

MEETING NUMBER 2676

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



PROCEEDINGS HELD THURSDAY, APRIL 17, 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
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

EXCUSED

Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Richard Huddleston	Investment Analyst

ABSENT

None

## **CHAIRPERSON**

**Gregory Best**

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

TRUSTEE PEGG EXCUSED HIMSELF.

### **CAPITAL CALLS/DRAWS**

**BY MR. BANDEMER – SUPPORTED BY MR. ORZECH**

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

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

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

Firm: GOODE FINANCIAL, LLC  
Date: APRIL 15, 2008  
Fund Name: RDD INVESTMENT CORPORATION  
Capital Call/Draw: \$371,000.00

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

RETIREMENTS/EFFECTIVE DATE CHANGE

BY MR. STEWART – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT THE RETIREMENTS AND CHANGE OF EFFECTIVE DATE WHICH ARE OUTLINED BELOW BE APPROVED:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

RETIREMENTS/CHANGE OF EFFECTIVE DATE

NAME, TITLE, DEPARTMENT	ELMER FELTON – POLICE SERGEANT – PROMOTION LIST - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	34 09 14 – 04 01 08*

CHANGE OF EFFECTIVE DATE FROM APRIL 2, 2008 TO APRIL 1, 2008

NAME, TITLE, DEPARTMENT	KENNETH ROUTIN – SENIOR CHIEF - FIRE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	38 03 27 – 07 01 08

NAME, TITLE, DEPARTMENT	STACIA LITTLE – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 05 28 08

NAME, TITLE, DEPARTMENT	SHIRLEY TAYLOR – OFFICER - POLICE
RETIREMENT, PLAN	DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 05 27 08

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE RECEIPTS (\$3,791,624.26) AND DISBURSEMENTS (\$1,391,680.45) WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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 # 3273, IN THE AMOUNT OF \$689,722.06, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

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:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH, STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

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

ADP – APRIL 4, 2008 - \$234.35 – POLICE AND FIRE PORTION OF \$468.70 – SUPPLIES

COUZENS, LANSKY, ELLIS, FEALK, ROEDER & LAZAR – APRIL 16, 2008 - \$25,718.64 – POLICE AND FIRE PORTION OF \$51,437.28 – MARCH, 2008 SERVICES – GVC WINSTAR

CRAIN COMMUNICATIONS – APRIL 10, 2008 - \$49.00 – SUBSCRIPTION FEE

DELL MARKETING – FEBRUARY 12, 2008 - \$13.50 – POLICE AND FIRE PORTION OF \$27.00 – SUPPLIES

FORMS TRAC – APRIL 7, 2008 - \$142.42 – POLICE AND FIRE PORTION OF \$284.84 – PRINTING COSTS

GRAPHIC SCIENCES – MARCH 31, 2008 - \$1,794.67 – POLICE AND FIRE PORTION OF \$3,589.33 – CONTRACT/MISCELLANEOUS SERVICES

BILL PAYMENT REQUESTS

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

HOWARD & HOWARD – APRIL 10, 2008 - \$22,196.50 – MARCH, 2008 SERVICES – GSC PARTNERS

MAYFIELD GENTRY REALTY ADVISORS, LLC – APRIL 16, 2008 - \$183,691.56 – APRIL, 2008 ASSET MANAGEMENT AND MORTGAGE SERVICING FEES

MAYFIELD GENTRY REALTY ADVISORS, LLC – APRIL 16, 2008 - \$396,737.05 – PFRS DUBLIN CORP. CAPITAL IMPROVEMENTS

MAYFIELD GENTRY REALTY ADVISORS, LLC – APRIL 16, 2008 - \$2,542.50 – GRAND PARK CENTRE CAPITAL CALL

SMITH BROTHERS ELECTRIC – JANUARY 25, 2008 - \$1,938.83 – POLICE AND FIRE PORTION OF \$3,877.66 – CONTRACT/MISCELLANEOUS SERVICES

TECH DEPOT – MARCH 31, 2008 - \$373.22 – POLICE AND FIRE PORTION OF \$746.44 – SUPPLIES

TECH DEPOT – MARCH 31, 2008 - \$37.03 – POLICE AND FIRE PORTION OF \$74.06 – SUPPLIES

THE BANK OF NEW YORK MELLON – MARCH 17, 2008 - \$57,610.78 – 2007 FOURTH QUARTER FEES

THE EVALUATION GROUP – JANUARY 16, 2008 - \$1,395.00 – KURTISS STAPLES APPEAL EXAMINATION

XO COMMUNICATIONS – APRIL 1, 2008 - \$945.36 – POLICE AND FIRE PORTION OF \$1,890.72 – CONTRACT/MISCELLANEOUS SERVICES

LEGAL COUNSEL'S BILLING

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

RESOLVED, THAT LEGAL COUNSEL'S BILLING DATED APRIL 24, 2008, FOR THE MONTH OF APRIL, 2008, IN THE AMOUNT OF \$17,218.18, BE APPROVED AND SAID AMOUNT BE WIRE-TRANSFERRED PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

NAYS – NONE

SPECIAL COUNSEL JOE TURNER 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. STEWART – SUPPORTED BY MR. BANDEMER

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:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

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

NAYS – NONE

THOMAS ARNOLD

DEATH OF BENEFICIARY: MARCH 9, 2008

APPLICATION FILED: MARCH 16, 2008

ROBERT CHERGET

DEATH OF BENEFICIARY: MARCH 18, 2008

APPLICATION FILED: MARCH 28, 2008

FIRE DEPARTMENT ELECTION

BY MR. STEWART – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS IN RECEIPT OF AN APRIL 11, 2008 REQUEST FROM FIRE COMMISSIONER TYRONE SCOTT THAT THE BOARD APPROVE UNDERWRITING THE EXPENSES THE FIRE DEPARTMENT MAY INCUR REGARDING THE FIRE DEPARTMENT CONDUCTING AN ELECTION IN MAY, 2008 TO FILL THE EXPIRING TERM (JUNE 30, 2008) OF FIRE DEPARTMENT TRUSTEE GREGORY BEST, THEREFORE BE IT

RESOLVED, THAT THE REQUEST OF FIRE COMMISSIONER SCOTT IS HEREBY GRANTED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO COMMISSIONER SCOTT AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, ORZECH,  
STEWART AND CHAIRMAN BEST – 6

FIRE DEPARTMENT ELECTION

NAYS – NONE

LEGAL COUNSEL RONALD ZAJAC ENTERED THE MEETING.

TRUSTEE DEDAN MILTON ENTERED THE MEETING.

TRUSTEE JAMES MOORE ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING THE OAK GROVE SHOPPING CENTER, PFRS CROSSROADS LAND CORPORATION, PFRS CROSSROADS CORPORATION, BEAR STEARNS, GSC PARTNERS AND YAHOO!, INC.

DISPOSITION FEES TO MAYFIELD GENTRY REALTY ADVISORS, LLC  
OAK GROVE SHOPPING CENTER

BY MR. MOORE – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A DECEMBER 12, 2007 REQUEST FOR PAYMENT OF A DISPOSITION FEE IN THE AMOUNT OF \$267,357.46, AND

WHEREAS, STAFF HAS RAISED ISSUES, PER DRAFT OF A MARCH 20, 2008 LETTER, WHICH HAS BEEN RESPONDED TO BY MAYFIELD GENTRY REALTY ADVISORS, LLC, PER APRIL 10, 2008 LETTER, AND

WHEREAS, THE BOARD'S GENERAL COUNSEL, PER REQUEST BY THE BOARD, HAS REVIEWED BOTH LETTERS AND HAS VERBALLY AGREED WITH THE POSITION OF MAYFIELD GENTRY REALTY ADVISORS, LLC, AND

DISPOSITION FEES TO MAYFIELD GENTRY REALTY ADVISORS, LLC  
OAK GROVE SHOPPING CENTER

WHEREAS, THE BOARD NOTES THAT ITS PREVIOUS REAL ESTATE CONSULTANT (THE TOWNSEND GROUP) HAS INDICATED ITS AGREEMENT WITH THE CALCULATION OF THE DISPOSITION FEE, AND

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

RESOLVED, THAT THE BOARD ACCEPTS THE CALCULATION OF THE DISPOSITION FEE PAYABLE TO MAYFIELD GENTRY REALTY ADVISORS, LLC, PER CONTRACT, AND APPROVE PAYMENT OF \$267,357.46 TO MAYFIELD GENTRY REALTY ADVISORS, LLC, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MAYFIELD GENTRY REALTY ADVISORS AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

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

NAYS – NONE

PFRS OAK GROVE CORPORATION

THE BOARD WAS MADE AWARE OF THE EXECUTION OF AN APRIL 17, 2008 STATE OF OREGON AMENDMENT TO ANNUAL REPORT BY AN OFFICER OF THE CORPORATION.

BEAR STEARNS LITIGATION

LEGAL COUNSEL PROVIDED THE BOARD WITH A COPY OF AN APRIL 15, 2008 LETTER AND MEMO OPINION (CASE #3643-VCD)

BEAR STEARNS LITIGATION

FROM SPECIAL COUNSEL KOHN, SWIFT AND GRAF REGARDING BEAR STEARNS.

GSC PARTNERS LITIGATION

LEGAL COUNSEL PROVIDED THE BOARD WITH A COPY OF A COMPLAINT AND DEMAND FOR TRIAL REGARDING GSC PARTNERS.

YAHOO!, INC. LITIGATION

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH AN APRIL 11, 2008 COMMUNICATION FROM SPECIAL LEGAL COUNSEL BERNSTEIN, LITOWITZ, BERGER AND GROSSMANN REGARDING YAHOO!, INC.

HSBC INVESTMENTS

BY MR. STEWART – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD HAS DECIDED, PER RESOLUTION OF APRIL 10, 2008, TO MAKE A \$9,000,000.00 INVESTMENT, RE: THE TCR AFFORDABLE APARTMENT PORTFOLIO (“TCR”) WITH BANYAN REALTY ADVISORS, LLC, AND

WHEREAS, THE BOARD IS AWARE OF PUBLIC ACT 314 OF 1965, AS AMENDED, STATUTORY PERCENTAGE LIMITATIONS OF CERTAIN CATEGORIES OF INVESTMENTS, THEREFORE BE IT

RESOLVED, THAT HSBC SELL \$9,000,000.00 OF BELOW INVESTMENT GRADE BONDS HELD IN ACCOUNT #591378, AND BE IT FURTHER

RESOLVED, THAT THE PROCEEDS OF THIS LIQUIDATION BE TRANSFERRED TO THE LIQUID RESERVE ACCOUNT (#591355) AND BE UTILIZED TO FUND THE BANYAN INVESTMENT (TCR AFFORDABLE APARTMENT PORTFOLIO), AND BE IT FURTHER

RESOLVED, THAT THE BOARD’S EXECUTIVE SECRETARY AND INVESTMENT ANALYST MAKE THE APPROPRIATE ARRANGEMENTS TO EFFECTUATE THE FOREGOING, AND BE IT FURTHER

HSBC INVESTMENTS

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO HSBC INVESTMENTS, BANYAN REALTY ADVISORS, LLC (ATTENTION: LOU VOGT), THE BOARD'S EXECUTIVE SECRETARY, THE BOARD'S ASSISTANT EXECUTIVE SECRETARY, THE BOARD'S INVESTMENT ANALYST AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

YEAS – TRUSTEES BANDEMER, DOYLE, FREEMAN, MILTON, MOORE, STEWART AND CHAIRMAN BEST – 7

NAYS – TRUSTEE ORZECH – 1

RETIREMENT SYSTEM DATA PROCESSING CONTRACTUAL EMPLOYEES, EXECUTIVE SECRETARY, ASSISTANT EXECUTIVE SECRETARY

BY MR. ORZECH – SUPPORTED BY MR. MILTON

RESOLVED, THAT THE BOARD OBTAIN THE SERVICES OF A CONSULTING FIRM TO SURVEY THE POSITIONS OF THE RETIREMENT SYSTEMS' DATA PROCESSING CONTRACTUAL EMPLOYEES, EXECUTIVE SECRETARY AND ASSISTANT EXECUTIVE SECRETARY AND PROVIDE COMPARABLE SALARIES AND BENEFITS:

THE ABOVE-DESIGNATED MOTION WAS NOT VOTED UPON BY THE BOARD OF TRUSTEES.

REDICO

TYSEN MCCARTHY AND AN ASSOCIATE DISCUSSED A PROPOSAL FOR REDICO TO PURCHASE THE ALLIED BUILDING, AMERICAN CENTER AND OAKLAND TOWN SQUARE LOANS FROM MET-LIFE AND THEN EXCUSED THEMSELVES.

TRUSTEE JEFFREY BEASLEY ENTERED THE MEETING.

TRUSTEE PEGG RE-JOINED THE MEETING.

MAYFIELD GENTRY REALTY ADVISORS, LLC  
CROSS ROADS CORPORATE PARK, CARY, NC

BY MR. STEWART – SUPPORTED BY MR. MOORE

WHEREAS, THE BOARD IS IN RECEIPT OF AN APRIL 17, 2008 REQUEST FOR A WIRE-TRANSFER OF \$20,428,000.00 NET OF CLOSING FEES OF \$1,572,000.00 AND EARNEST MONEY DEPOSIT OF \$4,000.00, AND

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

RESOLVED, THAT THE BOARD APPROVE THE WIRE-TRANSFER CONSISTENT WITH THE APRIL 17, 2008 LETTER FROM MAYFIELD GENTRY REALTY ADVISORS, LLC SUBJECT TO A WIRE-TRANSFER REQUEST EXECUTED BY MAYFIELD GENTRY REALTY ADVISORS, LLC WITH APPROPRIATE CERTIFICATIONS AND APPROVAL BY THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, P.C., AND THE BOARD'S GENERAL COUNSEL AND ASSISTANT EXECUTIVE SECRETARY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE IMMEDIATELY FORWARDED TO MAYFIELD GENTRY REALTY ADVISORS, LLC, THE BOARD'S SPECIAL LEGAL COUNSEL, F. LOGAN DAVIDSON, P.C. AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

PFRS CROSS ROADS CORPORATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS THE SOLE SHAREHOLDER OF PFRS CROSS ROADS CORPORATION, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE EXECUTION OF THE FOLLOWING DOCUMENTS DATED AS OF APRIL 17, 2008 (THE "SHAREHOLDER DOCUMENTS") ON BEHALF OF THE BOARD:

SUBSCRIPTION AGREEMENT TO PURCHASE 1,000 SHARES OF STOCK IN THE CORPORATION DATED APRIL 17, 2008

WRITTEN CONSENT OF SHAREHOLDER, RE: INCORPORATION MATTERS DATED APRIL 17, 2008, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE EXECUTION OF THE FOLLOWING DOCUMENTS DATED AS OF APRIL 17, 2008:

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE: INCORPORATION MATTERS DATED APRIL 17, 2008

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE: ACQUISITION OF PROPERTY AND BORROWING OF LOAN DATED APRIL 17, 2008

NOTICE REQUIREMENTS OF THE INTERNAL REVENUE SERVICE DATED APRIL 17, 2008

STOCK CERTIFICATE NO. 001 DATED APRIL 17, 2008

APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN NORTH CAROLINA DATED APRIL 17, 2008

PFRS CROSS ROADS CORPORATION

ASSIGNMENT AND ASSUMPTION OF PURCHASE  
AGREEMENT DATED APRIL 17, 2008, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE  
EXECUTION OF THE FOLLOWING DOCUMENTS TO BE DATED AS  
OF THE CLOSING DATE (THE "TRANSACTION DOCUMENTS") BY  
OFFICERS OF THE CORPORATION:

PROMISSORY NOTE

DEED OF TRUST, SECURITY AGREEMENT, FINANCING  
STATEMENT AND FIXTURE FILING

ASSIGNMENT OF LEASES AND RENTS

ASSIGNMENT AND SUBORDINATION OF MANAGEMENT  
AGREEMENT

ENVIRONMENTAL INDEMNIFICATION AGREEMENT

BORROWER'S AFFIDAVIT, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN  
RECOMMENDED BY THE BOARD'S SPECIAL LEGAL COUNSEL, F.  
LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF THE SHAREHOLDER DOCUMENTS  
AND THE CORPORATION DOCUMENTS HAS BEEN REVIEWED AND  
APPROVED AS TO FORM BY THE BOARD'S SPECIAL LEGAL  
COUNSEL AND THE EXECUTION OF SAID DOCUMENTS IS  
CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE  
IT

PFRS CROSS ROADS CORPORATION

RESOLVED, THAT SAID SHAREHOLDER DOCUMENTS BE EXECUTED BY THE APPROPRIATE REPRESENTATIVES OF THE BOARD ON BEHALF OF THE BOARD, AND BE IT FURTHER

RESOLVED, THAT SAID CORPORATION DOCUMENTS BE EXECUTED BY THE APPROPRIATE CORPORATE OFFICERS ON BEHALF OF THE CORPORATION, AND BE IT FURTHER

RESOLVED, THAT SAID TRANSACTION DOCUMENTS BE EXECUTED BY THE APPROPRIATE CORPORATE OFFICERS ON BEHALF OF THE CORPORATION AND DELIVERED TO THE BOARD'S LEGAL COUNSEL TO BE HELD IN ESCROW BY LEGAL COUNSEL UNTIL LEGAL COUNSEL HAS REVIEWED AND APPROVED THE TRANSACTION DOCUMENTS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

PFRS CROSS ROADS LAND CORPORATION

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS THE SOLE SHAREHOLDER OF PFRS CROSS ROADS CORPORATION, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE EXECUTION OF THE FOLLOWING DOCUMENTS DATED AS OF APRIL 17, 2008 (THE "SHAREHOLDER DOCUMENTS") ON BEHALF OF THE BOARD:

SUBSCRIPTION AGREEMENT TO PURCHASE 1,000 SHARES OF STOCK IN THE CORPORATION DATED APRIL 17, 2008

PFRS CROSS ROADS LAND CORPORATION

WRITTEN CONSENT OF SHAREHOLDER, RE:  
INCORPORATION MATTERS DATED APRIL 17, 2008, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE  
EXECUTION OF THE FOLLOWING DOCUMENTS DATED AS OF  
APRIL 17, 2008:

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE:  
INCORPORATION MATTERS DATED APRIL 17, 2008

UNANIMOUS WRITTEN CONSENT OF DIRECTORS, RE:  
ACQUISITION OF PROPERTY AND BORROWING OF LOAN  
DATED APRIL 17, 2008

NOTICE REQUIREMENTS OF THE INTERNAL REVENUE SERVICE  
DATED APRIL 17, 2008

STOCK CERTIFICATE NO. 001 DATED APRIL 17, 2008

APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS  
IN NORTH CAROLINA DATED APRIL 17, 2008

ASSIGNMENT AND ASSUMPTION OF PURCHASE  
AGREEMENT DATED APRIL 17, 2008, AND

WHEREAS, THE BOARD HAS BEEN REQUESTED TO AUTHORIZE THE  
EXECUTION OF THE FOLLOWING DOCUMENTS TO BE DATED AS  
OF THE CLOSING DATE (THE "TRANSACTION DOCUMENTS") BY  
OFFICERS OF THE CORPORATION:

PROMISSORY NOTE

DEED OF TRUST, SECURITY AGREEMENT, FINANCING  
STATEMENT AND FIXTURE FILING

PFRS CROSS ROADS LAND CORPORATION

ASSIGNMENT OF LEASES AND RENTS

ASSIGNMENT AND SUBORDINATION OF MANAGEMENT  
AGREEMENT

ENVIRONMENTAL INDEMNIFICATION AGREEMENT

BORROWER'S AFFIDAVIT, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENTS HAS BEEN  
RECOMMENDED BY THE BOARD'S SPECIAL LEGAL COUNSEL, F.  
LOGAN DAVIDSON, P.C., AND

WHEREAS, THE EXECUTION OF THE SHAREHOLDER DOCUMENTS  
AND THE CORPORATION DOCUMENTS HAS BEEN REVIEWED AND  
APPROVED AS TO FORM BY THE BOARD'S SPECIAL LEGAL  
COUNSEL AND THE EXECUTION OF SAID DOCUMENTS IS  
CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE  
IT

RESOLVED, THAT SAID SHAREHOLDER DOCUMENTS BE EXECUTED  
BY THE APPROPRIATE REPRESENTATIVES OF THE BOARD ON  
BEHALF OF THE BOARD, AND BE IT FURTHER

RESOLVED, THAT SAID CORPORATION DOCUMENTS BE  
EXECUTED BY THE APPROPRIATE CORPORATE OFFICERS ON  
BEHALF OF THE CORPORATION, AND BE IT FURTHER

RESOLVED, THAT SAID TRANSACTION DOCUMENTS BE EXECUTED  
BY THE APPROPRIATE CORPORATE OFFICERS ON BEHALF OF THE  
CORPORATION AND DELIVERED TO THE BOARD'S LEGAL  
COUNSEL TO BE HELD IN ESCROW BY LEGAL COUNSEL UNTIL  
LEGAL COUNSEL HAS REVIEWED AND APPROVED THE  
TRANSACTION DOCUMENTS:

PFRS CROSS ROADS LAND CORPORATION

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

PAYDEN & RYGEL/FIRST INDEPENDENCE ESCROW ACCOUNT  
(ACCOUNT #591385)

BY MR. MOORE – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS NO LONGER REQUIRED TO MAINTAIN SPECIFIC  
COLLATERAL IN ACCOUNT #591385 TO SUPPORT THE BOOK CADILLAC  
CREDIT ENHANCEMENT, THEREFORE BE IT

RESOLVED, THAT PAYDEN AND RYGEL BE DIRECTED TO LIQUIDATE ALL  
ASSETS HELD IN ACCOUNT #591385, AND BE IT FURTHER

RESOLVED, THAT THE PROCEEDS OF THIS LIQUIDATION BE TRANSFERRED TO  
THE LIQUID RESERVE ACCOUNT (#591355), AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S EXECUTIVE SECRETARY AND INVESTMENT  
ANALYST MAKE APPROPRIATE ARRANGEMENTS TO EFFECTUATE THE  
FOREGOING, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PAYDEN  
AND RYGEL, THE BANK OF NEW YORK MELLON (THE BOARD'S CUSTODIAL  
BANK), THE BOARD'S INVESTMENT ANALYST AND THE ACCOUNTING  
DIVISION OF THE RETIREMENT SYSTEMS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore,  
Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

MERRILL LYNCH  
S & P 500 INDEX ACCOUNT  
(ACCOUNT #591332)

BY MR. STEWART – SUPPORTED BY MR. MOORE

MERRILL LYNCH  
S & P 500 INDEX ACCOUNT  
(ACCOUNT #591332)

RESOLVED, THAT \$20,000,000.00 BE WITHDRAWN FROM THE S & P 500 INDEX ACCOUNT MANAGED BY MERRILL LYNCH (#591332), AND BE IT FURTHER

RESOLVED, THAT THE PROCEEDS OF THIS WITHDRAWAL BE TRANSFERRED TO THE LIQUID RESERVE ACCOUNT (#591355), AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S EXECUTIVE SECRETARY AND INVESTMENT ANALYST MAKE APPROPRIATE ARRANGEMENTS TO EFFECTUATE THE FOREGOING, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MERRILL LYNCH, THE BANK OF NEW YORK MELLON (THE BOARD'S CUSTODIAL BANK), THE BOARD'S INVESTMENT ANALYST AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING WELLS CAPITAL MANAGEMENT, LOOP CAPITAL, AND HGK.

SG CAPITAL  
\$20,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – 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

SG CAPITAL

\$20,000,000.00 PROPOSED INVESTMENT

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

**WHEREAS**, the Board is in receipt of a due diligence report from its due diligence advisor, North Point Advisors (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 Special Legal Counsel and/or General Counsel) after further [discussion with] [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.

SG CAPITAL

\$20,000,000.00 PROPOSED INVESTMENT

- 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.
- 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.

SG CAPITAL

\$20,000,000.00 PROPOSED INVESTMENT

- 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

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\$20,000,000.00 PROPOSED INVESTMENT

- 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 Special Legal Counsel being selected 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 continues conditionally approves the proposed investment, and indicates its 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 a copy of this resolution be forwarded to the project sponsor/borrower/applicable party, the Board's Advisor, Special Legal Counsel to be selected by the Board, and the Accounting Division of the Retirement Systems:

SG CAPITAL

\$20,000,000.00 PROPOSED INVESTMENT

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

WELLS CAPITAL MANAGEMENT

SMALL-CAP GROWTH

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT WELLS CAPITAL MANAGEMENT BE NOTIFIED IN WRITING THAT WELLS CAPITAL MANAGEMENT HAS BEEN PLACED ON THE BOARD'S INTERNAL "WATCH LIST" REGARDING NEW INVESTMENT MANAGEMENT PERSONNEL CONSIDERATIONS AND THAT WELLS CAPITAL MANAGEMENT WILL BE EXPECTED TO RESPOND TO INQUIRIES FROM THE BOARD AND THE BOARD'S INVESTMENT CONSULTANTS REGARDING THIS MATTER:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton,  
Moore, Orzech, Pegg, Stewart and Chairman Best – 10

Nays – None

LOOP CAPITAL

\$30,000,000.00 DEUTSCHE BANK AG,  
DB GLOBAL SOLUTIONS PROGRAM  
DB MUNICIPAL INDEX SERIES NOTES

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (THE "BOARD")

LOOP CAPITAL

\$30,000,000.00 DEUTSCHE BANK AG,  
DB GLOBAL SOLUTIONS PROGRAM  
DB MUNICIPAL INDEX SERIES NOTES

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, THE BOARD'S ADVISOR HAS SUBMITTED A FAVORABLE DUE DILIGENCE REPORT DATED JANUARY 5, 2008 WHICH IS ACCEPTABLE TO THE BOARD, AND

WHEREAS, THE BOARD'S SPECIAL LEGAL COUNSEL APPROVES THE DOCUMENTATION SUBJECT TO FINALIZATION OF THE DOCUMENTS BY THE PLAN SPONSOR WITH FINAL APPROVAL THEREOF BY THE BOARD'S ADVISOR, SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT THE BOARD HEREBY APPROVES THE SIGNING OF THE CLOSING DOCUMENTS SUBJECT TO REVIEW AND FINAL APPROVAL BY THE BOARD'S ADVISOR, SPECIAL LEGAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT THE CLOSING DOCUMENTS INCLUDE, BUT ARE NOT LIMITED TO:

INVESTOR REPRESENTATION LETTER  
BROKER'S AGREEMENT

AND BE IT FURTHER

RESOLVED, THAT THE BOARD AUTHORIZES TWO AUTHORIZED SIGNERS (CONSISTENT WITH BOARD POLICY) TO EXECUTE THE

LOOP CAPITAL

\$30,000,000.00 DEUTSCHE BANK AG,  
DB GLOBAL SOLUTIONS PROGRAM  
DB MUNICIPAL INDEX SERIES NOTES

CLOSING DOCUMENTS AND ANY DOCUMENTATION REQUIRED BY THE BOARD'S SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL TO CONSUMMATE THE CLOSING ON THE INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S SPECIAL LEGAL COUNSEL DELIVER SAID CLOSING DOCUMENTS, AND BE IT FURTHER

RESOLVED, THAT THE BOARD HEREBY APPROVES THE FUNDING OF THE INVESTMENT AND AUTHORIZES UP TO A \$30,000,000.00 WIRE TRANSFER TO THE PLAN SPONSOR'S AGENT AS DESCRIBED IN THE DISBURSEMENT REQUEST WHICH SHALL BE COMPLETED CONSISTENT WITH THE BOARD'S POLICY SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD'S SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE PLAN SPONSOR, THE BOARD'S ADVISOR, THE BOARD'S SPECIAL LEGAL COUNSEL AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

Yeas – Trustees Bandemer, Beasley, Doyle, Freeman, Milton, Moore, Orzech, Pegg and Stewart – 9

Nays – Chairman Best – 1

TRUSTEES BANDEMER, BEASLEY AND STEWART TEMPORARILY EXCUSED THEMSELVES.

HGK ASSET MANAGEMENT

BY MR. MOORE – SUPPORTED BY MR. PEGG

RESOLVED, THAT HGK ASSET MANAGEMENT BE NOTIFIED IN WRITING THAT HGK HAS BEEN PLACED ON THE BOARD'S INTERNAL "WATCH LIST" AND THAT HGK WILL BE EXPECTED TO RESPOND TO INQUIRIES FROM THE BOARD AND THE BOARD'S INVESTMENT CONSULTANTS REGARDING PERFORMANCE:

Yeas – Trustees Freeman, Moore, Orzech, Pegg and Chairman Best – 5

Nays – Trustees Milton and Doyle – 2

TRUSTEES BANDEMER, BEASLEY AND STEWART RE-JOINED THE MEETING.

J.P. MORGAN

CLARENCE LEWIS DISCUSSED DUE DILIGENCE REGARDING J.P. MORGAN'S URBAN RENAISSANCE FUND AND THEN EXCUSED HIMSELF.

CITY OF DETROIT SPECIAL ESCROW ACCOUNT  
POLICEMEN & FIREMEN RETIREMENT SYSTEM

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

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

CITY OF DETROIT SPECIAL ESCROW ACCOUNT  
POLICEMEN & FIREMEN RETIREMENT SYSTEM

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, and be it further

Resolved, That a copy of this resolution be forwarded to the Accounting Division of the Retirement Systems:

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, FREEMAN,  
MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIR-  
MAN BEST – 10

NAYS – NONE

CONFERENCES

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

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:

Hedge Fund Real Estate and Other Alternative Investments  
Conference  
New York

CONFERENCES

June 23, 2008 – June 25, 2008

NAPO'S 30<sup>th</sup> Annual Convention  
Puerto Rico  
July 31, 2008 – August 4, 2008

Institutional Investors' Risk and Reward Conference  
Florida  
May 4, 2008 – May 6, 2008

YEAS – TRUSTEES BANDEMER, BEASLEY, DOYLE, FREEMAN,  
MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIR-  
MAN BEST – 10

NAYS – NONE

PUBLIC FORUM

AT 1:10 P.M., CHAIRPERSON 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, CHAIRPERSON BEST ADJOURNED THE MEETING AT 1:15 P.M. UNTIL THURSDAY, MAY 1, 2008 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