIONNAIRE

POTENTIAL ACQUISITION OF LAND FOR BUILDING OF
RETIREMENT SYSTEM OFFICES

BY MR. MILTON – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD IS IN RECEIPT OF A SEPTEMBER 4, 2007
REPORT REGARDING 7850 EAST JEFFERSON, AND

WHEREAS, THE BOARD DISCUSSED 7850 EAST JEFFERSON AND
THE GREENING OF DETROIT PARK SITE (KNOWN AS 1425, 1463
AND 1489 EAST JEFFERSON), THEREFORE BE IT

RESOLVED, THAT THE BOARD CONTINUES TO DECLARE ITS
INTEREST IN PURSUING THE PURCHASE OF THE PROPERTY
BETWEEN EAST JEFFERSON AND LARNED (KNOWN AS 1425, 1463
AND 1489 EAST JEFFERSON), AND BE IT FURTHER

RESOLVED, THAT STAFF DIRECT A LETTER TO DOUGLAS DIGGS,
DIRECTOR OF PLANNING AND DEVELOPMENT, TO STATE THE
BOARD'S INTENTIONS AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY
FORWARDED TO **MILESTONE**, DIRECTOR DIGGS AND THE
GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore,
Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

MERGERS AND ACQUISITIONS (“M & A”) LITIGATION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD OF TRUSTEES IS AWARE THAT TRANSACTIONS INVOLVING MERGERS AND/OR ACQUISITIONS OF PUBLICLY TRADED COMPANIES CAN ADVERSELY IMPACT THE VALUE OF THE RETIREMENT SYSTEM’S INVESTMENT PORTFOLIO, AND

WHEREAS, LITIGATION ARISING FROM PROPOSED MERGERS AND/OR ACQUISITIONS (“M & A”) LITIGATION CAN PROVIDE SIGNIFICANT OPPORTUNITIES FOR INSTITUTIONAL INVESTORS TO REALIZE/RECOVER SUBSTANTIAL SHAREHOLDER VALUE BY, AMONG OTHER THINGS, IMPROVING THE PRICE AND/OR TERMS OF A PROPOSED TRANSACTION AND OTHERWISE ENFORCING THE FIDUCIARY DUTIES OWED TO SHAREHOLDERS BY CORPORATE OFFICERS AND DIRECTORS, AND

WHEREAS, THE BOARD OF TRUSTEES IS OF THE UNDERSTANDING THAT M & A LITIGATION ARISES UNDER THE STATUTORY AND/OR COMMON LAW OF THE STATE IN WHICH THE SUBJECT COMPANY IS INCORPORATED, AND

WHEREAS, UNLIKE LITIGATION UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SUCH STATE LAWS TYPICALLY PROVIDE NO FORMAL FRAMEWORK FOR THE APPOINTMENT OF LEAD PLAINTIFFS IN M & A LITIGATION, AND

MERGERS AND ACQUISITIONS (“M & A”) LITIGATION

WHEREAS, AN EXPEDITED DECISION BY A POTENTIAL PLAINTIFF TO PURSUE M & A LITIGATION TO PROTECT ITS INTERESTS AND INVESTMENT VALUE IS GENERALLY NECESSARY IN ORDER TO OBTAIN A LEADERSHIP POSITION, AND

WHEREAS, THE BOARD OF TRUSTEES RELIES UPON ITS GENERAL COUNSEL FOR ADVICE REGARDING PARTICIPATION BY THE RETIREMENT SYSTEM AS A PLAINTIFF IN M & A LITIGATION, AND

WHEREAS, IT IS FREQUENTLY NECESSARY IN THE EARLY PHASES OF M & A LITIGATION TO SEEK A TEMPORARY RESTRAINING ORDER, PRELIMINARY INJUNCTION OR OTHER SIMILAR FORM OF EQUITABLE RELIEF, WHICH REQUIRES IMMEDIATE ACTION BY A PLAINTIFF, THEREFORE BE IT

RESOLVED, THAT GENERAL COUNSEL IS AUTHORIZED TO AUTHORIZE SPECIAL COUNSEL ON THE BOARD'S APPROVED LIST OF SPECIAL COUNSEL TO COMMENCE M & A LITIGATION ON A CONTINGENT BASIS ON BEHALF OF THE RETIREMENT SYSTEM TO SEEK APPOINTMENT AS A LEAD PLAINTIFF OR EQUIVALENT LEADERSHIP ROLE IN THE LITIGATION ON BEHALF OF THE RETIREMENT SYSTEM AND TO PERFORM SUCH OTHER ACTS ON FURTHERANCE OF THESE GOALS AS GENERAL COUNSEL SHALL DEEM PROPER, AND BE IT FURTHER

MERGERS AND ACQUISITIONS (“M & A”) LITIGATION

RESOLVED, THAT AT THE EARLIEST OPPORTUNITY, GENERAL COUNSEL SHALL ADVISE THE BOARD OF TRUSTEES OF THE ACTION TAKEN, AND BE IT FURTHER

RESOLVED, THAT COPIES OF THIS RESOLUTION SHALL BE FORWARDED TO BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP, KIRBY MCINERNEY AND SQUIRE, LLP AND KOHN, SWIFT AND GRAF, P.C.:

Yeas – Trustees Bandemer, Beasley, Freeman, Milton, Moore, Orzech, Pegg, Scott, Stewart and Chairman Best – 10

Nays – None

PUBLIC FORUM

AT **1:55 P.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 **2:07 P.M.** UNTIL THURSDAY, **SEPTEMBER 13, 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