

MEETING NUMBER 2662

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



PROCEEDINGS HELD THURSDAY, JANUARY 10, 2008
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
Barbara-Rose Collins	Elected Trustee/Council Member
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

None

ABSENT

None

CHAIRPERSON

Gregory Best

ROLL CALL WAS TAKEN AT 9:02 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

Whereas, The Board has been presented with the following capital calls/draws, and

Whereas, The Board has been requested to approve funding of said capital calls/draws, Therefore be it

Resolved, That subject to final approval of all transaction documents by the Board's Legal Counsel, the Board approves funding of said capital calls/draws:

Firm: Oracle Capital Partners
Date: January 3, 2008
Fund Name: Oracle Capital Partners, LLC
Capital Call/Draw: \$95,500.00

Firm: Falconhead Capital, LLC
Date: December 21, 2007
Fund Name: Falconhead Capital Partners II, L.P.
Capital Call/Draw: \$91,860.00

Firm: Syndicated Communications
Date: January 4, 2008
Fund Name: Syndicated Communications Venture Partners V, L.P.
Capital Call/Draw: \$579,518.00

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

RETIREMENTS

BY MR. ORZECH – SUPPORTED BY MR. MOORE

RETIREMENTS

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

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	RENEE LEBLANC – OFFICER - POLICE SERVICE - NEW 22 03 00 – 01 28 08
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	GODFREY QUALLS – OFFICER - POLICE SERVICE - NEW 36 05 03 – 01 12 08
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	GREGORY BENSETT – OFFICER – POLICE SERVICE – NEW 36 09 11 – 01 28 08
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	HERMAN WORTHY – CAPTAIN – FIRE SERVICE – NEW 35 02 22 – 01 10 98
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	CLARK SCOTT, JR. – COMM. OFFICER- OFFICER – POLICE SERVICE – NEW 38 05 18 – 01 02 08
NAME, TITLE, DEPARTMENT RETIREMENT, PLAN SERVICE CREDIT, EFFECTIVE DATE	LARRY SANDERS – BATTALION FIRE CHIEF – FIRE SERVICE – NEW 35 01 21 – 01 07 08

RETIREMENTS

NAME, TITLE, DEPARTMENT ROBERT BULGARELLI – SERGEANT –
 POLICE
 RETIREMENT, PLAN SERVICE – NEW
 SERVICE CREDIT, EFFECTIVE DATE 34 00 18 – 01 05 08

NAME, TITLE, DEPARTMENT WILLIAM MUCKER – LIEUTENANT – FIRE
 RETIREMENT, PLAN SERVICE – NEW
 SERVICE CREDIT, EFFECTIVE DATE 22 09 28 – 12 18 07

NAME, TITLE, DEPARTMENT JOY ALEXANDER-BAKER – OFFICER –
 POLICE
 RETIREMENT, PLAN SERVICE – NEW
 SERVICE CREDIT, EFFECTIVE DATE 22 06 07 – 01 15 08

NAME, TITLE, DEPARTMENT WILLIAM GRIFFIS – CAPTAIN – FIRE
 RETIREMENT, PLAN SERVICE - NEW
 SERVICE CREDIT, EFFECTIVE DATE 33 08 22 – 01 10 98

CONFIRMATIONS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

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

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, PEGG,
 STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

RECEIPTS

Police and Fire Retirement Systems of the City of Detroit			
Summary of Receipts			
From December 19, 2007 - January 8, 2008			Revised
Date	Received From the Bank of New York	Explanation	

12/20/2007	Trans Industries	Due diligence receipt - \$15,000.00	
	Banyan Realty Advisors	Remittance-December '07 - \$5,446.27	
	Syndicated Communications	Distribution - \$802,656.00	
12/21/2007	General Fund	Weekly Annuity Contribution - \$290,403.41	
	Citigroup Capital Partners	Distribution - \$330,528.81	
12/28/2007	Trade winds	Due diligence receipt - \$60,000.00	
	Liberty Life Energy I	Distribution - \$2,823.00	
	Liberty Life Energy III	Distribution - \$355,891.00	
12/31/2007	USPF III-Leveraged Feeder	Distribution - \$29,259.79	
	USPF II	Distribution - \$11,892.00	
1/2/2008	General Fund	Weekly Annuity Contribution - \$99,153.01	
1/3/2008	Touchstone Opportunity II	Distribution - \$459,819.85	
1/7/2008	Loop Capital Market	<i>Due Diligence Receipt - \$10,000.00</i>	
	General Fund	<i>Weekly Annuity Contribution - \$290,192.88</i>	
1/8/2008	Fidelity Real Estate	<i>Distribution - \$859,661.02</i>	
	Kales Building	<i>Distribution - \$48,166.88</i>	
	Comerica		
12/19/2007	Class Action Remittance	<i>Boston Market - \$1,900.44</i>	
	Abel Noser	<i>November, 2007 - \$154.50</i>	
		Total Receipts - \$3,772,948.86	

DISBURSEMENTS

Police and Fire Retirement Systems of the City of Detroit		
Summary of Disbursements		
From December 18, 2007 - January 8, 2008		
Date	Wired To The Bank of New York	Explanation

12/19/2007	Falconhead Capital Partners	Draw #3 - \$1,311,774.00	
12/20/2007	SW Pelham Fund	Draw #6 - \$1,213,916.00	
12/21/2007	Ron Zajac	Legal Fee - December, 2007 - \$17,218.18	
	F. Logan Davidson	Due Diligence Fee-Mann 1100 - \$11,325.00	
	Milestone Realty Services	Due Diligence for Building Acquisition - \$35,000.00	
	Banyan Realty Advisors	Appraisal Fee-Idlewyld Apartment - \$6,000.00	
	Payden & Rygel	Management Fees-November Acct 1612 & 1613 - \$31,159.00	
	RDD/EDS	Draw # 53 - \$322,000.00	
	Longship Multi Strategy Debt Fund	Full Funding - \$10,000,000.00	
	Steward Real Estate	Draw # 4 - \$750,000.00	
	General Retirement System	Staff Wages-December, 2007 - \$26,633.36	
	ICG Leaseback Capital	Draw # 4 - \$16,773,750.04	
	General Fund	Check-write - \$72,198.10	
12/21/2007	MMA Munimae Midland	The Sheffield-Construction Loan - \$4,500,000.00	
12/27/2007	First Independence Bank	Retired Payroll December-Direct Deposit - \$16,182,645.45	
12/31/2007	Prisa II/Prudential	Draw #3 - \$2,380,000.00	
1/2/2008	First Independence Bank	Retired Payroll December-Checks - \$2,965,006.88	
1/4/2008	Contractual Programmer	Fees-December, 2007 - \$59,967.69	
	Falconhead Capital Partners	Draw # 4 - \$91,860.00	
		TOTAL DISBURSEMENTS - \$56,750,453.70	

TRUSTEE **PEGG** TEMPORARILY EXCUSED HIMSELF.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

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 #3263, IN THE AMOUNT OF \$628,407.45, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

MINUTES OF THURSDAY, DECEMBER 6, 2007

BY MR. ORZECH – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, **DECEMBER 6, 2007** BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

TRUSTEE **PEGG** RE-JOINED THE MEETING.

PARADIGM ASSET MANAGEMENT (LARGE-CAP VALUE)
\$25,000,000.00 PROPOSED INVESTMENT

BY Mr. Orzech – Supported by Mr. Moore

Whereas, The Board has indicated its interest in making the foregoing investment subject to a number of conditions being met, including the approval of final transaction documents after all negotiations are completed by the Board and Special Legal Counsel, and

Whereas, The Board notes that legal services required to prepare the proposed transaction documents for consideration by the Board will be fairly extensive and time-consuming and will require immediate attention, requiring consecutive hours of attention by Special Legal Counsel, and

Whereas, The Board's policy in such cases is to select and retain Special Legal Counsel relative to such investment proposal who will report to the Board's General Counsel and to the Board of Trustees, as appropriate, with fees and expenses of said Special Legal Counsel to be paid for from an escrow account funded by Paradigm Asset Management, and

Whereas, The Board notes the possibility that preliminary legal services regarding the transaction may result in findings that Paradigm Asset Management will not

PARADIGM (LARGE-CAP VALUE)

\$25,000,000.00 PROPOSED INVESTMENT

be able to meet the requirement of the Retirement System as Lender/Investor,
THEREFORE BE IT

Resolved, That the aforesaid investment proposal be assigned to Couzens,
Lansky, Ellis, Fealk, Roeder & Lazar, P.C. as Special Legal Counsel, and be it
further

Resolved, That a further condition of the Board's continued interest in making
this investment loan is Paradigm Asset Management providing the Assistant
Administrative Supervisor with written confirmation that Paradigm Asset
Management acknowledges receipt of this resolution and agrees to the terms
therein, and be it further

Resolved, That Special Legal Counsel and the Assistant Administrative Supervisor
arrange for an escrow account into which Paradigm Asset Management will
provide funds for costs, expenses and legal services, and be it further

Resolved, That Special Legal Counsel submit itemized billings to Paradigm Asset
Management with copies to the Retirement System, and be it further

Resolved, That the amount to be escrowed will be mutually determined by
Special Legal Counsel and Paradigm Asset Management and will be reported to
the Board of Trustees and the escrow may be funded in stages with the
understanding that legal services will be performed only to the extent of, and
after, the escrow deposit(s), and be it further

Resolved, That a copy of this resolution be provided to Paradigm Asset
Management, Couzens, Lansky, Ellis, Fealk, Roeder & Lazar and the Accounting
Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, PEGG,
STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

FINCH ASSET MANAGEMENT
(HEDGE FUND INVESTMENT)
\$10,000,000.00 PROPOSED INVESTMENT

By Mr. Orzech – Supported by Mr. Moore

Whereas, The Board has indicated its interest in making the foregoing investment
subject to a number of conditions being met including the approval of final

FINCH ASSET MANAGEMENT

(HEDGE FUND INVESTMENT)
\$10,000,000.00 PROPOSED INVESTMENT

transaction documents after all negotiations are completed by the Board and Special Legal Counsel, and

Whereas, The Board notes that legal services required to prepare the proposed transaction documents for consideration by the Board will be fairly extensive and time-consuming and will require immediate attention, requiring consecutive hours of attention by Special Legal Counsel, and

Whereas, The Board's policy in such cases is to select and retain Special Legal Counsel relative to such investment proposal who will report to the Board's General Counsel and to the Board of Trustees, as appropriate, with fees and expenses of said Special Legal Counsel to be paid for from an escrow account funded by Finch Asset Management, and

Whereas, The Board notes the possibility that preliminary legal services regarding the transaction may result in findings that Finch Asset Management will not be able to meet the requirement of the Retirement System as Lender/Investor, THEREFORE BE IT

Resolved, That the aforesaid investment proposal be assigned to Couzens, Lansky, Ellis, Fealk, Roeder & Lazar, P.C. as Special Legal Counsel, and be it further

Resolved, That a further condition of the Board's continued interest in making this investment loan is Finch Asset Management providing the Assistant Administrative Supervisor with written confirmation that Finch Asset Management acknowledges receipt of this resolution and agrees to the terms therein, and be it further

Resolved, That Special Legal Counsel and the Assistant Administrative Supervisor arrange for an escrow account into which Finch Asset Management will provide funds for costs, expenses and legal services, and be it further

Resolved, That Special Legal Counsel submit itemized billings to Finch Asset Management with copies to the Retirement System, and be it further

Resolved, That the amount to be escrowed will be mutually determined by Special Legal Counsel and Finch Asset Management and will be reported to the

FINCH ASSET MANAGEMENT

(HEDGE FUND INVESTMENT)
\$10,000,000.00 PROPOSED INVESTMENT

Board of Trustees and the escrow may be funded in stages with the understanding that legal services will be performed only to the extent of, and after, the escrow deposit(s), and be it further

Resolved, That a copy of this resolution be provided to Finch Asset Management, Couzens, Lansky, Ellis, Fealk, Roeder & Lazar, P.C. and the Account Division of the Retirement System:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 8

NAYS – NONE

TRUSTEE **MILTON** ENTERED THE MEETING.

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. MOORE

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

ADP – DECEMBER 21, 2007 - \$56.95 – POLICE AND FIRE PORTION OF \$113.90 – MISCELLANEOUS EXPENSES

ADP – DECEMBER 28, 2007 - \$92.73 – POLICE AND FIRE PORTION OF \$185.46 – MISCELLANEOUS EXPENSES

CRAIN COMMUNICATIONS – DECEMBER 17, 2007 - \$2,762.04 – MISCELLANEOUS EXPENSES

DAVIDSON, F. LOGAN – JANUARY 9, 2008 - \$7,945.00 – LONGSHIP MULTI-STRATEGY DEBT FUND – LEGAL SERVICES

FORMS TRAC ENTERPRISES – DECEMBER 23, 2007 - \$2,520.00 – OFFICE SUPPLIES

BILL PAYMENT REQUESTS

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

GABRIEL, ROEDER, SMITH & COMPANY – DECEMBER 31, 2007 - \$7,655.00 – MONTHLY AND SUPPLEMENTAL ACTUARIAL SERVICES (IRC SECTION 415 AND DROP PLAN)

HARLAND TECHNOLOGY – DECEMBER 11, 2007 - \$2,561.75 – POLICE AND FIRE PORTION OF \$5,123.50 – COMPUTER SUPPLIES

HARLAND TECHNOLOGY – DECEMBER 20, 2007 - \$480.25 – POLICE AND FIRE PORTION OF \$960.50 – COMPUTER SUPPLIES

INTERNATIONAL FOUNDATION – DECEMBER 20, 2007 - \$875.00 – 2008 MEMBERSHIP DUES

IT – JANUARY 2, 2008 - \$59,967.69 – POLICE AND FIRE PORTION OF \$126,684.27 – CONTRACTUAL PROGRAMMER FEES FOR THE MONTH OF DECEMBER, 2007

NORTH POINT ADVISORS – JANUARY 9, 2008 - \$12,500.00 – FEBRUARY AND MARCH, 2008 FEES

PREFERRED DATA SYSTEMS – DECEMBER 28, 2007 - \$412.50 – POLICE AND FIRE PORTION OF \$825.00 – COMPUTER EQUIPMENT

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

THE REQUEST OF JOHN SLAVIK

BY MR. ORZECH – SUPPORTED BY MR. PEGG

WHEREAS, JOHN SLAVIK HAS PRESENTED THE BOARD WITH A JANUARY 9, 2008 REQUEST TO CANCEL HIS SERVICE RETIREMENT APPLICATION, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. SLAVIK IS HEREBY APPROVED:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

THE REQUEST OF PATRICIA LITTLE

BY MR. ORZECH – SUPPORTED BY MS. FREEMAN

WHEREAS, PATRICIA LITTLE HAS PRESENTED THE BOARD WITH A DECEMBER 17, 2007 REQUEST TO CANCEL HER DUTY DISABILITY RETIREMENT APPLICATION, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MS. LITTLE IS HEREBY APPROVED:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

BANYAN REALTY ADVISORS, LLC
WASHINGTON PLAZA AUDIT AND TAX ENGAGEMENT

BY MR. MOORE – SUPPORTED BY MR. ORZECH

WHEREAS, BANYAN REALTY ADVISORS, LLC HAS PRESENTED THE BOARD WITH A JANUARY 7, 2008 COMMUNICATION WHEREIN BANYAN REALTY ADVISORS, LLC REQUESTS THAT THE BOARD ENGAGE THE REZNICK GROUP, P.C. TO PERFORM THE 2007 AUDIT FOR WASHINGTON PLAZA AND THE PREPARATION OF 2007 TAX RETURNS FOR WASHINGTON PLAZA PARTNERSHIP, DETROIT PF PROPERTY PARTNERS AND WASHINGTON PLAZA APARTMENTS, INC., AND

WHEREAS, THE BOARD HAS DISCUSSED THE REQUEST OF BANYAN REALTY ADVISORS, LLC, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE REQUEST OF BANYAN REALTY ADVISORS, LLC, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO BANYAN REALTY ADVISORS, LLC, THE REZNICK GROUP, P.C., AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

PRISA II

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, the Board has received a notice of cash flow distribution from PRISA II based on the results for the third quarter 2007 wherein the payment election with respect to the distribution amount was to reinvest in additional units of PRISA II, and

WHEREAS, the Board desires that all future distributions be paid to the system in cash, therefore be it

RESOLVED, that effective with the next available distribution, the Board elects to receive all future distributions in cash until further notice, and be it further

RESOLVED, that a copy of this resolution be sent to PRISA II management:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

THOMPSON FINANCIAL

BY MR. ORZECH – SUPPORTED BY MS. FREEMAN

WHEREAS, the Board is in receipt of a request from Thompson Financial requesting detailed security-level information with respect to the Board's equity and fixed income holdings, and

WHEREAS, the Board considers this information to be confidential and proprietary, therefore be it

RESOLVED, that the request of Thompson Financial is **denied**, and be it further

RESOLVED, that staff be directed **not** to respond to the request of Thompson Financial:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, staff has prepared and distributed the proposed Management's Discussion and Analysis for inclusion within the System's audited financial statements for the fiscal year ended June 30, 2007, and

WHEREAS, the Board has reviewed this document and discussed it with staff on this date, therefore be it

RESOLVED, that the Management's Discussion and Analysis prepared by staff be approved, and be it further

RESOLVED, that a copy of the proposed Management's Discussion and Analysis be forwarded to Plante & Moran and Retirement System Accounting Staff:

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL **RONALD ZAJAC** DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PFRS ST. ANDREWS SHOPPING CENTER.

PFRS ST. ANDREWS SHOPPING CENTER

THE BOARD WAS MADE AWARE OF THE EXECUTION OF AN **AFFIDAVIT OF AUTHORITY** (DATED JANUARY 10, 2008) BY AN OFFICER OF THE CORPORATION.

PFRS YAMATO CORPORATION/YAMATO OFFICE CENTER

THE BOARD WAS MADE AWARE OF THE EXECUTION OF AN **AFFIDAVIT OF AUTHORITY** (DATED JANUARY 10, 2008) BY AN OFFICER OF THE CORPORATION.

PF COLONNADES WEST CORPORATION/COLONNADES WEST

THE BOARD WAS MADE AWARE OF THE EXECUTION OF A **COMMONWEALTH OF VIRGINIA 2007 ANNUAL REPORT** (DATED JANUARY 10, 2008) BY AN OFFICER OF THE CORPORATION.

TELLCOM SOLUTIONS

BY MR. MOORE – SUPPORTED BY MR. ORZECH

Whereas, The Board has been requested to execute a Services Order Contract relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by the Board's Executive Secretary, and

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

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

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

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

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

INTERNAL REVENUE SERVICE/ERWIN A. RUBENSTEIN

BY MR. ORZECH – SUPPORTED BY MR. PEGG

Whereas, The Board has been requested to execute an Authorization to Allow Erwin A. Rubenstein to Sign Waiver of Statutory Notification of Claim Allowance (dated January 10, 2008) relative to the foregoing transaction, and

Whereas, The execution of said document has been recommended by Erwin A. Rubenstein, and

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

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

INTERNAL REVENUE SERVICE/ERWIN A. RUBENSTEIN

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

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

YEAS – TRUSTEES BANDEMER, COLLINS, FREEMAN, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

MAYFIELD GENTRY REALTY ADVISORS

TRUSTEES **BEASLEY** AND **SCOTT** ENTERED THE MEETING.

CHAUNCEY MAYFIELD AND SEVERAL ASSOCIATES APPEARED BEFORE THE BOARD AND DISCUSSED, AMONG OTHER MATTERS, THE AMERICAN EXPRESS BUILDING, 100 M STREET, S.E., 20022 N. 31ST AVENUE AND CROSSROADS BUSINESS PARK.

THE BOARD THEN EXCUSED MR. MAYFIELD AND HIS ASSOCIATES.

RIVERFRONT LOFTS

HERBERT STRATHER AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED A CONDOMINIUM RENOVATION PROPOSAL AND THEN EXCUSED THEMSELVES.

ACCESS CAPITAL

RON HOMER AND **JIM ROBERTS** APPEARED BEFORE THE BOARD, DISCUSSED A FIXED INCOME PROPOSAL AND THEN EXCUSED THEMSELVES.

MARIE RACINE & ASSOCIATES

MARIE RACINE APPEARED BEFORE THE BOARD, DISCUSSED SPECIAL LEGAL COUNSEL SERVICES AND THEN EXCUSED HERSELF.

MARIE RACINE & ASSOCIATES

BY MR. MOORE – SUPPORTED BY MR. SCOTT

Resolved, That Marie Racine & Associates be added to the list of Brokers of Record for the Police and Fire Retirement System of the City of Detroit, and be it further

MARIE RACINE & ASSOCIATES

Resolved, That a copy of this resolution be forwarded to Marie Racine & Associates and the Accounting Division of the Retirement System:

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

NAYS – NONE

COMMERCE BANCORP.

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF 1) A JANUARY 8, 2008 MEMORANDUM FROM SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP WHEREIN THE BOARD IS REQUESTED TO APPROVE A PROPOSED SETTLEMENT IN PRINCIPLE AND APPROVE A FINAL SETTLEMENT, AND 2) A MEMORANDUM OF UNDERSTANDING BETWEEN THE PLAINTIFFS AND DEFENDANTS, AND

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

RESOLVED, THAT THE BOARD APPROVES THE RECOMMENDATIONS OF ITS SPECIAL LEGAL COUNSEL, BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP, AND APPROVES THE PROPOSED SETTLEMENT AND REQUESTS SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP TO TAKE APPROPRIATE ACTION ON BEHALF OF THE RETIREMENT SYSTEM TO FINALIZE THE PROPOSED SETTLEMENT REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN, LLP AND RETIREMENT SYSTEM ACCOUNTING STAFF:

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

NAYS – NONE

DOOLEY VERSUS DOOLEY

WAYNE COUNTY CASE #06-610592-DM

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A NOVEMBER 15, 2007 ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A MAY 3, 2007 JUDGMENT OF DIVORCE WHEREIN BETTY JO DOOLEY IS AWARDED CERTAIN RIGHTS TO THE DEFINED CONTRIBUTION PLAN BENEFITS ONLY OF EDWARD FRANCES DOOLEY WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS PARTICIPANT'S DATE OF BIRTH IS NOVEMBER 9, 1963 AND, TO DATE, PARTICIPANT HAS ATTAINED 23 YEARS AND 05 MONTHS 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 THE DEFINED CONTRIBUTION PLAN AND SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, BUT ALTERNATE PAYEE IS NOT ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN BECAUSE THE EDRO IS LIMITED TO THE DEFINED CONTRIBUTION PLAN, AND

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT, OR TERMINATION OF SERVICE, OR UPON PARTICIPANT ATTAINING THE AGE OF 60 YEARS, OR UPON PARTICIPANT OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED CONTRIBUTION PLAN AND 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, INCLUDING PUBLIC ACT 46 OF 1991 (MCLA 38.1701), AS APPLICABLE, 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 ATTORNEY MICHELLE BROWN TILLMAN, ATTORNEY EDWARD G. TAYLOR, BETTY JO DOOLEY, AND EDWARD FRANCES DOOLEY:

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

NAYS – NONE

NORTH POINT ADVISORS

ADRIAN ANDERSON APPEARED BEFORE THE BOARD AND DISCUSSED, AMONG OTHER MATTERS, TRADE WIND AIRLINES, INC., GVC NETWORKS, INCOME,

NORTH POINT ADVISORS

RESEARCH & MANAGEMENT, ORLEANS CAPITAL, DOT INDUSTRIES AND LOOP
CAPITAL MANAGEMENT.

TRADEWIND AIRLINES, INC.
TERM SHEET APPROVAL

BY MR. MILTON – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT (THE "BOARD") PREVIOUSLY APPROVED AN INVESTMENT
LOAN IN FAVOR OF THE BORROWER, AND THE BOARD'S ADVISOR, NORTH POINT
ADVISORS, HAS NEGOTIATED A TERM SHEET WITH BORROWER'S BUSINESS ADVISOR
FOR THE BOARD'S REVIEW AND APPROVAL, AND

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

RESOLVED, THAT THE BOARD APPROVES SAID TERM SHEET, AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN, MILTON, MOORE,
SCOTT AND STEWART – 8

NAYS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

TRADEWIND AIRLINES, INC.
SELECTION OF REPRESENTATIVE FOR TRADEWIND AIRLINES, INC.
BOARD OF DIRECTORS

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT (THE "BOARD") PREVIOUSLY APPROVED AN INVESTMENT
LOAN IN FAVOR OF THE BORROWER AND SUCH LOAN TERMS PROVIDE, INTER
ALIA, THAT THE BOARD MAY APPOINT A REPRESENTATIVE TO SIT ON THE
BORROWER'S BOARD OF DIRECTORS (THE TRADEWIND BOARD), AND

WHEREAS, THE BORROWER IS REGULATED BY THE UNITED STATES FEDERAL
AVIATION AGENCY (FAA) AND THE UNITED STATES DEPARTMENT OF
TRANSPORTATION (DOT) AND EACH PROSPECTIVE BOARD MEMBER OF THE
TRADEWIND BOARD MUST BE PRE-APPROVED BY THE FAA AND DOT, RESPECTIVELY,

TRADEWIND AIRLINES, INC.

SELECTION OF REPRESENTATIVE FOR TRADEWIND AIRLINES, INC.
BOARD OF DIRECTORS

AND SUCH APPROVAL PROCESS REQUIRES, INTER ALIA, AN EXTENSIVE
BACKGROUND INVESTIGATION, AND

WHEREAS, THE BOARD HAS RECEIVED A REQUEST FROM THE BORROWER'S
BUSINESS ADVISOR REQUESTING 1) THAT THE BOARD NAME A REPRESENTATIVE (THE
BOARD'S REPRESENTATIVE) TO SIT ON THE TRADEWIND BOARD, AND 2) THE
BOARD'S REPRESENTATIVE TO COMPLETE AND SUBMIT TO THE BORROWER, FOR
SUBMISSION TO THE AGENCIES, THE APPROPRIATE QUESTIONNAIRE AND
DOCUMENTATION TO INITIATE THE FAA AND DOT APPROVAL PROCESS, AND

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

RESOLVED, THAT THE BOARD SELECTS CLIVE STEWART AS THE BOARD'S
REPRESENTATIVE, AND BE IT FURTHER

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

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE BANDEMER
WITHDREW HIS SUPPORT OF TRUSTEE STEWART'S MOTION, AND FOLLOWING
ADDITIONAL DISCUSSION, TRUSTEE STEWART WITHDREW HIS MOTION.

TRUSTEE BANDEMER THEN MADE THE MOTION WHICH FOLLOWS:

TRADEWIND AIRLINES, INC.
SELECTION OF REPRESENTATIVE FOR TRADEWIND AIRLINES, INC.
BOARD OF DIRECTORS

BY MR. BANDEMER – SUPPORTED BY MR. BEASLEY

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT (THE "BOARD") PREVIOUSLY APPROVED AN INVESTMENT
LOAN IN FAVOR OF THE BORROWER AND SUCH LOAN TERMS PROVIDE, INTER
ALIA, THAT THE BOARD MAY APPOINT A REPRESENTATIVE TO SIT ON THE
BORROWER'S BOARD OF DIRECTORS (THE TRADEWIND BOARD), AND

WHEREAS, THE BORROWER IS REGULATED BY THE UNITED STATES FEDERAL
AVIATION AGENCY (FAA) AND THE UNITED STATES DEPARTMENT OF
TRANSPORTATION (DOT) AND EACH PROSPECTIVE BOARD MEMBER OF THE
TRADEWIND BOARD MUST BE PRE-APPROVED BY THE FAA AND DOT, RESPECTIVELY,

TRADEWIND AIRLINES, INC.

SELECTION OF REPRESENTATIVE FOR TRADEWIND AIRLINES, INC.
BOARD OF DIRECTORS

AND SUCH APPROVAL PROCESS REQUIRES, INTER ALIA, AN EXTENSIVE
BACKGROUND INVESTIGATION, AND

WHEREAS, THE BOARD HAS RECEIVED A REQUEST FROM THE BORROWER'S
BUSINESS ADVISOR REQUESTING 1) THAT THE BOARD NAME A REPRESENTATIVE (THE
BOARD'S REPRESENTATIVE) TO SIT ON THE TRADEWIND BOARD, AND 2) THE
BOARD'S REPRESENTATIVE TO COMPLETE AND SUBMIT TO THE BORROWER, FOR
SUBMISSION TO THE AGENCIES, THE APPROPRIATE QUESTIONNAIRE AND
DOCUMENTATION TO INITIATE THE FAA AND DOT APPROVAL PROCESS, AND

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

RESOLVED, THAT THE BOARD SELECTS TYRONE SCOTT AS THE BOARD'S
REPRESENTATIVE, AND BE IT FURTHER

RESOLVED, THAT THE BOARD SELECTS CLIVE STEWART AS MR. SCOTT'S ALTERNATE,
AND BE IT FURTHER

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

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN, MILTON, MOORE,
ORZECZ, PEGG, SCOTT AND CHAIRMAN BEST – 10

NAYS – NONE

ABSTAIN – TRUSTEE STEWART – 1

TRUSTEE **SCOTT** TEMPORARILY EXCUSED HIMSELF.

TRANS-CAPITAL INDUSTRIES (DOTT INDUSTRIES)
\$6,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. MOORE

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

TRANS-CAPITAL INDUSTRIES (DOTT INDUSTRIES)

\$6,000,000.00 PROPOSED INVESTMENT

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 Trans-Capital Industries (Dott Industries) that Trans-Capital Industries (Dott Industries) 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 Trans-Capital Industries (Dott Industries) 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, Trans-Capital Industries (Dott Industries), 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 Trans-Capital Industries (Dott Industries) 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

TRANS-CAPITAL INDUSTRIES (DOTT INDUSTRIES)
\$6,000,000.00 PROPOSED INVESTMENT

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 Trans-Capital Industries (Dott Industries) to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Trans-Capital Industries (Dott Industries) 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 Trans-Capital Industries (Dott Industries) 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

Whereas, The Board has received a request from the Borrower (Trans-Capital Industries (Dott Industries) that the Board name a representative (the Board's representative) to sit on the Trans-Capital Industries (Dott Industries) Board, Therefore Be It

Resolved, That the Board selects **Jeffrey Pegg** as the Board's representative, and be it further

Resolved, That a copy of this resolution be forwarded to Trans-Capital Industries (Dott Industries), the Accounting Division of the Retirement System and Special Legal Counsel to be selected by the Board:

YEAS – TRUSTEES BANDEMER, BEASLEY, COLLINS, FREEMAN, MILTON, MOORE,
PEGG, STEWART AND CHAIRMAN BEST – 9

NAYS – TRUSTEE ORZECH -1

TRUSTEE **SCOTT** RE-JOINED THE MEETING.

ORLEANS CAPITAL/SIMMONS INTERNATIONAL
\$30,000,000.00 PROPOSED INVESTMENT

BY MR. MOORE – 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

ORLEANS CAPITAL/SIMMONS INTERNATIONAL

\$30,000,000.00 PROPOSED INVESTMENT

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 Orleans Capital/Simmons International that Orleans Capital/Simmons International 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 Orleans Capital/Simmons International 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, Orleans Capital/Simmons International, 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 Orleans Capital/Simmons International 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

ORLEANS CAPITAL/SIMMONS INTERNATIONAL

\$30,000,000.00 PROPOSED INVESTMENT

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 Orleans Capital/Simmons International to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Orleans Capital/Simmons International 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 Orleans Capital/Simmons International 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 Orleans Capital/Simmons International, the Accounting Division of the Retirement System and Special Legal Counsel to be selected by the Board:

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

NAYS – NONE

INCOME, RESEARCH & MANAGEMENT
COMMERCIAL MORTGAGE-BACKED SECURITIES
\$30,000,000.00 PROPOSED INVESTMENT

BY MR. ORZECH – SUPPORTED BY MR. SCOTT

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

INCOME, RESEARCH & MANAGEMENT

COMMERCIAL MORTGAGE-BACKED SECURITIES
\$30,000,000.00 PROPOSED INVESTMENT

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 Income, Research & Management that Income, Research & Management 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 Income, Research & Management 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, Income, Research & Management, 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 Income, Research & Management 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

INCOME, RESEARCH & MANAGEMENT

COMMERCIAL MORTGAGE-BACKED SECURITIES
\$30,000,000.00 PROPOSED INVESTMENT

Resolved, That upon the Board selecting Special Legal Counsel regarding this matter, arrangements be made for Income, Research & Management to escrow funds for payment of all costs and expenses, and be it further

Resolved, That the foregoing is also conditioned upon Income, Research & Management 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 Income, Research & Management 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 Income, Research & Management, the Accounting Division of the Retirement System and Special Legal Counsel to be selected by the Board:

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

NAYS – NONE

CLOSED SESSION

BY MR. ORZECH – SUPPORTED BY MR. BEASLEY

Resolved, That the Board enter into Closed Session for the purpose of discussing medical matters involving Gregory Davis' request to return to work:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board entered into Closed Session at **2:47 P.M.**

OPEN SESSION

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Resolved, That the Board return to Open Session:

OPEN SESSION

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board returned to Open Session at **2:50 P.M.**

MAYFIELD GENTRY REALTY ADVISORS
CROSSROADS BUSINESS PARK, RALEIGH, NC

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

WHEREAS, THE BOARD HAS BEEN INFORMED THAT THE PREVIOUSLY APPROVED ACQUISITION OF THE AMERICAN EXPRESS BUILDING, PHOENIX II WILL NOT BE COMPLETED BECAUSE OF THE SELLER'S WITHDRAWAL OF THE OFFER TO SELL AND IS IN RECEIPT OF A PRESENTATION (THE PROPOSED ACQUISITION OF THE CROSSROADS BUSINESS PARK, RALEIGH, NC) IN THE AMOUNT OF \$59,000,000.00 (WITH A \$29,000,000.00 MORTGAGE) AND

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

RESOLVED, THAT THE BOARD APPROVES THE PROPOSAL SUBJECT TO THE USUAL CONDITIONS AND PROCEDURES AND APPROVAL OF DOCUMENTATION BY THE BOARD'S GENERAL COUNSEL, ETC. AS A REPLACEMENT FOR THE PREVIOUSLY PROPOSED AND CONDITIONALLY ACCEPTED AMERICAN EXPRESS BUILDING, PHOENIX II PROPOSAL AND BE IT FURTHER

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

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

NAYS – NONE

PUBLIC FORUM

AT **3:00 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 **3:10 P.M.** UNTIL THURSDAY, **JANUARY 17, 2008** 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