

MEETING NUMBER 2835

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



PROCEEDINGS HELD THURSDAY, APRIL 28, 2011

9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS

910 COLEMAN A. YOUNG MUNICIPAL CENTER

DETROIT, MICHIGAN 48226



PRESENT

Gregory Best	Elected Trustee
Janice Butler	Ex/Officio Trustee
Matthew Gnatek	Elected Trustee
Saul Green	Ex/Officio Trustee/Deputy Mayor
Cheryl R. Johnson	Ex/Officio Trustee/Treasurer
Brenda Jones	Ex/Officio Trustee/Council Member
James Moore	Elected Trustee/ Chairperson
Sean P. Neary	Elected Trustee/Vice Chairperson
Jeffrey Pegg	Elected Trustee
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Cynthia A. Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel

EXCUSED

Fred D. Wheeler	Ex/Officio Trustee/Interim Fire Commissioner
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ABSENT

None

CHAIRPERSON

James Moore

VICE CHAIRPERSON

Sean P. Neary

ROLL CALL WAS TAKEN AT 9:18 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

OATH OF OFFICE

TRUSTEE SAUL GREEN PRESENTED THE ASSISTANT EXECUTIVE SECRETARY WITH A COPY OF FORM C OF D - 318 - RE (SERVICE RECORD AND OATH OF OFFICE) VERIFYING THAT HE WAS ADMINISTERED THE OATH OF OFFICE ON APRIL 12, 2011 BY THE CITY CLERK'S OFFICE.

SERVICE RETIREMENT

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE GNATEK

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

SERVICE RETIREMENT

NAME, TITLE, DEPARTMENT:	RANDALL MILLER – SERGEANT - P
RETIREMENT TYPE, PLAN:	SERVICE - NEW
SERVICE CR./EFFECTIVE DATE:	27 09 01 – 01 22 11

YEAS – TRUSTEES BEST, BUTLER, GNATEK, NEARY, PEGG, STEWART  
AND CHAIRMAN MOORE – 7

NAYS – NONE

CONFIRMATIONS

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE STEWART

RESOLVED, THAT THE RECEIPTS TOTALING \$1,277,449.10 AND DISBURSEMENTS TOTALING \$2,302,358.26 THAT WERE PRESENTED TO THE BOARD THIS DATE BE CONFIRMED:

CONFIRMATIONS - CONTINUED

YEAS – TRUSTEES BEST, BUTLER, GNATEK, NEARY, PEGG, STEWART  
AND CHAIRMAN MOORE – 7

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE STEWART – SUPPORTED BY TRUSTEE NEARY

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 NUMBER 3400, IN  
THE AMOUNT OF \$2,290,176.81, INCLUDING INTEREST, BE REFUNDED  
PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BEST, BUTLER, GNATEK, NEARY, PEGG, STEWART  
AND CHAIRMAN MOORE – 7

NAYS – NONE

TRUSTEE STEWART TEMPORARILY EXCUSED HIMSELF.

ASSISTANT EXECUTIVE SECRETARY DOCUMENT DISTRIBUTION

MS. THOMAS PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF MEMBER  
WITH A COPY OF THE FOLLOWING DOCUMENTS:

BOOK CADILLAC HOTEL PROJECT

APRIL 28, 2011 COMMUNICATION FROM SPECIAL COUNSEL F. LOGAN  
DAVIDSON REGARDING THE BOOK CADILLAC – RE: FIRST INDEPENDENCE  
HAS RECONSIDERED ITS POSITION REGARDING THE NECESSITY OF  
IMMEDIATE PAYMENT OF THE BOOK CADILLAC LOAN

PARAMOUNT LIMITED, LLC

CONFIDENTIAL ATTORNEY/CLIENT PRIVILEGE COMMUNICATION FROM  
SPECIAL COUNSEL MARIE T. RACINE – RE: LAWSUIT WILL BE FILED AND  
ARRANGEMENTS TO APPOINT A RECEIVER WILL BE MADE RELATING TO  
PARAMOUNT LIMITED, LLC

MERGANSER

APRIL 25, 2011 E-MAIL FROM MATTHEW CARSON THANKING THE BOARD FOR ALLOWING MERGANSER TO PRESENT THEIR FIXED INCOME INVESTING CAPABILITIES TO THE BOARD AS A SEARCH FINALIST

CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE

APRIL 26, 2011 E-MAIL FROM J.P. AUBRY REQUESTING COPIES OF THE SYSTEM'S MOST RECENT ACTUARIAL VALUATIONS

WALTON STREET CAPITAL

APRIL 21, 2011 INVITATION INVITING THE BOARD TO ATTEND WALTON STREET CAPITAL'S ANNUAL INVESTOR MEETING FOR INVESTORS OF WALTON STREET REAL ESTATE FUNDS I-VI WHICH WILL BE HELD IN CHICAGO, ILLINOIS, JUNE 6 AND JUNE 7, 2011

DETROIT NEWS

APRIL 27, 2011 DETROIT NEWS ARTICLE TITLED "PENSION RULING RILES DETROITWORKERS"

FUND FIRE

APRIL 25, 2011 FUND FIRE ARTICLE TITLED "TEXAS PENSION EXEC'S SHARE \$8.2M IN BONUSES"

FUND FIRE

APRIL 25, 2011 FUND FIRE ARTICLE TITLED "CIO SHAKE-UPS AT ILLINOIS, SAN DIEGO PENSIONS"

METROPOLITAN WEST CAPITAL MANAGEMENT, LLC

UNDATED COMMUNICATION FROM SANDRA INCONTRO INFORMING THE BOARD THAT JEAN-BAPTISTE NADAL, CFA, JOINED METROPOLITAN WEST

BERNSTEIN, LITOWITZ, BERGER & GROSSMANN, LLP

2011 FIRST QUARTER PORTFOLIO WATCH REPORT

RREEF

APRIL 15, 2011 COMMUNICATION FROM TIMOTHY GONZALEZ INFORMING THE BOARD THAT RREEF AMERICA REIT II, INCORPORATED'S STOCKHOLDERS MEETING WILL BE HELD IN CHICAGO, ILLINOIS ON MAY 24, 2011

JP MORGAN

APRIL 21, 2011 COMMUNICATION FROM RICHARD PAOLINI – RE: MERGER OF JP MORGAN FUTURES, INC. INTO JP MORGAN SECURITIES, LLC TO OCCUR ON OR ABOUT JUNE 1, 2011

NIS (NATIONAL INVESTMENT SERVICES)

APRIL 26, 2011 E-MAIL FROM TIM HYLAND THANKING THE BOARD FOR ALLOWING NIS TO PRESENT THEIR FIXED INCOME INVESTING CAPABILITIES TO THE BOARD AS A SEARCH FINALIST

ADRIAN ANDERSON'S (NORTH POINT ADVISORS) APRIL 27, 2011 SUMMARY RELATING TO THE FIVE FIXED INCOME MANAGER FINALISTS WHO APPEARED BEFORE THE BOARD ON APRIL 21, 2011

RREEF AMERICA REIT II, INC.

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE RREEF AMERICA REIT II, INC. PROXY AND ACCOMPANYING PROXY MATERIALS (ANNUAL MEETING TO BE HELD MAY 24, 2011) BE FORWARDED TO COURTLAND PARTNERS FOR REVIEW AND RECOMMENDATION:

MICHAEL MURPHY  
COURTLAND PARTNERS, LTD.  
200 PUBLIC SQUARE  
SUITE 2530  
CLEVELAND, OHIO 44114

YEAS – TRUSTEES BEST, BUTLER, GNATEK, NEARY, PEGG AND CHAIRMAN MOORE – 6

NAYS – NONE

TRUSTEE STEWART RE-JOINED THE MEETING.

ROBERT DUNLAP

FORMER ASSISTANT CHIEF ROBERT DUNLAP PETITIONED THE BOARD REGARDING HAVING HIS UNUSED SICK TIME ROLLED OVER INTO HIS AVERAGE FINAL COMPENSATION. POLICE EXECUTIVES WERE NOT ELIGIBLE TO UTILIZE THE UNUSED SICK TIME AT THE TIME MR. DUNLAP RETIRED.

TRUSTEE CHERYL JOHNSON ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING RICHARDSON VERSUS RICHARDSON AND BIBBS VERSUS BIBBS.

PENSION NUMBER: 180381  
RICHARDSON VERSUS RICHARDSON  
WAYNE COUNTY CIRCUIT COURT CASE #10-113950

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE BEST

WHEREAS, LEE BENNETT RICHARDSON, JR. RETIRED JULY 8, 2005 ON A SERVICE RETIREMENT WITH OPTION 3, POP-UP, NAMING HIS WIFE, MONICA RICHARDSON, AS OPTION 3 BENEFICIARY, AND

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF A LETTER DATED APRIL 13, 2011 FROM HIS ATTORNEY, SEYMOUR BERBER, WHEREIN A 2011 REQUEST IS MADE TO NAME HIS NEW WIFE (TO WHICH HE MARRIED SUBSEQUENT TO HIS RETIREMENT DATE) AS OPTION BENEFICIARY, AND

WHEREAS, THE RETIREMENT SYSTEM PROVISIONS DO NOT ALLOW THE GRANTING OF THE FOREGOING REQUEST, THEREFORE BE IT

RESOLVED, THAT THE FOREGOING REQUEST IS DENIED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY SEYMOUR BERGER; LEE BENNETT RICHARDSON, JR., AND RETIREMENT SYSTEM STAFF MEMBER DAVID CETLINSKI:

SEYMOUR BERGER, P.C.

PENSION NUMBER: 180381  
RICHARDSON VERSUS RICHARDSON  
WAYNE COUNTY CIRCUIT COURT CASE #10-113950 - CONTINUED

24901 NORTHWESTERN HIGHWAY  
SUITE 411  
SOUTHFIELD, MICHIGAN 48075-2203

LEE BENNETT RICHARDSON, JR.  
14566 FAUST STREET  
DETROIT, MICHIGAN 48223

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, NEARY, PEGG,  
STEWART AND CHAIRMAN MOORE – 8

NAYS – NONE

PENSION NUMBER: 180381  
RICHARDSON VERSUS RICHARDSON  
WAYNE COUNTY CIRCUIT COURT CASE #10-113950

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A REQUEST FROM LEE BENNETT RICHARDSON, JR. (PER DAVID CETLINSKI) TO HAVE HIS OPTION 3 WITH POP-UP RETIREMENT CHANGED TO A STRAIGHT LIFE RETIREMENT BASED UPON A COURT ORDER TERMINATING THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 6, 2011 COURT ORDER WHICH HAS BEEN REVIEWED BY THE BOARD'S LEGAL COUNSEL, WHO HAS CONCLUDED THAT THE COURT ORDER TERMINATES THE RIGHTS OF THE OPTION BENEFICIARY, AND

WHEREAS, THE ACTION BELOW IS CONSISTENT WITH LONG-STANDING POLICIES AND PRACTICES OF THE BOARD, THEREFORE BE IT

RESOLVED, THAT PETITIONER'S REQUEST BE GRANTED AND, EFFECTIVE MAY 1, 2011, THE RETIREMENT BENEFITS BE ADJUSTED FROM AN OPTION 3 WITH POP-UP RETIREMENT TO A STRAIGHT LIFE RETIREMENT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S ACTUARY BE NOTIFIED OF THIS ACTION, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY SEYMOUR BERGER; LEE BENNETT RICHARDSON, JR.; THE BOARD'S ACTUARY, GABRIEL, ROEDER, SMITH & COMPANY; AND RETIREMENT SYSTEM STAFF MEMBER DAVID CETLINSKI:

PENSION NUMBER: 180381  
RICHARDSON VERSUS RICHARDSON  
WAYNE COUNTY CIRCUIT COURT CASE #10-113950

SEYMOUR BERGER, P.C.  
24901 NORTHWESTERN HIGHWAY  
SUITE 411  
SOUTHFIELD, MICHIGAN 48075-2203

LEE BENNETT RICHARDSON, JR.  
14566 FAUST STREET  
DETROIT, MICHIGAN 48223

NORM JONES  
GABRIEL, ROEDER, SMITH & COMPANY  
ONE TOWN SQUARE  
SUITE 800  
SOUTHFIELD, MICHIGAN 48076

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, NEARY, PEGG, STEWART  
AND CHAIRMAN MOORE – 8

NAYS – NONE

PENSION NUMBER: 236249  
BIBBS VERSUS BIBBS – OAKLAND COUNTY CASE #08-749342

BY TRUSTEE JOHNSON – SUPPORTED BY TRUSTEE NEARY

WHEREAS, THE BOARD IS IN RECEIPT OF AN ELIGIBLE DOMESTIC RELATIONS ORDER DATED APRIL 11, 2011 WHICH AMENDS/SUPPLEMENTS A JUDGMENT OF DIVORCE DATED MARCH 2, 2009 WHEREIN AMBER BIBBS IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF JONATHAN BIBBS WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS, PARTICIPANT'S DATE OF BIRTH IS SEPTEMBER 11, 1969, AND, TO DATE, PARTICIPANT HAS ATTAINED 11 YEARS AND 02 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 DEFINED CONTRIBUTION PLAN AND FURTHER SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, AND

WHEREAS, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

PENSION NUMBER: 236249

BIBBS VERSUS BIBBS – OAKLAND COUNTY CASE #08-749342 – CONTINUED

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE 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, THE EARLIEST DATE THAT PAYMENTS FROM THE DEFINED BENEFIT PLAN CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE IS UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT OR OTHERWISE RECEIVING RETIREMENT BENEFITS, HOWEVER, THE BOARD OF TRUSTEES NOTES THAT THE PARTICIPANT, AS A MEMBER OF THE DPOA COLLECTIVE BARGAINING ASSOCIATION, IS ENTITLED TO WITHDRAW AT HIS 20<sup>TH</sup> ANNIVERSARY, WHICH THE BOARD INTERPRETS TO ALSO APPLY TO THE ALTERNATE PAYEE, AND

WHEREAS, THE BOARD'S POLICY IS TO REQUIRE THAT THE COST FOR THE ACTUARY'S CALCULATIONS ARE TO BE BORNE BY THE PARTIES TO THE DOMESTIC RELATIONS PROCEEDINGS, AND

WHEREAS, THE COURT ORDER PROVIDES FOR THE PARTIES TO SHARE THE COST OF THE ACTUARY'S FEES, 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 SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, AND OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY RENEE GUCCIARDO; AMBER BIBBS; JONATHAN BIBBS; AND RETIREMENT SYSTEM STAFF MEMBER DAVID CETLINSKI:

RENEE GUCCIARDO, P.C.  
30160 SOUTHFIELD ROAD

PENSION NUMBER: 236249

BIBBS VERSUS BIBBS – OAKLAND COUNTY CASE #08-749342 – CONTINUED

SUITE 314  
SOUTHFIELD, MICHIGAN 48076

AMBER BIBBS  
1512 E. GOULSON AVENUE  
HAZEL PARK, MICHIGAN 48030

JONATHAN BIBBS  
15437 LAKESIDE VILLAGE DR.  
APARTMENT 301  
CLINTON TOWNSHIP, MICHIGAN 48038

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, NEARY, PEGG,  
STEWART AND CHAIRMAN MOORE – 8

NAYS – NONE

LEGAL COUNSEL DOCUMENT DISTRIBUTION

GENERAL COUNSEL PROVIDED EACH BOARD AND ADMINISTRATIVE STAFF  
MEMBER WITH A COPY OF THE FOLLOWING DOCUMENTS:

INDYMAC

APRIL 21, 2011 LETTER REGARDING THE ABOVE-CAPTIONED MATTER

ATTORNEY GENERAL OPINION

DECEMBER 18, 1991 OPINION (#6697) FROM ATTORNEY GENERAL FRANK J.  
KELLEY REGARDING RETIREMENT AND PENSIONS (LIMITATION OR REPEAL  
OF INCOME TAX EXEMPTION FOR PUBLIC PENSION BENEFITS)

APRIL 26, 2011 NEW YORK TIMES ARTICLE TITLED, "PUBLIC PENSIONS,  
ONCE OFF LIMITS, FACE BUDGET CUTS"

MUNIMAE

Earl Cole discussed three bridge loans - a 42-unit assisted living  
community in Clear Lake, California known as Orchard Park; a 42-unit  
assisted living facility located in Hilton Head, South Carolina known as  
Palm Meadows; and an 87-unit independent and assisted living  
community in rural Klamath Falls, Oregon known as Crystal Terrace.

MILESTONE REALTY SERVICES, INC./RACINE & ASSOCIATES

MARTY WEST OF MILESTONE, MARIE RACINE OF RACINE & ASSOCIATES, AND JIM REINHART OF PLANTE MORAN APPEARED BEFORE THE BOARD TO DISCUSS MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE, SO THE BOARD WAS ASKED TO ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY TRUSTEE JOHNSON – SUPPORTED BY TRUSTEE STEWART

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 BEST, BUTLER, GNATEK, JOHNSON, NEARY, PEGG,  
STEWART AND CHAIRMAN MOORE – 8

NAYS – NONE

The Board entered into Closed Session at 11:35 A.M.

TRUSTEE BRENDA JONES ENTERED THE MEETING DURING CLOSED SESSION.

OPEN SESSION

BY TRUSTEE GNATEK – SUPPORTED BY TRUSTEE NEARY

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, JONES, NEARY,  
PEGG, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

The Board returned to Open Session at 12:25 P.M.

RECESS

THE BOARD RECESSED FOR LUNCH AT 12:26 P.M., AND TRUSTEE PEGG EXCUSED HIMSELF.

TRUSTEE SAUL GREEN ENTERED THE MEETING.

CHAIRMAN MOORE RE-CONVENED THE MEETING AT 1:45 P.M.

DROP RETIREMENTS

BY TRUSTEE BEST – SUPPORTED BY TRUSTEE GNATEK

RESOLVED, THAT THE DROP APPLICATIONS WHICH ARE DESIGNATED BELOW BE APPROVED:

DROP RETIREMENTS

NAME, TITLE, DEPARTMENT: CARL CLARKE – SERGEANT – P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 28 00 00 – 04 21 11

NAME, TITLE, DEPARTMENT: CLIFTON COUNTS – SERGEANT - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 25 00 00 – 05 05 11

NAME, TITLE, DEPARTMENT: SHEREECE FLEMING-FREEMAN – COMMANDER - PCOA  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 28 00 00 – 04 14 11

NAME, TITLE, DEPARTMENT: MECAH MATHIS – OFFICER - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 25 00 25 – 05 02 11

NAME, TITLE, DEPARTMENT: CHARMAYNE TAYLOR – OFFICER - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 25 00 00 – 05 05 11

NAME, TITLE, DEPARTMENT: ROBERT TURNER - SERGEANT - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 25 00 00 – 05 05 011

NAME, TITLE, DEPARTMENT: GERALD WILLIAMS, II – SERGEANT - P  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CR./EFFECTIVE DATE: 25 00 00 – 04 21 11

CONTINUATION OF DROP RETIREMENTS

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

CAPITAL CALLS

BY TRUSTEE STEWART – SUPPORTED BY TRUSTEE BUTLER

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH A SUMMARY OF  
CAPITAL CALLS TOTALING \$1,093,945.48, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO APPROVE FUNDING OF  
SAID CAPITAL CALLS, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO FINAL APPROVAL OF ALL TRANSACTION  
DOCUMENTS BY THE BOARD'S LEGAL COUNSEL AND SUBJECT TO STAFF  
AUDIT, THE BOARD APPROVES FUNDING OF SAID CAPITAL CALLS:

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

FEES AND EXPENSES

BY TRUSTEE STEWART – SUPPORTED BY TRUSTEE JOHNSON

WHEREAS, THE BOARD HAS BEEN PRESENTED WITH A SUMMARY OF FEES  
AND EXPENSES TOTALING \$1,062,020.78, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO APPROVE PAYMENT OF  
SAID FEES AND EXPENSES, THEREFORE BE IT

RESOLVED, THAT SUBJECT TO FINAL APPROVAL OF ALL TRANSACTION  
DOCUMENTS BY THE BOARD'S LEGAL COUNSEL AND SUBJECT TO STAFF  
AUDIT, THE BOARD APPROVES PAYMENT OF SAID FEES AND EXPENSES:

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE

BY TRUSTEE BEST – SUPPORTED BY TRUSTEE NEARY

WHEREAS, J.P. AUBRY OF THE CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE HAS PRESENTED THE BOARD WITH AN APRIL 26, 2011 COMMUNICATION WHEREIN MR. AUBRY REQUESTS A COPY OF THE SYSTEM'S ACTUARIAL VALUATIONS, AND

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

RESOLVED, THAT MR. AUBRY BE PRESENTED WITH A COPY OF THE SYSTEM'S JUNE 30, 2009 ACTUARIAL VALUATION, AND BE IT FURTHER

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

J. P. AUBRY  
RESEARCH ASSOCIATE  
THE CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE  
HOVEY HOUSE  
140 COMMONWEALTH AVENUE  
CHESTNUT HILL, MA 02467-3808

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

INVESTMENT MANAGER ACCOUNT WITHDRAWALS

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE BEST

WHEREAS, the Board must periodically make withdrawals from the investment management accounts to pay the benefits and expenses of the System, as well as fund capital calls, and

WHEREAS, the Board has reviewed the cash forecast prepared by staff wherein the Board notes that \$35,000,000.00 must be withdrawn from the managed account prior to May 27, 2011 to fund capital calls, and

WHEREAS, the Board has reviewed the April 28, 2011 recommendation of its retained consultant, North Point Advisors, and

WHEREAS, the Board has discussed this matter with staff on this date, therefore be it

RESOLVED, that the following withdrawals be made available no later than May 27, 2011:

MANAGER: RHUMLINE S & P 500  
ACCOUNT NUMBER: 590027  
WITHDRAWAL AMOUNT: \$5,000,000.00

MANAGER: FISHER INVESTMENTS, INC.  
ACCOUNT NUMBER: 591341  
WITHDRAWAL AMOUNT: \$5,000,000.00

MANAGER: WELLS CAPITAL MANAGEMENT  
(LARGE GROWTH)  
ACCOUNT NUMBER: 591381  
WITHDRAWAL AMOUNT: \$5,000,000.00

MANAGER: KENNEDY CAPITAL  
ACCOUNT NUMBER: 591337  
WITHDRAWAL AMOUNT: \$10,000,000.00

MANAGER: TT INTERNATIONAL  
ACCOUNT NUMBER: 5913579  
WITHDRAWAL AMOUNT: \$5,000,000.00

MANAGER: DIMENSIONAL FUND ADVISORS  
ACCOUNT NUMBER: 5913652  
WITHDRAWAL AMOUNT: \$5,000,000.00

INVESTMENT MANAGER ACCOUNT WITHDRAWALS - CONTINUED

AND BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the managers referenced above; the Bank of New York Mellon (the Board's master securities custodian); North Point Advisors (the Board's retained consultant); and the Accounting Division of the Retirement System:

WAYNE OWEN  
JOHN PILGRIM  
RHUMLINE  
30 ROWES WHARF  
SUITE 420  
BOSTON, MASSACHUSETTS 02110

JEFFERY L. SILK  
FISHER INVESTMENTS, INC.  
13100 SKYLINE BOULEVARD  
WOODSIDE, CALIFORNIA 94062

JOSEPH CONROY  
WELLS CAPITAL MANAGEMENT  
ONE HUNDRED HERITAGE RESERVE  
MENOMONEE FALLS, WISCONSIN 53051

RANDALL KIRKLAND  
KENNEDY CAPITAL MANAGEMENT  
10829 OLIVE BOULEVARD  
ST. LOUIS, MISSOURI 63141-7739

JIM DODGE  
TT INTERNATIONAL  
400 MADISON AVENUE  
SUITE 17-D  
NEW YORK, NEW YORK 10017

GLENN KEMP  
DIMENSIONAL FUND ADVISORS  
10 SOUTH WACKER DRIVE  
SUITE 2275  
CHICAGO, ILLINOIS 60606

WANDA TORRES  
THE BANK OF NEW YORK MELLON  
ONE WALL STREET – 12<sup>TH</sup> FLOOR  
NEW YORK, NEW YORK 10286

INVESTMENT MANAGER ACCOUNT WITHDRAWALS - CONTINUED

ADRIAN ANDERSON  
NORTH POINT ADVISORS  
28 WEST ADAMS – SUITE 1700  
DETROIT, MICHIGAN 48226

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

NORTH POINT ADVISORS

THE BOARD DISCUSSED AEGON, AMBASSADOR, MERGANSER, NATIONAL INVESTMENT SERVICES, AND SMITH GRAHAM (THE FIVE FIXED INCOME MANAGER FINALISTS) WITH ADRIAN ANDERSON AND CYNTHIA HARGADON VIA PHONE CONFERENCE.

TRUSTEE PEGG RE-JOINED THE MEETING DURING NORTH POINT'S PRESENTATION.

TRUSTEE JOHNSON ASKED THAT ADRIAN ANDERSON'S FUTURE REPORTS INCLUDE DEFINITIVE RECOMMENDATIONS.

Re: GVC LICENSES

By: TRUSTEE PEGG – SUPPORTED BY TRUSTEE BEST

**WHEREAS**, the Board of Trustees is in receipt of a Memorandum from Special Legal Counsel, Donald A. Wagner dated April 14, 2011 ("Memorandum") introducing the history and current status of the GVC Investment; and

**WHEREAS**, the Board previously appointed Ron Risher as a Due Diligence Advisor, and

**WHEREAS**, the Memorandum contains a proposal for various undertakings with respect to the GVC Licenses, and

**WHEREAS**, the Memorandum indicates that the Committee appointed by the Board of Trustees and the Board of Trustees of the General Retirement System have agreed to recommend the various undertakings to analyze alternatives with respect to sale or disposition of the GVC Licenses in order to maximize the value of the GVC Licenses, and

GVC LICENSES – CONTINUED

**WHEREAS**, the Board of Trustees is interested in maximizing the value of the GVC Licenses, therefore be it

**RESOLVED**, the Special Counsel and Due Diligence Advisor are authorized and directed to:

- (i) Advise Mark Griffith and the "Texas Team" that:
  - (a) The Board is still potentially interested in doing a venture that requires approximately \$1,500,000 in total capital (\$750,000 per Retirement System).
  - (b) It will consider their tested business plan and revised projections when ready.
  - (c) In the meantime, Special Counsel and Due Diligence Advisor are to proceed to explore other alternatives [see 6 D (ii) and (iii) of the Memorandum.
- (ii) Seek a Fair Market Value sale price for the existing licenses.
- (iii) Seek another entity that may be interested in a venture utilizing the existing licenses.

And be it further

**RESOLVED**, that a copy of this resolution be forwarded to Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C.; the General Retirement System; and the Accounting Division of the Retirement System:

Donald Wagner  
Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C.  
39395 West Twelve Mile Road  
Suite 200  
Farmington Hills, Michigan 48331-2913

Myron T. Terrell

Assistant Executive Secretary

GVC LICENSES - CONTINUED

General Retirement System of the City of Detroit  
908 Coleman A. Young Municipal Center  
Detroit, Michigan 48226

YEAS – TRUSTEES BEST, BUTLER, GNATEK, GREEN, JOHNSON, JONES,  
NEARY, PEGG, STEWART AND CHAIRMAN MOORE – 10

NAYS – NONE

BOOK CADILLAC HOTEL

THE BOARD DISCUSSED THE BOOK CADILLAC HOTEL WITH SPECIAL  
LEGAL COUNSEL F. LOGAN DAVIDSON VIA PHONE CONFERENCE.

SPECIAL LEGAL COUNSEL'S REPORTS

SPECIAL LEGAL COUNSEL JOE TURNER DISCUSSED VARIOUS MATTERS  
WITH THE BOARD, INCLUDING:

BEIER HOWLETT, P.C. VERSUS PFRS, ET AL

BRIGID FLYNN GODVIN, ET AL, VERSUS RDD, ET AL

PFRS, ET AL, VERSUS WATKINS, ET AL

SANDWEISS LAW CENTER VERSUS PFRS, ET AL

PARAMOUNT LIMITED, LLC/PARAMOUNT LAND HOLDINGS, LLC

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

WHEREAS, THE BOARD'S ADVISOR, **MILESTONE REALTY SERVICES, INC.** AND SPECIAL LEGAL COUNSEL IN THIS MATTER, **RACINE & ASSOCIATES**, HAVE REPORTED ON THE STATUS OF MATTERS, AND

WHEREAS, **MILESTONE REALTY SERVICES, INC.**, AFTER CONSULTATION WITH THE BOARD'S REAL ESTATE ADVISOR, **COURTLAND PARTNERS**, HAS RECOMMENDED THAT IN

CONNECTION WITH THE LITIGATION PROCEEDINGS PREVIOUSLY AUTHORIZED, THAT THE BOARD APPROVE CERTAIN ENTITIES TO

PARAMOUNT LIMITED, LLC/PARAMOUNT LAND HOLDINGS, LLC -  
CONTINUED

SERVE IN THE CAPACITY OF RECEIVER AND SERVICER AND/OR PART OF THE RECEIVER'S TEAM, UPON COURT APPROVAL THEREFORE, AND

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

RESOLVED, THAT **MCTEVIA & ASSOCIATES** IS APPROVED TO SERVE AS RECEIVER IN CONNECTION WITH THE LITIGATION TO BE FILED BY SPECIAL LEGAL COUNSEL, AND UPON OBTAINING COURT APPROVAL FOR THE APPOINTMENT OF THE RECEIVER, **MCTEVIA & ASSOCIATES** SHALL PROCEED AS REQUIRED AND ORDERED BY THE COURT, AND BE IT FURTHER

RESOLVED, THAT **TOWNE MORTGAGE COMPANY** IS/ARE APPROVED TO SERVE AS THE SERVICER /TEAM OF CONTRACTORS TO WORK WITH THE RECEIVER IN PROVIDING THE SERVICES NECESSARY AND APPROPRIATE, AS REQUIRED AND AS ORDERED BY THE COURT, AND

RESOLVED, THAT THE COSTS FOR ALL OF THE AFORESAID BE PAID BY THE PFRS, AND BE IT FURTHER,

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY FORWARDED TO RACINE & ASSOCIATES (ATTENTION: MARIE RACINE, 1001 WOODWARD AVENUE, SUITE 1100, DETROIT, MICHIGAN 48226); MILESTONE REALTY SERVICES, INC. (ATTENTION: MARTIN J. WEST, 306 S. WASHINGTON AVENUE, SUITE 204, ROYAL OAK, MICHIGAN 48067; COURTLAND PARTNERS, LTD. (ATTENTION: MICHAEL MURPHY AND BEN BLAKNEY, 200 PUBLIC SQUARE, SUITE 2530, CLEVELAND, OHIO 44114; MCTEVIA & ASSOCIATES (ATTENTION: JAMES V. MCTEVIA, 30300 TELEGRAPH ROAD, SUITE 185, BINGHAM FARMS, MICHIGAN 48025), AND TOWNE MORTGAGE COMPANY (ATTENTION: DONALD CALCATERRA, JR., 2170 E. BIG BEAVER ROAD, TROY, MICHIGAN 48083; AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

MARIE T. RACINE  
RACINE & ASSOCIATES  
1001 WOODWARD AVENUE

SUITE 1100  
DETROIT, MICHIGAN 48226

PARAMOUNT LIMITED, LLC/PARAMOUNT LAND HOLDINGS, LLC -  
CONTINUED

MARTIN WEST  
MILESTONE REALTY SERVICES  
306 S. WASHINGTON AVENUE  
SUITE 204  
ROYAL OAK, MICHIGAN 48067

MICHAEL MURPHY  
COURTLAND PARTNERS  
200 PUBLIC SQUARE  
SUITE 2530  
CLEVELAND, OHIO 44114

JAMES V. MCTEVIA  
MCTEVIA & ASSOCIATES  
30300 TELEGRAPH ROAD  
SUITE 185  
BINGHAM FARMS, MICHIGAN 48025

DONALD CALCATERRA, JR.  
TOWNE MORTGAGE  
2170 E. BIG BEAVER ROAD  
TROY, MICHIGAN 48083

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, JONES, NEARY,  
PEGG, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

ABSTAIN – TRUSTEE GREEN – 1

TRUSTEE GREEN EXCUSED HIMSELF.

MUNICIPAL MORTGAGE & EQUITY, LLC

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

**WHEREAS**, Municipal Mortgage and Equity, LLC and/or its affiliates (“MMA”) made a loan in the amount of \$7.4 million (“Bridge Loan”) for a facility described as follows:

An 87 unit independent and assisted living community in rural Klamath Falls, Oregon known as Crystal Terrace (“Project”)

**WHEREAS**, the Police & Fire Retirement System of the City of Detroit (“P&F”) simultaneously loaned to MMA the sum of \$7.4 million in order to allow MMA to make the Bridge Loan as evidenced by a Demand Note dated September 2005 (“Demand Note”) from MMA to P&F; and

**WHEREAS**, the Bridge Loan was to be repaid in September of 2007, and bankruptcy was filed by the owner in July of 2008, resulting in P&F through a subsidiary owning the Project through a deed-in-lieu of foreclosure. P&F has approved all major actions regarding the Project during the workout and bankruptcy period and as evidenced by various Resolutions dated August 26, 2010, December 17, 2009, and September 3, 2009; and

**WHEREAS**, MMA has committed to P&F to pay the Demand Note in full as soon as possible; and

**WHEREAS**, MMA is recommending to P&F as owner of the Project through its subsidiary to sell the Project with a listing price of up to \$9.5 million with an anticipated sales price of up to \$9 million; it is targeted to list the Project for sale through a listing agreement with CLW Healthcare Services Group of Tampa, Florida as broker on the week of May 2, 2011 with an anticipated closing date in six (6) months, around October of 2011 (“Sale”); and

**WHEREAS**, upon the sale of the Project, (i) sales proceeds of approximately \$7.4 million will be paid to P&F to repay the Demand Note; (ii) the next \$1,038,000 will be paid to MMA as repayment (“Reimbursement Payment”) of its servicing advances as disclosed to

P&F which were interest and extension payments made by MMA under its guaranty to P&F on behalf of the prior borrower/owner and

MUNICIPAL MORTGAGE & EQUITY, LLC - CONTINUED

additional MMA servicing advances (legal expenses of over \$165,000 not repaid); and (iii) any remaining proceeds after such payments will be paid to P&F; and

**WHEREAS**, MMA will use its Reimbursement Payment to pay P&F on payment of MMA's other loan balances due as disclosed to P&F, which payment is over and above MMA's plan for payments to P&F for year 2011; and

**WHEREAS**, P&F is requiring that MMA pay its legal costs in reviewing the applicable documents regarding this matter and the final disposition by the Board (as defined below); and

**WHEREAS**, MMA has made a presentation to P&F outlining the advantages and disadvantages of the sale of the Project on Thursday, April 28, 2011; and

**WHEREAS**, the Board of Trustees of P&F ("Board") has considered this presentation and discussed the matter before it;

**NOW, THEREFORE, IT IS RESOLVED** that: (i) P&F approves the sale of the Project in accordance with the terms set forth above; (ii) P&F is not obligated to accept a sales price which is not sufficient to repay the Demand Note in full; (iii) P&F accepts \$7.4 million to repay the Demand Note; and (iv) P&F agrees that the next \$1,038,000 will be paid to MMA as repayment of its servicing advances as described above; (v) P&F will receive any sale proceeds in excess of the two (2) payments described in subparagraphs (ii) and (iii); and (iv) such approval is based on MMA's commitment to use its Reimbursement Payment to pay on MMA's other loan balances due with P&F; and be it further

**FURTHER RESOLVED**, that MMA and P&F execute such documents and undertake such acts as are necessary to effectuate the sale of the property and document the payment of the Demand Note as provided herein. All such documentation shall be acceptable to the parties and their counsel; and be it further

MUNICIPAL MORTGAGE & EQUITY, LLC - CONTINUED

**FURTHER RESOLVED**, that the Board, by any two (2) individuals, is authorized to execute all instruments and documents in connection with the actions authorized hereunder; and be it further

**FURTHER RESOLVED**, a copy of this Resolution be forwarded to MMA and special counsel for P&F:

EARL COLE  
MUNIMAE  
THE PIER IV BUILDING  
621 E. PRATT STREET  
SUITE 300  
BALTIMORE, MARYLAND 21202

F. LOGAN DAVIDSON, P.C.  
28 WEST ADAMS  
SUITE 300  
DETROIT, MICHIGAN 48226

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, JONES,  
NEARY, PEGG, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

MUNICIPAL MORTGAGE & EQUITY, LLC

BY TRUSTEE PEGG – SUPPORTED BY TRUSTEE GNATEK

**WHEREAS**, Municipal Mortgage and Equity, LLC and/or its affiliates (“MMA”) made two (2) loans in the amount of \$4.4 million and \$3 million, respectively (collectively, “Bridge Loans”) for two (2) facilities described as follows:

A 42 unit assisted living community in Clear Lake, California known as Orchard Park and a 42 unit assisted living facility located in Hilton Head, South Carolina known as Palm Meadows (collectively, “Projects”); and

**WHEREAS**, the Police & Fire Retirement System of the City of Detroit (“P&F”) simultaneously loaned to MMA the following:

MUNICIPAL MORTGAGE & EQUITY, LLC - CONTINUED

- (i) the sum of \$4 million for Orchard Park, and
- (ii) the sum of \$2.7 million for Palm Meadows

to MMA in order to allow MMA to make the Bridge Loans as evidenced by two (2) Demand Notes dated September 2005 (“Demand Notes”) from MMA to P&F; and

**WHEREAS**, the loan documents evidencing and securing the Bridge Loans were assigned as collateral for the Demand Notes by MMA to P&F; and

**WHEREAS**, the Bridge Loans were to be repaid in September of 2007, and bankruptcy was filed by the owner in July of 2009, resulting in the Bridge Loans being extended and Emeritus/Blackstone taking ownership in August of 2010; and

**WHEREAS**, MMA has committed to P&F to pay the Demand Notes in full as soon as possible; and

**WHEREAS**, MMA has found Emeritus/Blackstone (“Buyer”) to purchase the Bridge Loans from MMA and MMA will use the proceeds from such sale to repay the majority of the Demand Notes in the approximate amount of \$6.1 million, leaving an approximate balance of \$607,000 on the existing Demand Notes; and

**WHEREAS**, notwithstanding the foregoing recital, the Bridge Loans will be sold to any other buyer who is not affiliated with the former owner or its principals so long as the purchase price for the Bridge Loans is at least \$6.1 million; and

**WHEREAS**, upon the consummation of the sale of the Bridge Loans and payment of the \$6.1 million of sale proceeds to P&F, MMA will remain liable for payment of the balance of the Demand Note in the approximate amount of \$607,000. Such amount will continue be guaranteed as previously provided in documents between MMA and P&F; and

**WHEREAS**, the balance of the Demand Note will be paid as follows: MMA will pay (i) \$107,000 towards the Demand Note upon the consummation of the sale of the Bridge Loans to Buyer and (ii) \$100,000 per month for the next five (5) months (“Final Payment

MUNICIPAL MORTGAGE & EQUITY, LLC - CONTINUED

Date”). In addition, MMA expects a state income tax refund of approximately \$500,000 (“Refund”) over the next four (4) months and if such Refund is received sooner than the Final Payment Date by MMA, such Refund will be used to pay down the balance of the Demand Note; and

**WHEREAS**, MMA is also providing an option to P&F that it can reject the sale of the Bridge Loans and agree to be repaid when the Bridge Loans mature in July of 2015; and

**WHEREAS**, P&F is requiring that MMA pay its legal costs in reviewing the applicable documents regarding this matter and the final disposition by the Board of Trustees of P&F (“Board”); and

**WHEREAS**, MMA has made a presentation to P&F outlining the advantages and disadvantages of the sale of the Bridge Loans on Thursday, April 28, 2011; and

**WHEREAS**, the Board has considered this presentation and discussed the matter before it;

**NOW, THEREFORE, IT IS RESOLVED** that P&F (i) approves the sale of the Bridge Loans as provided above; (ii) accepts \$6.1 million of sale proceeds to be applied under the Demand Notes; and (iii) accepts payments of the balance of the Demand Note pursuant to the terms set forth above; and be it further

**FURTHER RESOLVED**, that MMA and P&F execute such documents and undertake such acts as are necessary to implement the sale of the Bridge Loans, including, without limitation, assignment documents; and all such documentation shall be acceptable to the parties and their counsel; and be it further

**FURTHER RESOLVED**, that the Board, by any two (2) individuals, is authorized to execute all instruments and documents in connection with the actions authorized hereunder; and be it further

**FURTHER RESOLVED**, a copy of this Resolution be forwarded to MMA and special counsel for P&F:

MUNICIPAL MORTGAGE & EQUITY, LLC - CONTINUED

EARL COLE  
MUNIMAE  
THE PIER IV BUILDING  
621 E. PRATT STREET  
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BALTIMORE, MARYLAND 21202

F. LOGAN DAVIDSON, P.C.  
28 WEST ADAMS  
SUITE 300  
DETROIT, MICHIGAN 48226

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, JONES,  
NEARY, PEGG, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

TRUSTEE GREEN RE-JOINED THE MEETING.

**Re: Book Cadillac Hotel Project, Detroit, Michigan:  
Purchase of \$15,000,000 Mortgage Loan from First  
Independence Bank**

**By Trustee Pegg – Supported by Trustee Stewart**

**WHEREAS**, in connection with the closing on the Book Cadillac Hotel Project on June 30, 2006 the Retirement System entered into a Note Purchase Agreement with First Independence Bank (the "Bank") whereby the Retirement System agreed that if Cadillac Funding Associates, LLC (the "Borrower") defaulted in its obligations to the Bank in connection with the \$15,000,000 loan (the "Loan") the Bank made to the Borrower to partially finance the Borrower's construction of the Book Cadillac Hotel Project, upon demand by the Bank the Retirement System would purchase the loan from the Bank, and

**WHEREAS**, on March 12, 2009, the Board executed the following documents: (1) an Amended and Restated Payment, Note

Purchase and Pledge Agreement between the Board and the Bank dated as of February 27, 2009 to amend and restate the Note Purchase Agreement, and (2) a Securities Account Control Agreement among the Board, The Bank of New York Mellon and the Bank dated as

**Re:           Book Cadillac Hotel Project, Detroit, Michigan:  
Purchase of \$15,000,000 Mortgage Loan from First  
Independence Bank - Continued**

of February 27, 2009, which Securities Account Control Agreement provides for the pledge of United States Treasury securities as security for the payment of the Retirement System's obligations under the Amended and Restated Payment, Note Purchase and Pledge Agreement, and

**WHEREAS**, the Bank had previously notified the Board that the Borrower defaulted in its obligations to the Bank, and the Bank requested payment of the Borrower's debt in accordance with the provisions of the Amended and Restated Payment, Note Purchase and Pledge Agreement, and

**WHEREAS**, the Bank has now notified the Board that the Bank has reconsidered its position regarding the necessity of immediate payment of the Loan and is willing to continue the existing Loan to the June 30, 2016 Maturity Date, provided (i) that the pledged \$18,750,000 of United States Treasury securities being held by The Bank of New York Mellon as security for the payment of the Loan remain in place, (ii) that the debt service payments on the Loan are kept current, and (iii) that the Bank may call the Loan at any time upon sixty (60) day's written notice to the Board, and

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

**RESOLVED**, that the Board's special legal counsel, F. Logan Davidson, P.C., is hereby directed to negotiate an agreement with the Bank to provide that existing Loan shall be continued to the June 30, 2016 Maturity Date, provided (i) that the pledged \$18,750,000 of United States Treasury securities being held by The Bank of New York Mellon as security for the payment of the Loan remain in place, (ii) that the debt service payments on the Loan are kept current, and (iii) that the Bank may call the Loan at any time upon sixty (60) day's written notice to the Board, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to Special Legal Counsel F. Logan Davidson, P.C.; and the Accounting Division of the Retirement System:

**Re:           Book Cadillac Hotel Project, Detroit, Michigan:  
Purchase of \$15,000,000 Mortgage Loan from First  
Independence Bank - Continued**

F. LOGAN DAVIDSON, P.C.  
28 WEST ADAMS  
SUITE 300  
DETROIT, MICHIGAN 48226

YEAS – TRUSTEES BEST, BUTLER, GNATEK, JOHNSON, JONES, NEARY,  
PEGG, STEWART AND CHAIRMAN MOORE – 9

NAYS – NONE

ABSTAIN – TRUSTEE GREEN - 1

PUBLIC FORUM

AT 3:20 P.M., CHAIRMAN MOORE 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 MOORE ADJOURNED THE MEETING AT 3:25 P.M. UNTIL THURSDAY, MAY 5, 2011 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY