

MEETING NUMBER 2667

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



PROCEEDINGS HELD THURSDAY, FEBRUARY 14, 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	Ex/Officio Trustee/Councilperson
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
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 9:08 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

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: MCRAE GROUP OF COMPANIES
Date: FEBRUARY 13, 2008
Fund Name: NEAL & FM 548-1076 (MANN 1100)
Capital Call/Draw: \$1,118,500.00

Firm: SYNDICATED COMMUNICATIONS
Date: February 7, 2008
Fund Name: SYNDICATED COMMUNICATIONS VENTURE PARTNERS V, L.P.
Capital Call/Draw: \$163,383.00

CAPITAL CALLS/DRAWS

YEAS – TRUSTEES COLLINS, FREEMAN, ORZECH, STEWART AND CHAIRMAN
BEST – 5

NAYS – NONE

OPTION CHANGE AND DUTY DISABILITY RETIREMENT CONVERSION

BY MR. STEWART – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE OPTION CHANGE REQUEST AND DUTY DISABILITY
RETIREMENT CONVERSION WHICH ARE REFERENCED BELOW BE APPROVED:

YEAS – TRUSTEES COLLINS, FREEMAN, ORZECH, STEWART AND CHAIRMAN
BEST – 5

NAYS – NONE

OPTION CHANGE REQUEST
DUTY DISABILITY RETIREMENT CONVERSION

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

* OPTION CHANGE FROM STRAIGHT LIFE TO 3 WITH POP-UP B

NAME, TITLE, DEPARTMENT	CAROLYN EASLEY – OFFICER - POLICE
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 03 01 08

TRUSTEE DOYLE ENTERED THE MEETING.

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. DOYLE

RESOLVED, THAT THE DISBURSEMENTS (\$8,322,949.71) AND RECEIPTS (\$1,254,009.17) WHICH ARE REFERENCED BELOW BE CONFIRMED:

YEAS – TRUSTEES COLLINS, DOYLE, FREEMAN, ORZECH, AND CHAIRMAN
BEST – 5

NAYS – NONE

ABSTAIN – TRUSTEE STEWART – 1

SUMMARY OF DISBURSEMENTS

THE BOARD DISBURSED THE SUM OF \$2,179,712.50 ON FEBRUARY 8, 2008 TO
FUND PARAMOUNT LIMITED – INITIAL FUNDING

THE BOARD DISBURSED THE SUM OF \$2,721,067.00 ON FEBRUARY 8, 2008 TO
FUND BLACK EAGLE – INITIAL FUNDING

THE BOARD DISBURSED THE SUM OF \$325,000.00 ON FEBRUARY 8, 2008 TO
FUND SG CAPITAL – DRAW 2

THE BOARD DISBURSED THE SUM OF \$14,000.00 ON FEBRUARY 8, 2008 TO
PAY NORTH POINT ADVISORS' DUE DILIGENCE FEES FOR TRANS-CAPITAL

THE BOARD DISBURSED THE SUM OF \$327.00 – GENERAL FUND CHECK-WRITE
FEES

THE BOARD DISBURSED THE SUM OF \$1,534,500.00 ON FEBRUARY 11, 2008
TO FUND ORACLE – DRAW 8

THE BOARD DISBURSED THE SUM OF \$87,037.03 ON FEBRUARY 11, 2008 TO
PAY ADVENT'S 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$1,025,474.42 ON FEBRUARY 12, 2008 -
FIRST INDEPENDENCE BANK – LIST NUMBER 3266

THE BOARD DISBURSED THE SUM OF \$68,677.52 ON FEBRUARY 12, 2008 TO
PAY EARNEST PARTNERS' 2007 FOURTH QUARTER FEES

SUMMARY OF DISBURSEMENTS

THE BOARD DISBURSED THE SUM OF \$21,815.00 ON FEBRUARY 12, 2008 TO PAY BLACK ROCK'S 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$93,435.80 ON FEBRUARY 12, 2008 TO PAY CHICAGO EQUITY PARTNERS' 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$164,610.15 ON FEBRUARY 12, 2008 TO PAY FISHER INVESTMENT'S 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$41,927.73 ON FEBRUARY 12, 2008 TO PAY INCOME, RESEARCH & MANAGEMENT'S 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$40,657.43 ON FEBRUARY 12, 2008 TO PAY PUGH CAPITAL'S 2007 FOURTH QUARTER FEES

THE BOARD DISBURSED THE SUM OF \$4,708.13 ON FEBRUARY 12, 2008 TO PAY PEGASUS IMAGING - LICENSES AND TECHNICAL SUPPORT FEES

SUMMARY OF RECEIPTS

THE BOARD RECEIVED THE SUM OF \$16,791.66 ON FEBRUARY 6, 2008 FROM ONE KENNEDY SQUARE

THE BOARD RECEIVED THE SUM OF \$7,786.85 ON FEBRUARY 6, 2008 FROM CHURCHILL MORTGAGE - JANUARY, 2008 CONSTRUCTION LOAN INTEREST

THE BOARD RECEIVED THE SUM OF \$438,020.00 ON FEBRUARY 8, 2008 FROM LIBERTY MUTUAL ENERGY III

THE BOARD RECEIVED THE SUM OF \$15,101.32 ON FEBRUARY 8, 2008 FROM THE COLUMNS OF KENTUCKY - JANUARY, 2008 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$24,910.33 ON FEBRUARY 8, 2008 FROM THE TRELLISES OF KENTUCKY - JANUARY, 2008 DISTRIBUTION

THE BOARD RECEIVED THE SUM OF \$16,150.94 ON FEBRUARY 8, 2008 FROM THE GENERAL RETIREMENT SYSTEM - COUZENS LANSKY REIMBURSEMENT

THE BOARD RECEIVED THE SUM OF \$20,311.34 ON FEBRUARY 8, 2008 FROM THE GENERAL RETIREMENT SYSTEM - MC TEVIA & ASSOCIATES REIMBURSEMENT

SUMMARY OF RECEIPTS

THE BOARD RECEIVED THE SUM OF \$101,159.96 ON FEBRUARY 8, 2008 FROM THE GENERAL FUND – WEEKLY ANNUITY CONTRIBUTION

THE BOARD RECEIVED THE SUM OF \$55,000.00 ON FEBRUARY 11, 2008 FROM TRADE WIND AIRLINES – DUE DILIGENCE – LEGAL

THE BOARD RECEIVED THE SUM OF \$48,168.19 ON FEBRUARY 11, 2008 FROM THE KALES BUILDING

THE BOARD RECEIVED THE SUM OF \$355,110.21 ON FEBRUARY 11, 2008 FROM MMA REALTY CAPITAL – JANUARY, 2008 CONSTRUCTION LOAN INTEREST

THE BOARD RECEIVED THE SUM OF \$155,498.37 ON FEBRUARY 11, 2008 FROM MMA REALTY CAPITAL – JANUARY, 2008 CONSTRUCTION LOAN INTEREST

TRUSTEE PEGG ENTERED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – 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 #3267, IN THE AMOUNT OF \$877,994.03, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES COLLINS, DOYLE, FREEMAN, ORZECH, PEGG, AND
CHAIRMAN BEST – 6

NAYS – NONE

MINUTES OF JANUARY 24, 2008

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JANUARY 24, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES COLLINS, DOYLE, FREEMAN, ORZECH, PEGG, AND
CHAIRMAN BEST – 6

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. STEWART – SUPPORTED BY MR. ORZECH

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 – FEBRUARY 1, 2008 - \$230.71 – POLICE AND FIRE PORTION OF \$461.42 – SUPPLIES

CREDIT SUISSE – FEBRUARY 13, 2008 - \$33,636.99 – 2007 FOURTH QUARTER FEES

DELL MARKETING – JANUARY 30, 2008 - \$282.47 – POLICE AND FIRE PORTION OF \$564.94 – SUPPLIES

BILL PAYMENT REQUESTS

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

DIMENSIONAL FUND ADVISORS – FEBRUARY 1, 2008 - \$154,403.32
– 2007 FOURTH QUARTER FEES

ELECTRONIC SECURITY SYSTEMS – JANUARY 14, 2008 - \$140,95 –
POLICE AND FIRE PORTION OF \$281.89 – LOCKSMITH LABOR

HUDSON & MUMA – JANUARY 26, 2008 - \$5,872.00 –
MISCELLANEOUS EXPENSES FOR TERM BEGINNING FEBRUARY 28,
2008 AND TERMINATING FEBRUARY 28, 2008

HSBC – JANUARY 25, 2008 - \$87,946.46 – 2007 FOURTH QUARTER
FEES

HSBC – JANUARY 25, 2008 - \$19,948.10 – 2007 FOURTH QUARTER
FEES

INLAND PRESS – OCTOBER 31, 2007 - \$15,483.00 –
MISCELLANEOUS EXPENSES

SH & E – FEBRUARY 8, 2008 - \$7,500.00 – APPRAISAL FEES/TRADE
WIND AIRLINES, INC.

TAPPERT COURT REPORTING – OCTOBER 10, 2005 - \$52.00 –
ANDREW JACKSON TRANSCRIPT PREPARATION

TECH DEPOT – JANUARY 31, 2008 - \$536.58 – POLICE AND FIRE
PORTION OF \$1,073.15 – SUPPLIES

TRANSAMERICA – JANUARY 2, 2008 - \$68,476.00 – 2007 FOURTH
QUARTER FEES

BILL PAYMENT REQUESTS

YEAS – TRUSTEES COLLINS, DOYLE, FREEMAN, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 7

NAYS – NONE

CASH MANAGEMENT

By Mr. Stewart – Supported by Mr. Orzech

WHEREAS, Staff has advised the Board on this date that \$80 million is required to fund benefits, expenses, new investments and replenish the short-duration money market component account, and

WHEREAS, The Board has reviewed the recommendation of North Point Advisors, the Board's retained consultant, with respect to the accounts and amounts of withdrawals to be made to meet the cash needs of the system, and

WHEREAS, The Board has discussed this matter with staff on this date, Therefore be it

RESOLVED, That the following withdrawals be made prior to February 29, 2008, and be it further

RESOLVED, That a copy of this resolution be forwarded to Payden & Rygel, TransAmerica, Trust Company of the West, Dimensional Fund Advisors, The Bank of New York Mellon, North Point Advisors, and the Accounting Division of the Retirement System:

Payden & Rygel Government Bonds	\$10,000,000.00
TransAmerica	\$30,000,000.00
Trust Company of the West	\$10,000,000.00
Dimensional Fund Advisors	\$10,000,000.00
Bank of New York Mellon	\$10,000,000.00

CASH MANAGEMENT

Oppenheimer \$10,000,000.00

Yeas – Trustees Collins, Doyle, Freeman, Orzech, Pegg, Stewart
And Chairman Best – 7

Nays – None

TRUSTEE MOORE ENTERED THE MEETING.

CLARK ET AL & RETIRED POLICE & FIREFIGHTERS' ASSOCIATION ET
AL VERSUS THE CITY OF DETROIT BOARD OF TRUSTEES ET AL
WAYNE CIRCUIT CASE NO. 82-235598-CL

BY MR. ORZECH – SUPPORTED BY MR. DOYLE

Resolved, That all petitions of said pre-July 1, 1983 and pre-July 1, 1986 (as applicable) Option II and Option III retirants, whose beneficiaries pre-deceased the retirants, for adjustment of retirement benefits to a Straight Life retirement be granted effective the first day of the month following the date of application and procedures be followed otherwise identical to the processing and computation for adjustments made to divorced Option II and Option III retirants pursuant to domestic relations court orders:

ROBERT F. HAYES

BENEFICIARY'S DEATH: JANUARY 20, 2008

APPLICATION FILED: JANUARY 27, 2008

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

NAYS – NONE

TRUSTEE MILTON ENTERED THE MEETING.

TRUSTEE BEASLEY ENTERED THE MEETING.

MILESTONE REALTY

MARTY WEST AND TWO ASSOCIATES APPEARED BEFORE THE BOARD, DISCUSSED REAL ESTATE INVESTMENT CONSULTING AND PERFORMANCE MONITORING SERVICES AND THEN EXCUSED THEMSELVES.

TRUSTEE BANDEMER ENTERED THE MEETING.

TRUSTEE FREEMAN EXCUSED HERSELF.

TOTAL MERRILL

MARK HOLOWICKI, CHARLES O'CONNOR, SR. AND CHARLES O'CONNOR, JR. APPEARED BEFORE THE BOARD, DISCUSSED A COMMODITIES PROPOSAL (EFT AND ALPHA-SEEKING STRATEGY) AT LENGTH AND THEN EXCUSED THEMSELVES.

EARNEST PARTNERS

JESSIE MAGEE AND TREY GREER APPEARED BEFORE THE BOARD, DISCUSSED PERFORMANCE AT LENGTH AND THEN EXCUSED THEMSELVES.

TRUSTEE FREEMAN RE-JOINED THE MEETING DURING EARNEST PARTNER'S DISCUSSION.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING LENATURE'S, TRADE WIND AIRLINES, UBS/MILLER JACOBS, SIRF TECHNOLOGY HOLDINGS,

LEGAL COUNSEL'S REPORTS

INC., VERIFONE HOLDINGS, YAHOO, INC. AND CRAWFORD
VERSUS CRAWFORD.

YAHOO, INC.

BY MR. MOORE - SUPPORTED BY MR. DOYLE

WHEREAS, The Board has approved retaining Bernstein Litowitz
Berger & Grossmann (BLBG) as Special Legal Counsel with
respect to certain matters involving Yahoo, Inc., and

WHEREAS, BLBG has requested that the System segregate a
small number of shares to be held pending the conclusion of the
case, and

WHEREAS, Staff has advised the Board that some, if not all, of
the System's holdings of Yahoo shares are likely to be out on
loan through the System's securities lending program managed
by The Bank of New York Mellon, Therefore Be It

RESOLVED, That General Counsel be directed to contact BLBG to
determine what impact, if any, the lending of the System's
holdings of Yahoo, Inc. will have on the action being pursued by
BLBG, and be it further

RESOLVED, That staff be directed to instruct The Bank of New
York Mellon to recall from loan any shares of Yahoo, Inc. if the
lending of said shares will impact the action being pursued by
BLBG, and be it further

RESOLVED, That a copy of this resolution be forwarded to the
Board's Special Legal Counsel, Bernstein, Litowitz, Berger and
Grossmann, The Bank of New York Mellon, and the Accounting
Division of the Retirement System:

YAHOO, INC.

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman,
Milton, Moore, Orzech, Pegg, Stewart and Chairman Best
- 11

Nays – None

YAHOO, INC.

BY MR. DOYLE - SUPPORTED BY MR. STEWART

WHEREAS, THE POLICE AND FIRE RETIREMENT SYSTEM OWNS 81,454
SHARES OF YAHOO, INC. STOCK, AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN HAS
REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE
MERITS OF A CASE AGAINST YAHOO, INC., AND

WHEREAS, BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN HAS
INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN
FILING A BREACH OF DUTY CLASS ACTION LAWSUIT ON BEHALF OF
YAHOO, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO FILE A BREACH
OF DUTY CLASS ACTION LAWSUIT ON BEHALF OF YAHOO,
THEREFORE BE IT

RESOLVED, THAT THE BOARD FILE A BREACH OF DUTY CLASS
ACTION LAWSUIT ON BEHALF OF YAHOO REGARDING THIS MATTER,
AND BE IT FURTHER

RESOLVED, THAT BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN
BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS
MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF
RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT 14
MEETING NUMBER 2667 - THURSDAY - FEBRUARY 14, 2008
RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO
BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN:

YAHOO, INC.

Yeas - Trustees Bandemer, Beasley, Collins, Doyle, Freeman,
Milton, Moore, Pegg, Stewart and Chairman Best - 10

Nays - Trustee Orzech - 1

SIRF TECHNOLOGY HOLDINGS, INC.

BY MR. STEWART - SUPPORTED BY MR. BANDEMER

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY
\$1,257,600.00 IN LOSSES FROM THE PURCHASE OF APPROXIMATELY
65,110 SHARES OF SIRF TECHNOLOGY HOLDINGS, INC. STOCK, AND

WHEREAS, KIRBY MCINERNEY HAS REPORTED TO THE BOARD
REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST
SIRF TECHNOLOGY HOLDINGS, INC., AND

WHEREAS, KIRBY MCINERNEY HAS INQUIRED WHETHER THE
RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD
PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A
LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY
THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF
REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT KIRBY MCINERNEY BE RETAINED TO REPRESENT
THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT
REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION
MATTERS, AND BE IT FURTHER

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT 15
MEETING NUMBER 2667 - THURSDAY - FEBRUARY 14, 2008
RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO
KIRBY MCINERNEY:

SIRF TECHNOLOGY HOLDINGS, INC.

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman,
Milton, Moore, Orzech, Pegg, Stewart and Chairman Best
- 11

Nays – None

COURTLAND PARTNERS

MICHAEL HUMPHREY, MICHAEL MURPHY AND BEN
BLAKNEY APPEARED BEFORE THE BOARD, DISCUSSED REAL
ESTATE INVESTMENT CONSULTING AND PERFORMANCE
MONITORING SERVICES AND THEN EXCUSED THEMSELVES.

TRADE WIND AIRLINES, INC.

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) and the Board of Trustees of the General Retirement System of the City of Detroit (the “GRS Board”) (hereinafter, collectively, the Board and the GRS Board shall be referred to as the “Boards”) each previously approved, subject to completion of legal and final business due diligence, a \$15,000,000 loan secured by all assets of the Trade Wind Airlines (the Borrower) including, but not limited to, the aircraft, engines and spare parts, and

WHEREAS, The transaction documents require, inter alia, that the Boards select an (i) administrative agent and collateral agent who shall, among other things, (i) receive the loan payments on behalf of the Boards, (ii) receive notices under the transaction

documents, and (iii) act on behalf of the Boards as set forth in the transaction documents, and

TRADE WIND AIRLINES, INC.

WHEREAS, The Boards' interests in the aircraft related collateral will be registered with the FAA Registry and the International Registry, maintained pursuant to the Cape Town Convention, which governs the international registration for individuals or entities having an interest in aircraft, and

WHEREAS, It is the standard practice for lenders, such as the Boards, to appoint an agent to establish and maintain accounts with the International Registry for receipt of notices on behalf of such lenders, and

WHEREAS, The Board's FAA Counsel, McAfee & Taft, has an affiliate, MT Cape Town Services, LLC, which has assisted over 1000 individuals and entities in establishing and maintaining accounts with the International Registry, and

WHEREAS, General Counsel recommends, and Joe Turner, of Clark Hill PLC (the Board's Special Legal Counsel) concurs, that the Board serves as Administrative Agent and Collateral Agent for the Boards, and

WHEREAS, The Special Legal Counsel recommends, and General Counsel concurs, that the Board selects MT Cape Town Services, LLC as the Board's International Registry Agent for the five (5) year term of the financing for an estimated fee not exceeding \$3,000, such fee shall be paid by the Borrower and/or Project Sponsor, and

WHEREAS, The Board has considered this matter, and
THEREFORE BE IT

RESOLVED, That the Board accepts the recommendation of General Counsel and selects the Board as Administrative Agent and Collateral Agent for the Boards with respect to the transaction documents, and be it further

TRADE WIND AIRLINES, INC.

RESOLVED, That a copy of this resolution be forwarded to Trade Wind Airlines, Inc., Watkins Aviation, the Board's Advisor, the Board's Special Legal Counsel and the Accounting Division of the Retirement System:

Yeas - Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore and Stewart - 8

Nays - Trustees Orzech, Pegg and Chairman Best - 3

TRADE WIND AIRLINES, INC.

BY MR. BANDEMER - SUPPORTED BY MR. DOYLE

WHEREAS, The Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") and the Board of Trustees of the General Retirement System of the City of Detroit (the "GRS Board") each previously approved the above-referenced investment, subject to a favorable due diligence report from North Point Advisors (the "Board's Advisor") and a legal review from Clark Hill, PLC (the "Board's Special Legal Counsel"), and

WHEREAS, Special Legal Counsel approves the documentation subject to finalization of the documents by the Project Sponsor/Special Legal Counsel with final approval thereof by Special Legal Counsel and General Counsel, and

WHEREAS, The Board's Advisor has submitted a favorable due diligence report which is acceptable to the Board, and

WHEREAS, The Board has considered this matter in open session, NOW THEREFORE BE IT

TRADE WIND AIRLINES, INC.

RESOLVED, That the Board hereby approves the signing of the closing documents (the Closing Documents), subject to the (i) review and final approval by Special Legal Counsel and General Counsel, and (ii) the Board's acceptance of a final due diligence report from the Board's Advisor. The Closing Documents shall include, but are not limited to, the following:

Second Amended and Restated Credit Agreement;
Assignment Agreement;
Stock Issuance Agreement; and
Shareholders Agreement

RESOLVED, That the Board authorizes (i) two (2) authorized signers (consistent with Board policy) to execute the Closing Documents and any documentation required by Special Legal Counsel and General Counsel to consummate the closing on the investment, and (ii) Special Legal Counsel to deliver said Closing Documents, and be it further

RESOLVED, That the Board hereby approves the funding of the investment and authorizes up to a Fifteen Million and no/100 Dollar (\$15,000,000.00) wire transfer to the Borrower or such portion thereof to the parties as set forth in the Disbursement Request which shall be completed consistent with the Board's policy, subject to (i) the Project Sponsor and Borrower complying with the pre-closing conditions and policies of the Board, and (ii) the GRS Board contemporaneously funding its \$15,000,000 loan, and be it further

RESOLVED, That a copy of this resolution be forwarded to Trade Wind Airlines, Inc., the Board's Advisor, the Board's Special

Legal Counsel and the Accounting Division of the Retirement System:

TRADE WIND AIRLINES, INC.

Yeas - Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore and Stewart - 8

Nays - Trustees Orzech, Pegg and Chairman Best - 3

LENATURE'S

BY MR. ORZECH - SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON FEBRUARY 7, 2008 WHICH UNDERTOOK AN ARRANGEMENT TO BE A PLAINTIFF IN THE PROPOSED LITIGATION, AGREE TO A CONTINGENCY FEE AGREEMENT AND CONTRIBUTE TO LEGAL COSTS ESTIMATED TO BE LESS THAN \$10,000.00, AND

WHEREAS, NEW INFORMATION MADE AVAILABLE TO THE BOARD REVISES THE ESTIMATE TO \$30,000.00, AND

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

RESOLVED, THAT THE BOARD DECLINE TO PARTICIPATE IN THIS PROPOSED LITIGATION:

Yeas - Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best

- 11

Nays - None

AMBAC FINANCIAL GROUP, INC.

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON FEBRUARY 7, 2008 APPROVING KOHN, SWIFT AND GRAF AS SPECIAL LEGAL COUNSEL AND FILING A DERIVATIVE CASE REGARDING THE ABOVE-NAMED CORPORATION, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A RETAINER AGREEMENT WHICH PROVIDES FOR A CONTINGENCY FEE ARRANGEMENT AND COSTS TO BE PAID BY SPECIAL LEGAL COUNSEL, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE THE RETAINER FEE AGREEMENT DATED FEBRUARY 12, 2008, AND

WHEREAS, SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED BY THE RETIREMENT SYSTEM'S GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE FEE AGREEMENT BE EXECUTED BY TWO (2) SIGNATORIES ON BEHALF OF THE RETIREMENT SYSTEM AND A COPY OF SAID EXECUTED FEE AGREEMENT BE FAXED AND FORWARDED TO KOHN, SWIFT AND GRAF, ATTENTION: DENNIS SHEILS:

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

NAYS – NONE

MBIA, INC.

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON FEBRUARY 7, 2008 APPROVING KOHN, SWIFT AND GRAF AS SPECIAL LEGAL COUNSEL AND FILING A DERIVATIVE CASE REGARDING THE ABOVE-NAMED CORPORATION, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A RETAINER AGREEMENT WHICH PROVIDES FOR A CONTINGENCY FEE ARRANGEMENT AND COSTS TO BE PAID BY SPECIAL LEGAL COUNSEL, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE THE RETAINER FEE AGREEMENT DATED FEBRUARY 12, 2008, AND

WHEREAS, SAID DOCUMENT HAS BEEN REVIEWED AND APPROVED BY THE RETIREMENT SYSTEM'S GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE FEE AGREEMENT BE EXECUTED BY TWO (2) SIGNATORIES ON BEHALF OF THE RETIREMENT SYSTEM AND A COPY OF SAID EXECUTED FEE AGREEMENT BE FAXED AND FORWARDED TO KOHN, SWIFT AND GRAF, ATTENTION: DENNIS SHEILS:

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

NAYS – NONE

SMITH BARNEY

BRUCE BALLARD AND AN ASSOCIATE APPEARED BEFORE THE BOARD, DISCUSSED 2007 FOURTH QUARTER MANAGER PERFORMANCE AND THEN EXCUSED THEMSELVES.

MANAGED ACCOUNTS

By Mr. Orzech – Supported by Mr. Bandemer

WHEREAS, The Board has been made aware of the potential compromise of certain confidential information related to one of its managed accounts, and

WHEREAS, The Board has discussed this matter with staff on this date, Therefore Be It

RESOLVED, That staff be directed to contact The Bank of New York Mellon with respect to what preventive and corrective action should be taken, and be it further

RESOLVED, That a copy of this resolution be IMMEDIATELY forwarded to The Bank of New York Mellon and the Accounting Division of the Retirement System:

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best

- 11

Nays – None

CONFERENCES

By Mr. Moore – Supported by Mr. Doyle

Resolved, That the Board approve the attendance of all Trustees, the Executive Secretary, the Assistant Executive Secretary, General Counsel and Special Legal Counsel at the below-referenced conferences, and be it further

Resolved, That the Board approve expenditures for all Trustees, the Executive Secretary, the Assistant Executive Secretary, General Counsel and Special Legal Counsel to attend said conferences:

Prudential Real Estate Conference
North Carolina
May 12, 2008 – May 16, 2008

GSC Annual Meeting
New York
April 24, 2008

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

NAYS – NONE

CONFERENCES

By Mr. Moore – Supported by Mr. Doyle

Resolved, That the Board approve the attendance of its Investment Analyst at the below-referenced conferences:

CONFERENCES

Prudential Real Estate Conference
North Carolina
May 12, 2008 – May 16, 2008

GSC Annual Meeting
New York
April 24, 2008

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

NAYS – NONE

Pre-Employment Military Service Credit

By Mr. Bandemer – Supported by Mr. Stewart

Whereas, The individuals whose names are designated below have applied to this Board for Pre-Employment Military Service Credit and have complied with all of the necessary requirements of Section 54-30-3-B of the Charter Provisions, as amended by Board resolution of February 3, 1983, Therefore Be It

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be credited them as membership service credit subject to the

conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

Michael Lawrence Brown – Police Department

Pre-Employment Military Service Credit

Michael Fudge – Police Department

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

NAYS – NONE

REQUEST OF RALPH SLEZAK

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, RALPH SLEZAK HAS PRESENTED THE BOARD WITH A FEBRUARY 7, 2008 REQUEST TO RECEIVE A REFUND OF THE MILITARY SERVICE CREDIT HE PURCHASED IN EXCESS OF 35 YEARS, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. SLEZAK BE APPROVED:

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

NAYS – NONE

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

BY MS. COLLINS – SUPPORTED BY MR. BEASLEY

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

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

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 Loop Capital Markets that Loop Capital Markets 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

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

Resolved, That subject to the provisions as stated in this resolution, the Board hereby conditionally approves the proposed investment, and indicates its intention to complete the transaction provided all requirements of the Board are met by Loop Capital Markets 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, Loop Capital Markets, 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 Loop Capital Markets 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

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

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

Resolved, That the foregoing is also conditioned upon Loop Capital Markets 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 Loop Capital Markets 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 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 Loop Capital Markets, and

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

Whereas, The Board notes the possibility that preliminary legal services regarding the transaction may result in findings that Loop Capital Markets 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 Clark Hill 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 Loop Capital Markets providing the Assistant Administrative Supervisor with written confirmation that Loop Capital Markets 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 Loop Capital Markets will provide funds for costs, expenses and legal services, and be it further

Resolved, That Special Legal Counsel submit itemized billings to Loop Capital Markets 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 Loop Capital

Markets 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

LOOP CAPITAL MARKETS
MUNICIPAL NOTES (FIVE YEARS/FIXED)
\$30,000,000.00 PROPOSED INVESTMENT

Resolved That the Board's Consultant, North Point Advisors, be requested to provide the Board with a funding source for this proposed investment, and be it further

Resolved, That a copy of this resolution be provided to Loop Capital Markets, the Board's Special Legal Counsel, Clark Hill, the Board's Consultant, North Point Advisors, and the Accounting Division of the Retirement System:

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best – 11

Nays – None

PITG GAMING, LLC

BY MS. COLLINS – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT DON BARDEN AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FEBRUARY 21, 2008 FOR PRESENTATION PURPOSES (GAMING):

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best – 11

Nays – None

POLICE AND FIRE RETIREMENT SYSTEM 2007 ANNUAL REPORT

BY MR. MOORE – SUPPORTED BY MR. DOYLE

Whereas, The Board has been shown several different covers for the System's 2007 Annual Report and one cover was selected, and

Whereas, Per the resolution of the Board of Trustees on November 15, 2007 that the Board formally approve the selection of that cover, Therefore Be It

Resolved, That the Board of Trustees hereby approves the selection of the designated cover for the 2007 Annual Report:

Yeas – Trustees Bandemer, Beasley, Collins, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best – 11

Nays – None

PUBLIC FORUM

AT 2:30 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 2:35 P.M. UNTIL THURSDAY, FEBRUARY 21, 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