

MEETING NUMBER 2649

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



PROCEEDINGS HELD THURSDAY, OCTOBER 11, 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
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee-Fire Commissioner
Paul Stewart	Elected Trustee
Alberta Tinsley-Talabi	Ex/Officio Trustee/City Council Rep.
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Terri Lawrence	Recording Secretary (GRS)
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

James Moore	Elected Trustee
George Orzech	Elected Trustee
Ronald Zajac	Legal Counsel
Janet S. Lenear	Recording Secretary

ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT 9:20 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

RETIREMENT

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RETIREMENT APPLICATION WHICH IS OUTLINED BELOW BE APPROVED:

YEAS – TRUSTEES BANDEMER, FREEMAN, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

RETIREMENT

NAME, TITLE, DEPARTMENT	GLENN BUEHLER – OFFICER - POLICE
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 10 10 07

CONFIRMATIONS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

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

CONFIRMATIONS

YEAS – TRUSTEES BANDEMER, FREEMAN, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

CONFIRMATIONS

RECEIPTS

THE BOARD RECEIVED THE SUM OF \$15,000.00 ON OCTOBER 3,
2007 FROM BLACK EAGLE CAPITAL PARTNERS – DUE DILIGENCE

THE BOARD RECEIVED THE SUM OF \$16,250.00 ON OCTOBER 4,
2007 FROM KENNEDY SQUARE – OCTOBER, 2007 INTEREST

THE BOARD RECEIVED THE SUM OF \$99,594.78 ON OCTOBER 5,
2007 FROM THE GENERAL FUND – ANNUITY CONTRIBUTIONS

THE BOARD RECEIVED THE SUM OF \$627.48 ON OCTOBER 5, 2007
FROM THE GENERAL RETIREMENT SYSTEM – REIMBURSEMENT –
JERRY HATT

THE BOARD RECEIVED THE SUM OF \$1,432,553.38 ON OCTOBER
5, 2007 FROM AERC GEORGIA VENTURES – REMITTANCE

TOTAL: **\$1,432,553.81**

DISBURSEMENTS

THE BOARD DISBURSED THE SUM OF \$1,250,000.00 ON OCTOBER
3, 2007 TO FUND ICG LEASEBACK FUND I – DRAW 1

THE BOARD DISBURSED THE SUM OF \$115,927.10 ON OCTOBER 5,
2007 TO FUND THE LAFER BUILDING – DRAW 8

DISBURSEMENTS

THE BOARD DISBURSED THE SUM OF \$68,736.33 ON OCTOBER 5, 2007 TO PAY IT CONTRACTUAL PROGRAMMER FEES – SEPTEMBER, 2007

THE BOARD DISBURSED THE SUM OF \$200.00 ON OCTOBER 5, 2007 TO PAY MILESTONE REALTY – ZONING EXPENSES

THE BOARD DISBURSED THE SUM OF \$24,503.45 ON OCTOBER 5, 2007 TO PAY THE GENERAL FUND – ADMINISTRATIVE EXPENSES

THE BOARD DISBURSED THE SUM OF \$75,508.00 ON OCTOBER 5, 2007 TO PAY REPUBLIC UNDERWRITERS – FIDUCIARY LIABILITY INSURANCE – 2007-2008

THE BOARD DISBURSED THE SUM OF \$605,531.00 ON OCTOBER 9, 2007 – REFUND LIST NUMBER 3256

THE BOARD DISBURSED THE SUM OF \$1,475.00 ON OCTOBER 9, 2007 TO PAY COUZENS LANSKY – MEEK MORTGAGE LEGAL FEES

TOTAL: \$2,141,881.60

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 #3257 IN THE AMOUNT OF **\$771,165.66**, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

YEAS – TRUSTEES BANDEMER, FREEMAN, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

MINUTES OF SEPTEMBER 20, 2007 AND SEPTEMBER 27, 2007

BY MR. SCOTT – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
SEPTEMBER 20, 2007 BE APPROVED AS AMENDED, RECORDED
AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY, AND
BE IT FURTHER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
SEPTEMBER 27, 2007 BE APPROVED AS RECORDED AND
SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BANDEMER, FREEMAN, PEGG, SCOTT, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

TRUSTEES TALABI AND MILTON ENTERED THE MEETING.

MILESTONE REALTY SERVICES

MARTY WEST AND **RANDY SANOCKI** APPEARED BEFORE THE
BOARD, DISCUSSED 7850 EAST JEFFERSON AND THEN EXCUSED
THEMSELVES.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS
WITH THE BOARD (VIA PHONE CONFERENCE), INCLUDING THIRD

LEGAL COUNSEL'S REPORTS

PARTY ADMINISTRATORS, INHERITANCE CAPITAL AND THE BOARD'S DROP PROGRAM.

FINCH ASSET MANAGEMENT

ED TAYLOR AND **ANTHONY FISCHLI** APPEARED BEFORE THE BOARD, DISCUSSED A MULTI-STRATEGY HEDGE FUND PROPOSAL AND THEN EXCUSED THEMSELVES.

CONWAY, MACKENZIE & DUNLEAVY

VAN CONWAY AND **RAY GUNN** APPEARED BEFORE THE BOARD, DISCUSSED AN INVESTMENT PROPOSAL AND THEN EXCUSED THEMSELVES.

TRUSTEE BEASLEY ENTERED THE MEETING DURING MESSRS. CONWAY'S AND GUNN'S PRESENTATION.

MMA REALTY CAPITAL

PAUL BERNARD, **THOMAS ZDRODOWSKI** AND **RONA JACKSON** APPEARED BEFORE THE BOARD, DISCUSSED A WAREHOUSING FACILITY (BANK OF AMERICA), THE COLUMNS ON WETHERINGTON AND TRELLISES APARTMENTS AND TRANS-CAPITAL (STATE TAX CREDIT PROGRAM).

THE BOARD THEN EXCUSED MESSRS. BERNARD AND ZDRODOWSKI AND MS. JACKSON.

TRUSTEE FREEMAN TEMPORARILY EXCUSED HERSELF.

MMA REALTY CAPITAL
PROPOSED LETTER OF CREDIT
BANK OF AMERICA
\$140,000,000.00 TAX CREDIT EQUITY WAREHOUSING FACILITY

BY MR. STEWART – SUPPORTED BY MR. SCOTT

WHEREAS, MMA REALTY CAPITAL HAS PRESENTED THE BOARD WITH AN OCTOBER 11, 2007 COMMUNICATION WHEREIN MMA REALTY CAPITAL REQUESTS THAT THE BOARD APPROVE THE REQUEST WHICH IS REFERENCED BELOW RELATIVE TO BANK OF AMERICA'S TAX CREDIT EQUITY WAREHOUSING FACILITY, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID REQUEST, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO APPROVAL OF ALL TRANSACTION DOCUMENTS BY THE BOARD'S LEGAL COUNSEL, THE BOARD HEREBY APPROVES SAID REQUEST:

REQUEST: APPROVE A \$140,000,000.00 LETTER OF CREDIT FOR USE AS ADDITIONAL CREDIT SUPPORT FOR A \$140,000,000.00 TAX CREDIT EQUITY WAREHOUSING FACILITY WITH BANK OF AMERICA

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, PEGG, SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 8

NAYS – NONE

TRUSTEE FREEMAN RE-JOINED THE MEETING.

MMA REALTY CAPITAL
COLUMNS ON WETHERINGTON AND TRELLISES APARTMENTS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, MMA REALTY CAPITAL HAS PRESENTED THE BOARD WITH AN OCTOBER 4, 2007 COMMUNICATION WHEREIN MMA REALTY CAPITAL REQUESTS THAT THE BOARD APPROVE THE REQUESTS WHICH ARE REFERENCED BELOW RELATIVE TO THE COLUMNS ON WETHERINGTON AND TRELLISES APARTMENTS IN FLORENCE, KENTUCKY, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID REQUESTS, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO APPROVAL OF ALL TRANSACTION DOCUMENTS BY THE BOARD'S LEGAL COUNSEL, THE BOARD HEREBY APPROVES SAID REQUESTS:

REQUEST: APPROVE REFINANCING OF THE EXISTING FIRST MORTGAGE ON COLUMNS ON WETHERINGTON AND TRELLISES APARTMENTS WITH KEYBANK NATIONAL ASSOCIATION FOR A TOTAL OF \$37.5 MILLION

PLACE A "SOFT SECOND" NON-FORECLOSABLE MORTGAGE IN THE APPROXIMATE TOTAL AMOUNT OF \$13.95 MILLION FOR THE COLUMNS ON WETHERINGTON AND TRELLISES APARTMENTS

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

CANYON-JOHNSON URBAN FUNDS

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

Whereas, The Board has been presented with an October 3, 2007 communication from Canyon-Johnson wherein Canyon-Johnson requests that the Board fund its portion of the capital call due for Canyon-Johnson's Urban Fund in the amount of \$1,081,936.93, 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, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

ICG

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

Whereas, The Board has been presented with an October 8, 2007 communication from ICG wherein ICG requests that the Board fund its portion of the capital call due for ICG Leaseback Fund I in the amount of \$33,849.77, 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, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

ONYX CAPITAL ADVISORY

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

Whereas, The Board has been presented with an October 4, 2007 communication from Onyx Capital Advisory wherein Onyx Capital Advisory requests that the Board fund its portion of the capital call due for Onyx Capital Advisory Fund I, L.P. in the amount of \$1,150,000.00, 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, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. BEASLEY – 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 – SEPTEMBER 7, 2007 - \$6,259.77 – POLICE AND FIRE PORTION OF \$12,519.53 – SUPPLIES

ADP – SEPTEMBER 28, 2007 - \$104.53 – POLICE AND FIRE PORTION OF \$209.05 – SUPPLIES

ADP – SEPTEMBER 28, 2007 - \$63.59 – POLICE AND FIRE PORTION OF \$127.18 – SUPPLIES

COUZENS LANSKY – OCTOBER 10, 2007 - \$21,216.71 – LEGAL FEES – MCA

GABRIEL, ROEDER, SMITH & COMPANY – OCTOBER 1, 2007 - \$600.00 – EDRO FEES

GABRIEL, ROEDER, SMITH & COMPANY – OCTOBER 3, 2007 - \$4,700.00 – OCTOBER, 2007 ACTUARIAL SERVICES

IRON MOUNTAIN – SEPTEMBER 30, 2007 - \$213.42 – POLICE AND FIRE PORTION OF \$426.84 – STORAGE AND RETRIEVAL

IRON MOUNTAIN – SEPTEMBER 30, 2007 - \$707.44 – POLICE AND FIRE PORTION OF \$1,414.88 – STORAGE AND RETRIEVAL

O'NEAL, REGINALD – SEPTEMBER 28, 2007 - \$1,890.00 EXAMINATION FEES

PDS, INC. – OCTOBER 9, 2007 - \$9,010.48 – POLICE AND FIRE PORTION OF \$18,020.95 – COMPUTER EQUIPMENT, SOFTWARE, SUPPLIES, TRAINING, MAINTENANCE

RETIREMENT SYSTEM ACCOUNTING STAFF – OCTOBER 10, 2007 - \$60,000.00 – TRAVEL ACCOUNT REPLENISHMENT

BILL PAYMENT REQUESTS

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

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

XO COMMUNICATIONS – SEPTEMBER 1, 2007 - \$945.36 – POLICE
AND FIRE PORTION OF \$1,890.72 – INTERNET SERVICE

XO COMMUNICATIONS – OCTOBER 1, 2007 – 944.36 – POLICE
AND FIRE PORTION OF \$1,888.71 – INTERNET SERVICE

YEAS – TRUSTEES BEASLEY, FREEMAN, MILTON, PEGG, SCOTT,
TALABI AND CHAIRMAN BEST – 7

NAYS – TRUSTEES BANDEMER AND STEWART – 2

NOVEMBER 8, 2007 BOARD MEETING CANCELLATION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM
BOARD MEETING OF THURSDAY, **NOVEMBER 8, 2007** BE
CANCELLED AND THE APPROPRIATE PARTIES NOTIFIED:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

NOVEMBER 22, 2007 BOARD MEETING CANCELLATION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

NOVEMBER 22, 2007 BOARD MEETING CANCELLATION

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM BOARD MEETING OF THURSDAY, **NOVEMBER 22, 2007** BE CANCELLED AND THE APPROPRIATE PARTIES NOTIFIED:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED MILLER AND JACOBS, UBS AND THE TOWNSEND GROUP.

TRUSTEES TALABI AND SCOTT TEMPORARILY EXCUSED THEMSELVES.

THE TOWNSEND GROUP

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE “SYSTEM”) AND THE TOWNSEND GROUP (THE “REAL ESTATE CONSULTANT”) ENTERED INTO A REAL ESTATE CONSULTANT AGREEMENT DATED DECEMBER 1, 1990 (THE “CONSULTANT AGREEMENT”), WHICH PROVIDES, INTER ALIA, SUCH AGREEMENT MAY BE TERMINATED BY THE BOARD UPON PROVIDING THIRTY (30) DAYS ADVANCE WRITTEN NOTICE TO THE REAL ESTATE CONSULTANT, AND

WHEREAS, FROM TIME TO TIME, THE BOARD REVIEWS ITS CONTRACTUAL RELATIONSHIPS AND CHOOSES TO SELECT NEW CONSULTANTS, ETC., AND

WHEREAS, THE BOARD HAS ACTED TO REPLACE ITS REAL ESTATE CONSULTANT FOR VARIOUS REASONS, AND

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

THE TOWNSEND GROUP

RESOLVED, THAT THE BOARD, PURSUANT TO SECTION 7B OF THE CONSULTANT AGREEMENT, HEREBY APPROVES THE TERMINATION OF THE BOARD'S CONSULTANT AGREEMENT WITH THE TOWNSEND GROUP EFFECTIVE NOVEMBER 30, 2007, AND BE IT FURTHER

RESOLVED, THAT THE BOARD HEREBY DIRECTS THE ASSISTANT EXECUTIVE SECRETARY TO FORWARD A TERMINATION LETTER TO THE TOWNSEND GROUP CONSISTENT WITH THIS RESOLUTION AND RECENT DISCUSSIONS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE TOWNSEND GROUP:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, PEGG, STEWART AND CHAIRMAN BEST – 7

NAYS – NONE

TRUSTEES TALABI AND SCOTT RE-JOINED THE MEETING.

CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. BEASLEY

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, FREEMAN, MILTON, PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

The Board entered into Closed Session at **1:30 P.M.**

TRUSTEES MILTON AND PEGG TEMPORARILY EXCUSED THEMSELVES.

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:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, SCOTT
STEWART, TALABI AND CHAIRMAN BEST – 7

NAYS – NONE

The Board returned to Open Session at **1:49 P.M.**

TRUSTEES MILTON AND PEGG RE-JOINED THE MEETING.

CONWAY, MACKENZIE & DUNLEAVY

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

Whereas, The Board has been presented with an investment proposal from Conway, MacKenzie & Dunleavy, and

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

Resolved, That subject to Conway, MacKenzie & Dunleavy agreeing to pay the costs for said due diligence and said funds being escrowed by Conway, MacKenzie & Dunleavy 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

CONWAY, MACKENZIE & DUNLEAVY

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 Conway, MacKenzie & Dunleavy and North Point Advisors:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

PROVIDENT GROUP (FIXED INCOME HEDGE FUND)
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. BEASLEY – SUPPORTED BY MR. MILTON

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

PROVIDENT GROUP (FIXED INCOME HEDGE FUND)
\$10,000,000.00 PROPOSED INVESTMENT

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 **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

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,

PROVIDENT GROUP (FIXED INCOME HEDGE FUND)
\$10,000,000.00 PROPOSED INVESTMENT

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 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

PROVIDENT GROUP (FIXED INCOME HEDGE FUND)
\$10,000,000.00 PROPOSED INVESTMENT

Resolved, That a copy of this resolution be forwarded to proposed Borrower/Project Sponsor and Special Legal Counsel to be selected by the Board:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, SCOTT, STEWART AND TALABI – 7

NAYS – TRUSTEES PEGG AND CHAIRMAN BEST – 2

SPARE TIME FAMILY ENTERTAINMENT

BY MS. TALABI – SUPPORTED BY MR. SCOTT

WHEREAS, THE BOARD IS IN RECEIPT OF AN OCTOBER 10, 2007 LETTER FROM BANYAN REALTY ADVISORS WHICH PROVIDES, INTER ALIA, ESTIMATED DUE DILIGENCE COSTS IN THE AMOUNT OF **\$25,000.00** (PHASE I COSTS OF **\$15,000.00**, 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 SPARE TIME, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS, SPARE TIME, THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM (WHO WILL SHARE THE FINDINGS) AND RETIREMENT SYSTEM ACCOUNTING STAFF:

SPARE TIME FAMILY ENTERTAINMENT

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON,
PEGG SCOTT, STEWART, TALABI AND CHAIRMAN BEST – 9

NAYS – NONE

TRUSTEE FREEMAN WAS EXCUSED FOR THE MEETING'S
REMAINDER.

PUBLIC FORUM

AT 2:00 P.M., CHAIRMAN BEST DECLARED THE MEETING IN
OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC
ATTENDING THE MEETING.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,
CHAIRMAN BEST ADJOURNED THE MEETING AT 2:10 P.M. UNTIL
THURSDAY, OCTOBER 18, 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