

MEETING NUMBER 2687

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



PROCEEDINGS HELD THURSDAY, JUNE 26, 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
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
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ABSENT

None

CHAIRPERSON

Gregory Best

VICE CHAIRPERSON

Marty Bandemer

ROLL CALL WAS TAKEN AT 9:00 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. MOORE – SUPPORTED BY MR. PEGG

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: MAYFIELD GENTRY REALTY ADVISORS

Date: JUNE 24, 2008

Fund Name: PFRS DUBLIN CORPORATION

Capital Call/Draw: \$98,708.79

Firm: SMITH WHILEY

Date: JUNE 20, 2008

Fund Name: SW PELHAM FUND III

Capital Call/Draw: \$43,512.00

CAPITAL CALLS/DRAWS

YEAS – TRUSTEES MOORE, ORZECH, PEGG, STEWART AND
CHAIRMAN BEST – 5

NAYS – NONE

RETIREMENTS

BY MR. MOORE – SUPPORTED BY MR. PEGG

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

YEAS – TRUSTEES MOORE, ORZECH, PEGG, STEWART AND CHAIR-
MAN BEST – 5

NAYS – NONE

RETIREMENTS

NAME, TITLE, DEPARTMENT	CYNTHIA CHEATOM – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 08 – 07 07 08

NAME, TITLE, DEPARTMENT	RAYVEN EVANS – CHILD OF DECEASED RAYCHELLE EVANS – OFFICER -POLICE
RETIREMENT, PLAN	NON-DUTY – CHILD - NEW
SERVICE CREDIT, EFFECTIVE DATE	13 08 18 – 06 07 08

NAME, TITLE, DEPARTMENT	PHILLIP RATLIFF – OFFICER – POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	21 02 25 – 07 08 08

RETIREMENTS

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN	ALMA MARTIN – FIRE FIGHTER - FIRE DUTY DISABILITY RETIREMENT CONVERSION – NEW*
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 02 07 08

*OPTION CHANGE TO OPTION TWO POP-UP B FROM OPTION TWO POP-UP
C

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN	THOMAS PHILLIPS – OFFICER - POLICE SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	36 01 06 – 07 12 08

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN	JERRY COOK – SERGEANT - FIRE DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	26 01 17 – 06 06 08

CONFIRMATIONS

BY MR. ORZECH – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE
DESIGNATED BELOW AND AT THE END OF THESE PROCEEDINGS
BE CONFIRMED:

RECEIPTS: \$5,078,606.12

DISBURSEMENTS: \$1,171,431.99

YEAS – TRUSTEES MOORE, ORZECH, PEGG, STEWART AND CHAIR-
MAN BEST – 5

NAYS – NONE

TRUSTEE FREEMAN ENTERED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. MOORE

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 #3280, IN THE AMOUNT OF \$176,600.99, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES FREEMAN, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

MINUTES OF THURSDAY, JUNE 5, 2008

BY MR. STEWART – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, JUNE 5, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES FREEMAN, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF THE FOLLOWING BILLINGS REQUESTING PAYMENT FOR SERVICES RENDERED, AND

BILL PAYMENT REQUESTS

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 – JUNE 6, 2008 - \$6,305.45 – PRINTING SERVICES

ADP – JUNE 13, 2008 - \$204.28 – PRINTING SERVICES

COUZENS LANSKY – JUNE 24, 2008 - \$8,210.81 – GVC WINSTAR SERVICES

DELL MARKETING – JUNE 2, 2008 - \$2,140.95 – COMPUTER SUPPLIES

FORMS TRAC – JUNE 19, 2008 - \$341.51 – ENVELOPE PURCHASE

FORMS TRAC – JUNE 19, 2008 - \$343.20 – ENVELOPE PURCHASE

GENERAL RETIREMENT SYSTEM – JUNE 30, 2008 - \$19,122.72 – CONTRACTUAL EMPLOYEE WAGES AND STAFF WAGE ADJUSTMENTS

GLOBAL “360” – MAY 28, 2008 - \$48,727.00 – SYSTEM LICENSES – JULY 1, 2008 THROUGH JUNE 30, 2009

GRAPHIC SCIENCES – MAY 30, 2008 - \$26,154.44 – SCANNING SERVICES

BILL PAYMENT REQUESTS

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

HOWARD & HOWARD – JUNE 18, 2008 - \$2,350.00 – GSC
PARTNERS SERVICES

IRON MOUNTAIN – MAY 31, 2008 - \$133.31 – STORAGE

LETTER PERFECT MAILING – JUNE 18, 2008 - \$552.79 – MAILING

MAYFIELD GENTRY REALTY ADVISORS – JUNE 25, 2008 -
\$223,020.33 – JUNE, 2008 MANAGEMENT FEES

MILESTONE REALTY SERVICES – JUNE 24, 2008 - \$9,375.00 – BUILD
VERSUS LEASE ANALYSIS

NORTH POINT ADVISORS – JUNE 23, 2008 - \$15,000.00 – TAILWIND
CAPITAL DUE DILIGENCE

O'NEAL, REGINALD – JUNE 16, 2008 - \$1,525.00 – EXAMINATION
FEES

PENSION BENEFIT INFORMATION – JUNE 16, 2008 - \$469.50 –
QUARTERLY FILE PROCESSING FEE

PREFERRED DATA SYSTEMS – MAY 31, 2008 - \$7,224.56 –
COMPUTER SUPPLIES

RELIABLE OFFICE SUPPLIES – JUNE 5, 2008 - \$245.74 – OFFICE
EQUIPMENT

RELIABLE OFFICE SUPPLIES – JUNE 6, 2008 - \$45.85 – OFFICE
SUPPLIES

BILL PAYMENT REQUESTS

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

THE WALL STREET JOURNAL – UNDATED - \$149.00 – SUBSCRIPTION
RENEWAL FOR TRUSTEE GEORGE ORZECH

WYCOM – MAY 14, 2008 - \$244.65 – MAINTENANCE RENEWAL –
JUNE 15, 2008 THROUGH JULY 15, 2009

XO COMMUNICATIONS – JUNE 1, 2008 - \$945.36 – INTERNET
ACCESS

YEAS – TRUSTEES FREEMAN, MOORE, ORZECH, PEGG, STEWART
AND CHAIRMAN BEST – 6

NAYS – NONE

TRUSTEE BANDEMER ENTERED THE MEETING.

JULY 3, 2008 BOARD MEETING CANCELLATION

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM
BOARD MEETING OF THURSDAY, JULY 3, 2008 BE CANCELLED
AND THE APPROPRIATE PARTIES BE NOTIFIED:

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

NAYS – NONE

LIGHTSTONE VALUE PLUS REAL ESTATE INVESTMENT TRUST, INC.

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

LIGHTSTONE VALUE PLUS REAL ESTATE INVESTMENT TRUST, INC.

Resolved, That the proxy for Lightstone Value Plus Real Estate Investment Trust, Inc. be forwarded to Courtland Partners for review and recommendation:

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

NAYS – NONE

First Independence National Bank
Escrow Account

By Mr. Orzech – Supported by Mr. Bandemer

WHEREAS, the Board is no longer required to maintain a separate escrow account in favor of First Independence National Bank to support the credit enhancement of the Book Cadillac development loan, therefore be it

RESOLVED, that all of the assets currently held in the First Independence escrow account (591385) be transferred to the retirement system's liquid reserve account (591355), and be it further

RESOLVED, that the First Independence escrow account (591385) be closed, and be it further

Resolved, that a copy of this resolution be forwarded to First Independence national bank and the Accounting division of the Retirement Systems:

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

NAYS – NONE

Global Transition Account

By Mr. Bandemer – Supported by Mr. Orzech

WHEREAS, staff has advised the Board that approximately \$5,000.00 in foreign currency holdings have accumulated in the global transition account (5913694), therefore be it

RESOLVED, that The Bank of New York Mellon, the System's master securities custodian, be directed to convert the foreign currencies to US Dollars, and be it further

RESOLVED, that once the foreign currencies have been converted to U.S. Dollars, the funds be transferred to the Retirement System's liquid reserve account (591355), and be it further

Resolved, that a copy of this resolution be forwarded to The Bank of New York Mellon and the Accounting division of the Retirement Systems:

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

NAYS – NONE

Nortel Networks Class Action Proceeds

By Mr. Orzech – Supported by Mr. Stewart

WHEREAS, the Board has received 5,313 shares of Nortel arising out of the settlement of class action litigation, and

WHEREAS, the shares have been received into the Calamos account (591344), and

Nortel Networks Class Action Proceeds

WHEREAS, Calamos has been terminated as an investment manager, therefore be it

RESOLVED, that the shares be sold, and be it further

RESOLVED, that Abel Noser be designated as the broker of record for the sale, and be it further,

RESOLVED, that once the sale of the shares has settled, the proceeds be transferred to the Retirement System's liquid reserve account (591355), and be it further

Resolved, that a copy of this resolution be forwarded to Calamos, Abel Noser and the Accounting division of the Retirement Systems:

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

NAYS – NONE

TRUSTEES MILTON AND SCOTT ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING GVC WINSTAR, YAHOO!, INC., PUBLIC ACT 314, LEHMAN BROTHERS HOLDINGS, INC., DOTT INDUSTRIES, SG CAPITAL GROUP, KEITH BROOKS AND TRADEWINDS AIRLINES, INC.

LEHMAN BROTHERS HOLDINGS, INC.

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

WHEREAS, THE SYSTEM HAS INCURRED LOSSES FROM THE PURCHASE OF LEHMAN BROTHERS HOLDINGS, INC. COMMON STOCK, AND

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

WHEREAS, KIRBY MCINERNEY, LLP 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, LLP 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

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO KIRBY MCINERNEY, LLP AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

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

NAYS – NONE

KEITH BROOKS AND ERNEST JARRETT VERSUS CITY OF DETROIT
POLICE AND FIRE RETIREMENT SYSTEM

BY MR. BANDEMER – SUPPORTED BY MR. SCOTT

RESOLVED, THAT THE ABOVE-DESIGNATED LAWSUIT BE REFERRED
TO CLARK HILL:

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

NAYS – NONE

TRADEWINDS AIRLINES, INC./CLOSED SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

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, FREEMAN, MILTON, MOORE, ORZECH, PEGG,
SCOTT, STEWART AND CHAIRMAN BEST – 9

NAYS – NONE

The Board entered into Closed Session at 10:35 A.M.

OPEN SESSION

BY MR. PEGG – SUPPORTED BY MR. ORZECH

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

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

NAYS – NONE

OPEN SESSION

The Board returned to Open Session at 10:58 A.M.

DURING CLOSED SESSION, GENERAL COUNSEL, SPECIAL COUNSEL AND TRUSTEE SCOTT DISCUSSED TRADEWINDS AIRLINES, INC. AT LENGTH.

TRUSTEE BEASLEY ENTERED THE MEETING.

SG CAPITAL GROUP

DERRON SANDERS AND ASSOCIATE JOSHUA GRIGGS DISCUSSED 2008 SECOND QUARTER PERFORMANCE AND KINGS POINTE APARTMENTS.

DOTT ACQUISITION, LLC

WILLIAM GRUITS AND AN ASSOCIATE DISCUSSED DOTT ACQUISITION, LLC.

\$6,000,000.00 Equity Investment: Dott Acquisition, LLC

By Mr. Stewart – Supported by Mr. Moore

WHEREAS, the Board had executed a Commitment dated March 13, 2008 to make a \$6,000,000.00 Equity Investment in Dott Acquisition, LLC (the "Company") subject to the Company satisfying all the conditions in the Commitment, one of which was that the contemplated three identified acquisitions to be completed within 60 days of the date of the Commitment, and

WHEREAS, in order to allow the Company to complete the three acquisitions, the Board, on March 26, 2008, wire transferred the \$6,000,000 to the Company via transfer to an attorney escrow account with the signed agreement by the Company's legal counsel that no withdrawal from said escrow account would be made unless authorized by the Retirement System's special legal counsel or general counsel, and

WHEREAS, the closings did not occur on the schedule provided for in the Commitment,

WHEREAS, the Board demanded the Company return the un-disbursed \$4,500,000 portion of the investment to the Board, and

WHEREAS, \$4,200,000 was wire transferred to the Board, and the Company

\$6,000,000.00 Equity Investment: Dott Acquisition, LLC

informed the Board that the \$300,000 balance would be returned as soon as the Company was able to liquidate a \$300,000 investment that was, and

WHEREAS, on June 26, 2008 the Company appeared before the Board to explain the above \$300,000 investment, and during its presentation, the Company offered in addition to immediately returning the Board's \$300,000, to pay to the Board \$30,000, which the Company stated to be its expected yield on the investment the Company had made, plus interest on the Board's \$300,000 at the rate of 7.8% per annum for a 90 day period, and

WHEREAS, the Board deems the aforesaid interest and/or fee to be considered a Commitment fee, and

WHEREAS, the Board has discussed this matter,

RESOLVED, that the Company's offer be accepted subject to the following conditions: (i) on or before June 30, 2008 the Company return the Board's \$300,000, pay to the Board the expected yield of \$30,000, and pay interest on the Board's \$300,000 at the rate of 7.8% per annum for a 90 day period, (ii) the two remaining acquisitions be closed by the Company not later than 45 days from the date of this resolution, (iii) that the Company escrow sufficient funds with the Board Executive Secretary to cover legal costs in connection with the two remaining closings, and (iv) that the remaining funds be wire transferred subject to all conditions and consistent with the Board's established procedures, subject to the written approval of the Board's special legal counsel, general legal counsel and Executive Secretary, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Company and the Accounting Division of the Retirement Systems, and be it further

RESOLVED, That the Company acknowledge in writing its agreement to the terms and conditions set forth in this resolution:

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

NAYS – TRUSTEES ORZECH, PEGG AND CHAIRMAN BEST – 3

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED INVESCOR AND TAILWIND CAPITAL.

TRAMMELL CROW AFFORDABLE APARTMENT PORTFOLIO
BANYAN REALTY ADVISORS, LLC

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

Whereas, The Board's policy is to assign Special Legal Counsel to certain matters, including certain investment transactions, and

Whereas, The Board has discussed this matter, Therefore Be It

Resolved, That F. Logan Davidson is hereby appointed Special Legal Counsel regarding this investment, and be it further

Resolved, That a copy of this resolution be forwarded to Banyan Realty Advisors, LLC, Special Legal Counsel, F. Logan Davidson, and the Accounting Division of the Retirement Systems:

YEAS – TRUSTEES BANDEMER, BEASLEY, FREEMAN, MILTON, MOORE,
ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 10

NAYS – NONE

TRUSTEE DOYLE ENTERED THE MEETING AND TRUSTEE SCOTT EXCUSED HIMSELF.

INVESCOR (LIFE SETTLEMENTS)
\$10,000,000.00 PROPOSED INVESTMENT

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

WHEREAS, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the "Board") has had the foregoing investment proposal under consideration, the basic and general proposed conditions of which are set forth in a presentation booklet and previously submitted written materials presented to the Board and discussed (this date) (and) (at previous meetings) to which certain modifications and additional requirements will be added by the Board or Advisors to the Board (per discussion between or with the Board members) (and/or) (per negotiations with project sponsors), and

INVECOR (LIFE SETTLEMENTS)
\$10,000,000.00 PROPOSED INVESTMENT

WHEREAS, the Board is in receipt of a June 26, 2008 report from its due diligence advisor, (the Board's Advisor), and

WHEREAS, the Board has indicated its willingness to further consider making the proposed investment, subject to additional conditions and terms which may be required by the Board per suggestion of the Board's due diligence advisor or Special Legal Counsel and/or General Counsel after further discussion with and review by the Board's Advisor, and after the Board's special legal counsel (Special Legal Counsel) commences the review/drafting/editing of [loan] [investment] transaction documents, and

WHEREAS, the Board's contingent further consideration of the proposed investment is also conditioned upon the understanding that the proposed transaction does not contemplate or generate Unrelated Business Taxable Income (UBTI) to the Retirement System as an investor, and

WHEREAS, the policy of the Board requires, inter alia, that:

A. All due diligence costs be paid by, or on behalf of, project sponsor/borrower/other applicable party which estimated costs are to be escrowed with the Retirement System prior to due diligence services being rendered by the due diligence advisor.

B. All legal costs be paid by, or on behalf of, project sponsor/borrower/other applicable party which estimated costs are to be escrowed with the Retirement System prior to such legal services being rendered by the Special Legal Counsel.

C. Special Legal Counsel be designated by the Board or general counsel.

D. No UBTI be applicable to the Retirement System.

E. Approval of wire transfers of amounts contemplated by transaction documents is subject (as applicable) to written approval by Special Legal Counsel, General Counsel and by, or on behalf of, the Executive Secretary or Assistant Executive Secretary.

F. This resolution indicates only the Board's further interest in making the proposed investment and does not constitute approval to make the investment; provided, however, the Board's policy is to complete the investment if all requirements of the Board are met.

INVECOR (LIFE SETTLEMENTS)
\$10,000,000.00 PROPOSED INVESTMENT

G. Project Sponsor [The applicable party] is responsible for payment of due diligence costs and legal fees even if the proposed investment is not completed by the Retirement System for any reason.

H. The Retirement System is subject to P.A. 314 of 1965 (MCLA 38.1132, et seq.) as amended (Act 314). The ability of the Retirement System to make the investment is subject to availability of funds consistent with statutory limitations. Project sponsor/borrower/applicable party has the obligation to be aware of statutory limitations and whether the Retirement System will be within Act 314 limitations.

I. Any modifications to the proposed investment will be made to comply with the Board's policies and any other requirements of the Board (developed with the assistance of the due diligence and/or Special Legal Counsel or General Counsel).

J. The project sponsor/borrower/applicable party must provide written acknowledgment of this resolution and agreement to the terms and requirements herein as a primary requirement of the process proceeding.

K. 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, Board's Advisor and Special Legal Counsel, if applicable, and approval as to form and content by General Counsel, and

L. Estimated costs of due diligence and legal services shall be escrowed by or on behalf of the Project Sponsor, prior to actions taken by the due diligence advisor and/or Special Legal Counsel, and

WHEREAS, upon the Board selecting Special Legal Counsel regarding this proposed investment, Special Legal Counsel may be submitting proposed modifications regarding the proposed transaction to protect the interests of the Retirement System, and

WHEREAS, the Board has discussed this matter, therefore be it

RESOLVED, that subject to the requirements as stated in this resolution, the Board conditionally approves the proposed investment, and indicates its

INVECOR (LIFE SETTLEMENTS)
\$10,000,000.00 PROPOSED INVESTMENT

intention to complete the transaction provided all requirements of the Board are met by applicable parties, subject to approval of final documents by Special Legal Counsel, General Counsel and the Board, and be it further

RESOLVED, that the foregoing is as indicated in item J. above is subject to receipt by the Board of written acknowledgment from proposed applicable party that said party has received a copy of this resolution and acknowledges and agrees to the conditions and requirements therein, and be it further

RESOLVED, that Joseph Turner of Clark Hill is hereby selected as Special Legal Counsel regarding this proposed investment, and be it further

RESOLVED, that a copy of this resolution be forwarded to the project sponsor/borrower/applicable party, the Board's Advisor (North Point Advisors), the Board's Special Legal Counsel (Clark Hill) and the Accounting Division of the Retirement Systems:

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

Nays – Trustees Orzech, Pegg and Chairman Best – 3

AF & T

BY MR. PEGG – SUPPORTED BY MR. STEWART

RESOLVED, THAT AF & T REPRESENTATIVES BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION (LITIGATION) PURPOSES:

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

NAYS – TRUSTEES BEASLEY AND MILTON – 2

PUBLIC FORUM/ADJOURNMENT

AT **1:38 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 **1:45 P.M.** UNTIL THURSDAY, **JULY 10, 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