

MEETING NUMBER 2702

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



PROCEEDINGS HELD THURSDAY, OCTOBER 9, 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/Chairperson
Gregory Best	Elected Trustee
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Jamie Fields	Ex/Officio Trustee
James Moore	Elected Trustee
Timothy Ngare	Ex/Officio Trustee/Treasurer
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee/Vice Chairperson
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

Marty Bandemer

VICE CHAIRPERSON

Jeffrey Pegg

ROLL CALL WAS TAKEN AT 9:03 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

RETIREMENT

BY MR. BEST – SUPPORTED BY MR. PEGG

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

YEAS – TRUSTEES BEST, FIELDS, MOORE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

RETIREMENT

NAME, TITLE, DEPARTMENT	RICHARD WALCHECK – OFFICER - POLICE
RETIREMENT, PLAN	CONVERTED DUTY DISABILITY RETIREMENT - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 09 08 08

CONFIRMATIONS

BY MR. BEST – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE

CONFIRMATIONS

REFERENCED AT THE END OF THESE PROCEEDINGS BE  
CONFIRMED:

YEAS – TRUSTEES BEST, FIELDS, MOORE, ORZECH, PEGG, SCOTT,  
STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

TRUSTEE NGARE ENTERED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BEST – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE CONTRIBUTIONS (INCLUDING INTEREST) TO  
THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND  
FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT BE REFUNDED  
PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER: 3291

REFUND AMOUNT: \$60,000.00

YEAS – TRUSTEES BEST, FIELDS, MOORE, ORZECH, PEGG, SCOTT,  
STEWART AND CHAIRMAN BANDEMER – 8

NAYS – NONE

MINUTES OF SEPTEMBER 18, 2008

MINUTES OF SEPTEMBER 25, 2008

BY MR. MOORE – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,  
SEPTEMBER 18, 2008 BE APPROVED AS RECORDED AND

MINUTES OF SEPTEMBER 18, 2008  
MINUTES OF SEPTEMBER 25, 2008

SUBMITTED BY THE BOARD'S RECORDING SECRETARY, AND BE IT FURTHER

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY, SEPTEMBER 25, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS - TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER - 9

NAYS - NONE

BILL PAYMENT REQUESTS

BY MR. ORZECH - SUPPORTED BY MR. BEST

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 - SEPTEMBER 26, 2008 - \$53.13 - SEPTEMBER, 2008  
PROCESSING CHARGES

CLARK HILL - SEPTEMBER 22, 2008 - \$16,434.83 - AUGUST, 2008  
SERVICES - EDS

BILL PAYMENT REQUESTS

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

CLARK HILL - SEPTEMBER 24, 2008 - \$6,789.55 - AUGUST, 2008  
SERVICES - TRADEWINDS AIRLINES, INC. BANKRUPTCY

CLARK HILL - SEPTEMBER 25, 2008 - \$4,570.93 - AUGUST, 2008  
SERVICES - LAFER LITIGATION

CLARK HILL - SEPTEMBER 25, 2008 - \$3,754.84 - AUGUST, 2008  
SERVICES - MISCELLANEOUS

CLARK HILL - SEPTEMBER 25, 2008 - \$1,972.43 - AUGUST, 2008  
SERVICES - FOIA REQUEST OF DETROIT NEWS

CLARK HILL - SEPTEMBER 22, 2008 - \$892.52 - AUGUST, 2008  
SERVICES - FOIA REQUEST OF WARNER NORCROSS

CLARK HILL - SEPTEMBER 22, 2008 - \$374.86 - AUGUST, 2008  
SERVICES - BROOKS/JARRETT LITIGATION

COURTLAND PARTNERS - SEPTEMBER 30, 2008 - \$12,500.00 -  
SEPTEMBER, 2008 SERVICES

DAVIDSON, F. LOGAN - OCTOBER 6, 2008 - \$3,795.00 - INVOICE  
FOR PREPARATION AND FILING OF CORPORATION TAX RETURNS  
FOR PFRS ROMULUS AND RDD INVESTMENT CORPORATIONS

GABRIEL, ROEDER, SMITH & COMPANY - OCTOBER 2, 2008 -  
\$4,900.00 - OCTOBER, 2008 ACTUARIAL SERVICES

INTERNATIONAL FOUNDATION - SEPTEMBER 18, 2008 - \$845.00 -  
2009 MEMBERSHIP DUES

BILL PAYMENT REQUESTS

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

IRON MOUNTAIN - OCTOBER 30, 2008 - \$970.35 - CONTRACT SERVICES - CUSTOMER IDENTIFICATION NUMBER 166-D

MCTEVIA & ASSOCIATES - OCTOBER 1, 2008 - \$2,327.50 (POLICE AND FIRE PORTION OF \$4,655.00) - SEPTEMBER, 2008 EXPENSES AND SERVICES - TRADEWINDS AIRLINES, INC.

OFFICE DEPOT - SEPTEMBER 26, 2008 - \$224.15 - OFFICE SUPPLIES

STUARTS, WALKER, HERSANT - SEPTEMBER 30, 2008 - \$2,688.93 - SERVICES RENDERED - PFRS VERSUS GSC CDO FUND, LTD., ETAL, CASE #08-108699-NZ

THE EVALUATION GROUP - AUGUST 11, 2008 - \$821.12 - EXAMINATION OF DWIGHT ANDERSON

YEAS - TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER - 9

NAYS - NONE

REQUEST OF DETROIT POLICE BENEFIT & PROTECTIVE ASSOCIATION

BY MR. STEWART - SUPPORTED BY MR. MOORE

WHEREAS, FOR THE PURPOSE OF VALIDATING DEATH BENEFITS, DELBERT R. JENNINGS, SR., SECRETARY-TREASURER OF THE DETROIT POLICE BENEFIT & PROTECTIVE ASSOCIATION, HAS PRESENTED THE BOARD WITH AN OCTOBER 3, 2008 REQUEST TO RECEIVE A REPORT REFLECTING THE NAME, ADDRESS, PHONE NUMBER, SOCIAL SECURITY NUMBER AND RANK OF ALL SERVICE

REQUEST OF DETROIT POLICE BENEFIT & PROTECTIVE  
ASSOCIATION

RETIREMENT, 40 & 8 EARLY, VESTED, DUTY AND NON-DUTY  
RETIRANTS, AND

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

RESOLVED, THAT THE REQUEST OF MR. JENNINGS IS HEREBY  
APPROVED WITH THE PROVISIO THAT SAID REPORT REFLECT ONLY  
THE LAST FOUR NUMBERS OF THE RETIRANT'S SOCIAL SECURITY  
NUMBER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED  
TO MR. JENNINGS:

YEAS - TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG,  
SCOTT, STEWART AND CHAIRMAN BANDEMER - 9

NAYS - NONE

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. BEST - SUPPORTED BY MR. STEWART

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

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

divorced Option II and Option III retirants pursuant to domestic relations court orders:

NAME: Joseph Brasko  
BENEFICIARY'S DEATH: September 11, 2008  
DATE OF APPLICATION: September 23, 2008

NAME: Herbert Kaltz  
BENEFICIARY'S DEATH: September 17, 2008  
DATE OF APPLICATION: September 29, 2008

NAME: Walter Rakicki  
BENEFICIARY'S DEATH: August 21, 2008  
DATE OF APPLICATION: September 4, 2008

YEAS – TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG,  
SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

OPAL FINANCIAL GROUP'S GREEN INNOVATION CAPITAL  
SUMMIT – SCOTTSDALE, ARIZONA

BY MR. ORZECH – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE TRAVEL DATES FOR THE ABOVE-REFERENCED CONFERENCE BE CHANGED FROM SEPTEMBER 6, 2008 THROUGH SEPTEMBER 9, 2008 TO SEPTEMBER 5, 2008 THROUGH SEPTEMBER 9, 2008:

OPAL FINANCIAL GROUP'S GREEN INNOVATION CAPITAL  
SUMMIT – SCOTTSDALE, ARIZONA

YEAS – TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG,  
SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

CITY OF DETROIT SPECIAL ESCROW ACCOUNT

BY MR. BEST – SUPPORTED BY MR. NGARE

Whereas, On September 3, 1984, the Board of Trustees of the Policemen and Firemen Retirement System adopted a resolution establishing a separate expense account from investment earnings, Fund #LVY7, Account Number 591328, designated the City of Detroit Special Escrow Account, Therefore Be It

Resolved, That the Board approve the transfer of Sixty Thousand Dollars (\$60,000.00) from the Board's liquid reserve account (Fund #LVY6, Account Number 591355) to this Special Escrow Account, Fund #LVY7, Account Number 591328:

YEAS – TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECH, PEGG,  
SCOTT, STEWART AND CHAIRMAN BANDEMER – 9

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING THE FOIA REQUEST OF THE DETROIT NEWS, DOTT INDUSTRIES, AND THE PETITION OF JAMES P. RABY.

FOIA REQUEST OF THE DETROIT NEWS

LEGAL COUNSEL PROVIDED EACH MEMBER OF THE BOARD WITH A COPY OF AN OCTOBER 2, 2008 COMMUNICATION REGARDING THE ABOVE-CAPTIONED MATTER.

THE PETITION OF JAMES P. RABY

BY MR. STEWART - SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF A SEPTEMBER 25, 2008 LETTER TO HONORABLE MAYOR KENNETH COCKREL, JR. AND COUNCILWOMAN BARBARA-ROSE COLLINS FROM JAMES P. RABY PER HIS LEGAL COUNSEL, PAUL ASKER, WHEREIN MR. RABY REQUESTS AN INCREASE IN HIS PENSION BENEFITS, AND

WHEREAS, THE AFORESAID SEPTEMBER 25, 2008 LETTER WAS REFERRED TO THE POLICE AND FIRE RETIREMENT SYSTEM FOR REPLY, AND

WHEREAS, THE BOARD OF TRUSTEES HAS DISCUSSED THIS MATTER WITH THE RETIREMENT SYSTEM'S GENERAL COUNSEL, AND

WHEREAS, GENERAL COUNSEL CONCLUDES THAT THERE IS NO AUTHORITY TO GRANT MR. RABY'S REQUEST AND HAS CONCLUDED THAT MR. RABY'S PENSION BENEFITS ARE DETERMINED PER COLLECTIVE BARGAINING AGREEMENT, WHICH BENEFITS HAVE BEEN APPROVED BY THE BOARD OF TRUSTEES IN RESPONSE TO MR. RABY'S APPLICATION FOR RETIREMENT, AND

WHEREAS, IT APPEARS TO THE BOARD OF TRUSTEES THAT THE CLAIM OF MR. RABY MAY BE SUBJECT TO A GRIEVANCE PROCEDURE PURSUANT TO THE COLLECTIVE BARGAINING

THE PETITION OF JAMES P. RABY

AGREEMENT, AND IT FURTHER APPEARS TO THE BOARD OF TRUSTEES THAT MR. RABY'S CLAIM LACKS MERIT, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF MR. RABY IS DENIED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO JAMES P. RABY, HONORABLE MAYOR KENNETH COCKREL, JR., AND COUNCILWOMAN BARBARA-ROSE COLLINS:

YEAS - TRUSTEES BEST, FIELDS, MOORE, NGARE, ORZECZ, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER - 9

NAYS - NONE

SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

TRUSTEE COLLINS ENTERED THE MEETING.

CABRERA CAPITAL MARKETS

MARTIN CABRERA, GEORGE DYCHTON AND THERON PICKETTS DISCUSSED BROKERAGE SERVICES AT LENGTH.

DOTT INDUSTRIES

WILLIAM GRUITTS AND ASSOCIATES MICHAEL SMITH AND LARRY GATT DISCUSSED DOTT ACQUISITIONS.

PHOENIX INVESTMENT PARTNERS

SAM AUSTIN AND AARON REED DISCUSSED PHOENIX INVESTMENT PARTNERS/KAYNE ANDERSON RUDNICK INVESTMENT MANAGEMENT AND SMALL-CAP EQUITY INVESTING.

## MMA

TOM CORNETT AND TWO ASSOCIATES DISCUSSED THE SYSTEM'S 2007 PAY-OFFS OF MMA EXPOSURE, THE SYSTEM'S DIRECT PLACEMENTS, MRC MORTGAGE INVESTMENT TRUST, MRC'S BALANCED REAL ESTATE FUND, MMA'S FINANCIALS AND MMA'S REQUESTS THAT THE BOARD EXTEND ANY EXISTING OR UPCOMING MATURE OR MATURING LOANS, LETTERS OF CREDIT AND OTHER INVESTMENTS THROUGH JANUARY 31, 2010.

## NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED THE CASH REQUIREMENTS OF THE SYSTEM, NORTH POINT'S DUE DILIGENCE OF PR INVESTMENT CORPORATION AND CAPITAL POINT PARTNERS, HSBC, TRANSAMERICA AND PAYDEN & RYGEL VIA PHONE CONFERENCE.

## Cash Management

### By Mr. Moore – Supported by Mr. Stewart

WHEREAS, The Board must make withdrawals from the managed accounts in order to pay the benefits and expenses of the System, and

WHEREAS, Staff has advised the Board that \$30,000,000.00 will be required during the month of October, 2008 to pay benefits and expenses as well as fund projected capital calls, and

WHEREAS, The Board has discussed this matter with staff and North Point Advisors, the Board's retained consultant, on this date, Therefore be it

RESOLVED, That the following withdrawals be made during the month of October, 2008, and be it further

Cash Management

RESOLVED, That a copy of this resolution be immediately forwarded to Transamerica, Income, Research & Management, Loomis, Sayles & Company, TCW, Payden & Rygel, Advent, The Bank of New York (Attention: Wanda Torres), and the Accounting Division of the Retirement Systems:

<u>Manager</u>	<u>Amount</u>	<u>Account Number</u>
Transamerica	\$5,000,000.00	Account #591349
Income, Research & Management	\$5,000,000.00	Account #591353
Loomis, Sayles & Company	\$5,000,000.00	Account #591338
TCW	\$5,000,000.00	Account #591350
Payden & Rygel's government bond account	\$5,000,000.00	Account #591342
Advent	\$5,000,000.00	Account #591330

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

INHERITANCE CAPITAL/GENERAL MOTORS

ROBERT SHUMAKE (OF INHERITANCE CAPITAL), ERIC SMALL (OF SBK BROOKS) AND JOHN BLANCHARD, RAY YOUNG AND ADRIAN LAKES (OF GENERAL MOTORS) DISCUSSED GENERAL MOTOR'S PROPOSAL TO SELL THE RENAISSANCE CENTER IN DETROIT, MICHIGAN.

COURTLAND PARTNERS

MICHAEL HUMPHREY, MICHAEL MURPHY AND BEN BLAKNEY DISCUSSED 2008 FIRST QUARTER PERFORMANCE, THE SYSTEM'S PROPOSED REAL ESTATE ADVISORY SERVICES CONTRACT WITH MILESTONE, PERFORMANCE MEASUREMENT AND REAL ESTATE MARKET CONDITIONS.

TRUSTEE PEGG EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

TRUSTEE SCOTT EXCUSED HIMSELF FOR THE MEETING'S REMAINDER.

TRUSTEE STEWART EXCUSED HIMSELF FOR THE REMAINDER OF THE MEETING.

REQUESTS FROM MMA PER PRESENTATION BOOKLETS DATED SEPTEMBER 18, 2008 AND OCTOBER 9, 2008

BY MR. MOORE – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD NOTES THAT THE REQUESTS OF MMA INVOLVE THE GENERAL RETIREMENT SYSTEM (GRS) AND THE WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM (WCERS), THEREFORE BE IT

RESOLVED, THAT THE BOARD DELAY ITS RESPONSE TO MMA'S REQUESTS UNTIL IT DISCUSSES THE MATTER WITH THE GENERAL RETIREMENT SYSTEM AND THE WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE GENERAL RETIREMENT SYSTEM AND THE WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM:

REQUESTS FROM MMA PER PRESENTATION BOOKLETS DATED  
SEPTEMBER 18, 2008 AND OCTOBER 9, 2008

YEAS - TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE,  
ORZECH, AND CHAIRMAN BANDEMER - 7

NAYS - NONE

LEGAL COUNSEL'S REPORTS (CONTINUED)

LEGAL COUNSEL PROVIDED THE BOARD WITH A STATUS UPDATE REGARDING KLA-TENCOR CORPORATION, MARVELL TECHNOLOGY, 7850 EAST JEFFERSON AVENUE PUBLIC ACT 314 AND ASSET ALLOCATION.

MARVELL TECHNOLOGY

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF AN OCTOBER 1, 2008 COMMUNICATION FROM SPECIAL COUNSEL KOHN, SWIFT & GRAF REGARDING THE ABOVE-CAPTIONED MATTER.

RETURN TO WORK REQUEST OF MARK MASSENBERG

BY MR. MOORE - SUPPORTED BY MR. ORZECH

WHEREAS, RETIRANT MARK MASSENBERG HAS PRESENTED THE BOARD WITH AN OCTOBER 1 2008 REQUEST TO RETURN TO WORK, THEREFORE BE IT

RESOLVED, THAT THE COMPLETE MEDICAL FILE OF MR. MASSENBERG BE FORWARDED TO THE BOARD'S MEDICAL DIRECTOR AND THE BOARD'S MEDICAL DIRECTOR BE DIRECTED TO SCHEDULE AN EXAM ON MR. MASSENBERG'S BEHALF:

RETURN TO WORK REQUEST OF MARK MASSENBERG

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE,  
ORZECH, AND CHAIRMAN BANDEMER – 7

NAYS – NONE

CABRERA CAPITAL MARKETS

BY MR. ORZECH – SUPPORTED BY MR. FIELDS

Resolved, That Cabrera Capital Markets 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

Resolved, That a copy of this resolution be immediately forwarded to Cabrera Capital Markets, the Accounting Division of the Retirement Systems and Retirement System staff member Ellen Moss:

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE,  
ORZECH, AND CHAIRMAN BANDEMER – 7

NAYS – NONE

7850 EAST JEFFERSON AVENUE

THE BOARD OF TRUSTEES WAS MADE AWARE THAT THE GENERAL RETIREMENT SYSTEM ADOPTED A RESOLUTION ON OCTOBER 8, 2008 TO PAY ITS ONE-HALF OF ALL REMAINING COSTS, RE: 7850 EAST JEFFERSON AVENUE PROPERTY. GENERAL COUNSEL INDICATED THAT CONSISTENT WITH THE BOARD'S PRIOR DIRECTION, SPECIAL LEGAL COUNSEL WILL PREPARE THE APPROPRIATE DOCUMENTS.

PAYDEN & RYGEL

BY MR. BEST – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD IS IN RECEIPT OF A SEPTEMBER 29, 2008 LETTER FROM PAYDEN & RYGEL REQUESTING APPROVAL OF GUIDELINES AND BENCHMARKS APPLICABLE TO:

- 1) ACCOUNT USED ON COLLATERAL FOR A BACK-UP CREDIT FACILITY AND (“COLLATERAL ACCOUNT”)
- 2) THE ORIGINAL ACTIVE ACCOUNT (BANK ACCOUNT 591342), AND

WHEREAS, PAYDEN & RYGEL HAS SUBMITTED AN UPDATED “PAYDEN & RYGEL INVESTMENT MANAGEMENT GOVERNMENT-ONLY FIXED INCOME INVESTMENT POLICY AND GUIDELINES,” THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES THE CONTENT OF THE SEPTEMBER 29, 2008 LETTER FROM PAYDEN & RYGEL, AND BE IT FURTHER

RESOLVED, THAT THE BOARD CONFIRMS THE STATUS OF THE ACCOUNTS AND THE INDICATED BENCHMARKING, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PAYDEN & RYGEL (ATTENTION: MICHAEL SALVAY), NORTH POINT ADVISORS, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE,  
ORZECH, AND CHAIRMAN BANDEMER – 7

NAYS – NONE

SILVER STALLION

AT THE CHAIR'S DIRECTION, SILVER STALLION REPRESENTATIVES WILL BE ALLOWED 15 MINUTES, AS REQUESTED, TO MAKE A SECOND APPEARANCE BEFORE THE BOARD TO DISCUSS CHANGES TO THEIR INVESTMENT PROPOSAL TO REDEVELOP THE SILVER DOME.

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

By Mr. Moore – Supported by Mr. Best

**WHEREAS**, The Board previously issued its Commitment dated March 13, 2008 (the "Commitment") to Dott Acquisition, LLC (the "Company") whereby the Board agreed to purchase a preferred membership interest in the Company (the "Preferred Interest") for the total purchase price of \$6,000,000.00, and

**WHEREAS**, The Company completed the first acquisition on March 29, 2008 for \$1,500,000.00, leaving a balance of \$4,500,000.00 available for the remaining acquisitions, and

**WHEREAS**, The Company failed to meet or fulfill all of the conditions precedent in a timely manner and, as such, was in default of its obligations under the Commitment, and the Board, therefore, had the right to terminate the Commitment and its obligations to provide any further funding to the Company, and

**WHEREAS**, The Company has requested the Board not terminate the Commitment and allow the Company to proceed to complete the pending transactions in Lapeer, Michigan, and

**WHEREAS**, The Board has discussed this matter and the Company's requests, Therefore be it

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

**RESOLVED**, The Board allow the Company to proceed to complete the pending transactions provided that the Company agree in writing that the Commitment shall be deemed to be amended and appropriate supplementary documentation shall to include the following provisions:

- 1) The Company shall agree that in addition to having the right to elect one manager of the Company pursuant to the Commitment, the Board shall have the right to appoint a monitor of the Company (the “Monitor”) on behalf of the Board.
- 2) The Company shall acknowledge that the Board has designated Donald Wagner, Esq. as the initial Monitor.
- 3) The Company shall agree to pay all actual fees and out-of-pocket expenses of the Monitor within 10 business days of receipt of each invoice from the Monitor. The Company shall agree to, within 5 business days of the Michigan Closing, escrow the sum of \$10,000.00 with the Board which shall be used to pay the Monitor if the Company fails to do so in the time frames set forth herein.
- 4) The Company shall agree that the Monitor shall be entitled to receive notices of and shall be entitled to attend, as a non-voting participant, all meetings of the members and/or managers of the Company.
- 5) The Company shall agree to provide copies of all reports and tax returns to the Monitor as soon as possible, but, in any event, within five (5) business days of the creation of same.

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

6) The Company shall agree that the following shall be Events of Default under the Commitment:

(a) If the Company fails to cooperate fully with all reasonable requests of the Monitor within ten (10) business days of receipt of said request.

(b) If the Company breaches or fails to perform any of its obligations set forth herein or in the Commitment within the time frames set forth herein or in the Commitment, including, without limitation, failure to timely provide copies of all reports and tax returns or pay in the time frames set forth herein.

7) The Company shall agree that if an Event of Default shall occur, the Board shall have the following rights:

(a) The right to assess as liquidated damages the sum of \$1,000.00 for the first day after the Event of Default has occurred, which sum shall increase by an additional \$500.00 each additional day the Event of Default continues. By way of example and not of limitation, if the Event of Default continues for six (6) days, the Company would owe the sum of \$13,500.00 (\$1,000.00 + \$1,500.00 + \$2,000.00 + \$2,500.00 + \$3,000.00 + \$3,500.00).

(b) The right to demand an immediate dissolution and winding up of the Company. The Company shall agree to appoint the Board or a person designated by the Board as the Company's attorney-in-fact for the purposes of the dissolution and winding up process if the Company fails to begin the dissolution and winding up process within five (5) business days of receipt of the demand by the Board

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

for the immediate dissolution and winding up of the Company. The Company shall agree that the foregoing appointment shall be a power coupled with an interest and shall be irrevocable until the Company has paid the Board all amounts required to be paid pursuant to the Commitment; and be it further

Resolved, That a copy of this resolution be immediately forwarded to Dott Acquisition, LLC, Donald Wagner, Esq., Special Legal Counsel F. Logan Davidson, P.C., and the Accounting Division of the Retirement Systems:

YEAS – TRUSTEES BEST, COLLINS, FIELDS, MOORE, NGARE,  
ORZECH, AND CHAIRMAN BANDEMER – 7

NAYS – NONE

**PUBLIC FORUM**

AT 4:01 P.M., CHAIRMAN BANDEMER 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 BANDEMER ADJOURNED THE MEETING AT 4:02 P.M. UNTIL THURSDAY, OCTOBER 16, 2008 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

ADJOURNMENT

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY