

MEETING NUMBER 2681

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



PROCEEDINGS HELD THURSDAY, MAY 15, 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
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
Jeffrey Pegg	Elected Trustee
Paul Stewart	Elected Trustee
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel

EXCUSED

Gregory Best	Elected Trustee/ Chairperson
James Moore	Elected Trustee
George Orzech	Elected Trustee
Walter Stampor	Executive Secretary
Richard Huddleston	Investment Analyst

ABSENT

None

VICE CHAIRPERSON

Marty Bandemer

ROLL CALL WAS TAKEN AT 9:05 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. STEWART – SUPPORTED BY MR. PEGG

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

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

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

Firm:	Mayfield Gentry Realty Advisors
Date:	May 15, 2008
Fund Name:	Grand Park Centre in Detroit, Michigan
Capital Call/Draw:	\$8,603.74

Firm:	Onyx Capital
Date:	May 14, 2008
Fund Name:	Onyx Capital Advisory Fund I, L.P.
Capital Call/Draw:	\$1,750,000.00

Yeas – Trustees Doyle, Freeman, Pegg, Stewart and Vice Chairman Bandemer – 5

Nays – None

Retirements

By Mr. Stewart – Supported by Mr. Pegg

Resolved, That the retirement application which is designated below be approved:

Retirements

Yeas – Trustees Doyle, Freeman, Pegg, Stewart and Vice Chairman
Bandemer – 5

Nays – None

RETIREMENT APPLICATIONS

NAME, TITLE, DEPARTMENT	DANIEL FOLCARELLI – OFFICER - POLICE
RETIREMENT, PLAN	SERVICE - NEW
SERVICE CREDIT, EFFECTIVE DATE	39 02 12 – 07 03 08

Confirmations

By Mr. Stewart – Supported by Mr. Pegg

Resolved, That the receipts (\$1,582,192.96) and disbursements (\$5,141,146.33) which are referenced at the end of these proceedings be confirmed:

Yeas – Trustees Doyle, Freeman, Pegg, Stewart and Vice Chairman
Bandemer – 5

Nays – None

Trustee Barbara-Rose Collins entered the Meeting.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. DOYLE – SUPPORTED BY MR. PEGG

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 #3276, IN THE AMOUNT OF \$385,928.21, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

REFUNDS OF ACCUMULATED CONTRIBUTIONS

Nays – None

BILL PAYMENT REQUESTS

BY MR. STEWART – SUPPORTED BY MR. PEGG

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 – MAY 2, 2008 - \$219.17 – OFFICE SUPPLIES

BANK OF NEW YORK – APRIL 23, 2008 - \$52,481.27 – 2008 FIRST QUARTER FEES

BANYAN REALTY ADVISORS, LLC – MAY 7, 2008 - \$20,843.02 – DUE DILIGENCE FEES FOR MCRAE GROUP OF COMPANIES – MANN 1100 PUD

BANYAN REALTY ADVISORS, LLC – MAY 7, 2008 - \$3,096.91 – DUE DILIGENCE FEES FOR SPARE TIME

FORMS TRAC – APRIL 28, 2008 - \$93.45 PRINTING COSTS

INLAND PRESS – APRIL 30, 2008 - \$15,400.00 – PRINTING COSTS FOR SYSTEM'S 2007 ANNUAL REPORTS

LETTER PERFECT – APRIL 4, 2008 - \$1,024.60 – OFFICE SUPPLIES

MAYFIELD GENTRY REALTY ADVISORS, LLC – MAY 13, 2008 - \$6,930.68 – CAPITAL IMPROVEMENTS FOR PFRS DUBLIN CORPORATION

MAYFIELD GENTRY REALTY ADVISORS, LLC – MAY 13, 2008 - \$225,644.89 – MAY, 2008 ASSET MANAGEMENT AND MORTGAGE SERVICING FEES

BILL PAYMENT REQUESTS

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

NORTH POINT ADVISORS – MAY 13, 2008 - \$14,000.00 – DUE DILIGENCE FOR INVESCOR, INC.

NORTH POINT ADVISORS – MAY 13, 2008 - \$12,500.00 – JUNE AND JULY, 2008 ADVISORY FEES

SUNBELT SOFTWARE – MAY 7, 2008 - \$236.25 – OFFICE SUPPLIES

VERIZON WIRELESS – MAY 4, 2008 - \$1,898.24 – PHONE SERVICES

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

LEGAL COUNSEL'S BILLING

BY MR. STEWART – SUPPORTED BY MR. PEGG

RESOLVED, THAT LEGAL COUNSEL'S MAY 22, 2008 BILLING, FOR THE MONTH OF MAY, 2008, IN THE AMOUNT OF \$17,218.18, BE APPROVED AND SAID AMOUNT BE PAID PURSUANT TO WIRE-TRANSFER INSTRUCTIONS ON FILE WITH THE POLICE AND FIRE RETIREMENT SYSTEM:

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

Police and Fire Retirement System of the City of Detroit
Pre-Employment Military Service Credit

By Mr. Stewart – Supported by Mr. Pegg

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

Police and Fire Retirement System of the City of Detroit
Pre-Employment Military Service Credit

Resolved, That payment of the full amounts be made to the Pension Accumulation Fund by the method selected by the individuals and the number of months eligible active duty be credited them as membership service credit subject to the conditions and limitations of the authorizing Ordinance Provisions as amended by Board resolution of February 3, 1983:

James Demps
Police Officer
236730

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PAF-GVC, INC. AND THE PERSONAL SERVICES CONTRACTS OF CONTRACTUAL SERVICES PROVIDERS.

PAF/GVC, INC.

BY MR. STEWART – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE A "WRITTEN CONSENT OF SHAREHOLDER (RE: ELECTION OF DIRECTORS) DATED MAY 15, 2008 RELATIVE TO THE AFORESAID TRANSACTION, AND

WHEREAS, THE EXECUTION OF SAID DOCUMENT(S) HAS BEEN REVIEWED AND APPROVED AS TO FORM BY THE BOARD'S GENERAL COUNSEL AND THE EXECUTION OF SAID DOCUMENT(S) IS CONSISTENT WITH PRIOR ACTION OF THE BOARD, THEREFORE BE IT

RESOLVED, THAT SAID DOCUMENT(S) BE EXECUTED BY TWO AUTHORIZED SIGNATORIES ON THE BOARD'S BEHALF, AND BE IT FURTHER

PAF/GVC, INC.

RESOLVED, THAT RETIREMENT SYSTEM ACCOUNTING STAFF RETAIN A COPY OF SAID EXECUTED DOCUMENT(S), AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PAF/GVC, INC. AND RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

PAF/GVC, INC.

BY MR. STEWART – SUPPORTED BY MR. DOYLE

Whereas, The Board has been requested to select two managers/directors to serve on the PAF/GVC, Inc. Board of Directors, and

Whereas, The Board has discussed said request, Therefore be it

Resolved, That Trustees Jeffrey Pegg and James Moore are hereby selected to serve on PAF/GVC, Inc.'s Board of Directors, and be it further

Resolved, That a copy of this resolution be forwarded to PAF/GVC, Inc. and the Accounting Division of the Retirement Systems:

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

PERSONAL SERVICES CONTRACTS
DATA PROCESSING/COMPUTER PERSONNEL/PROGRAMMERS
AND OTHER CONTRACTUAL SERVICES PROVIDERS

BY MR. STEWART – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD OF TRUSTEES ADOPTED AN APRIL 10, 2008 RESOLUTION WHICH, INTER ALIA:

1. APPROVED/DIRECTED RETIREMENT SYSTEM ADMINISTRATION TO IMPLEMENT A GENERAL POLICY OF HAVING MULTI-YEAR CONTRACT TERMS (GENERALLY THREE-YEAR TERMS UNLESS DEEMED OTHERWISE BY THE BOARD ON A CASE-BY-CASE BASIS)
2. INCLUSION OF “JUST CAUSE” TERMINATION TERMS AS OPPOSED TO “NO CAUSE” TERMINATION TERMS
3. SUBJECT TO MUTUAL AGREEMENT OF THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, AND

WHEREAS, THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM ADOPTED AN APRIL 16, 2008 RESOLUTION, WHICH RESOLUTION, INTER ALIA:

1. INDICATED ITS CONDITIONAL APPROVAL OF THE TERMS OF THE APRIL 10, 2008 POLICE AND FIRE RETIREMENT SYSTEM RESOLUTION
2. INDICATED ITS DESIRE TO APPLY THE GENERAL THREE-YEAR CONTRACT TERM POLICY (UNLESS DEEMED OTHERWISE BY THE BOARD)
3. ANNUAL INCREASES BE SUBJECT TO ANNUAL PERFORMANCE REVIEWS, WHICH RESOLUTION TERMS ARE SUBJECT TO AGREEMENT OF THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM, AND

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

RESOLVED, THAT THE BOARD APPROVES THE TERMS OF THE APRIL 16, 2008 RESOLUTION OF THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT, AND BE IT FURTHER

RESOLVED, THAT THE BOARD'S EXECUTIVE SECRETARY PROCEED TO IMPLEMENT THE FOREGOING RESOLUTION, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT:

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice Chairman Bandemer – 6

Nays – None

BARDEN DEVELOPMENT CORPORATION
\$75,000,000.00 PITG GAMING, LLC CREDIT ENHANCEMENT

BY MS. COLLINS – SUPPORTED BY MR. DOYLE

WHEREAS, the Board of Trustees (the “Board”) has previously tentatively approved the above-referenced investment, subject to a number of conditions set forth in the Resolution dated April 3, 2008, and

WHEREAS, Special Legal Counsel and the various lenders are attempting to finalize documentation for the closing and recommends tentative approval of the documentation subject to finalization of certain documents by the various lenders with final approval thereof by the Board’s Advisor, Special Legal Counsel and General Counsel, subject to compliance with all conditions referenced; and **THEREFORE BE IT**

RESOLVED, that the Board hereby approves the signing of the closing documents (the Closing Documents), subject to the review and final approval by Board’s Advisor, Special Legal Counsel and General Counsel. The Closing Documents include, but are not limited to:

Commitment Letter

Credit Enhancement Funding and Indemnity Agreement

Various other documents (collectively, the Closing Documents),
and be it further

RESOLVED, that the Board authorizes (i) two (2) authorized signers (consistent with Board policy) to execute the Closing Documents and any documentation required by Special Legal Counsel and General Counsel to consummate the closing, (ii) Special Legal Counsel to hold said documents in escrow, and (iii) Special Legal Counsel to deliver, if applicable, said Closing Documents if all conditions have been met, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Plan Sponsor, the Board’s Advisor (North Point Advisors), the Board’s Special Legal Counsel (Clark Hill PLC), and the Accounting Division of the Retirement Systems:

Trustee Dedan Milton entered the Meeting.

Yeas – Trustees Collins, Doyle, Freeman, Pegg, Stewart and Vice
Chairman Bandemer – 6

Nays – None

Abstain – Trustee Milton – 1

WELLS CAPITAL MANAGEMENT

WILLIAM MORRIS AND ASSOCIATE KEVIN GAUGHAN DISCUSSED PERFORMANCE AND THEN EXCUSED THEMSELVES.

MMA FINANCIAL, LLC

PAUL BERNARD AND THOMAS ZDRODOWSKI DISCUSSED THE RED RIVER CONSTRUCTION LOAN AND THEN EXCUSED THEMSELVES.

JEFFREY BEASLEY ENTERED THE MEETING.

TAIL WIND CAPITAL

LAWRENCE SORRELL AND AN ASSOCIATE DISCUSSED A PRIVATE EQUITY PROPOSAL AND THEN EXCUSED THEMSELVES.

NORTH POINT ADVISORS

ADRIAN ANDERSON DISCUSSED, VIA PHONE CONFERENCE, NORTH POINT'S DUE DILIGENCE OF I-NETWORKS AND INVESCOR AT LENGTH. HE ALSO DISCUSSED ASSET ALLOCATION.

ASSET ALLOCATION MANAGER STRUCTURE CHANGES – LARGE-CAP

BY MR. STEWART – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD IS IN RECEIPT OF A PROPOSED ASSET ALLOCATION MANAGER STRUCTURE CHANGES - LARGE-CAP THIS DATE AND HAD A PHONE CONFERENCE DISCUSSION WITH ADRIAN ANDERSON OF NORTH POINT ADVISORS THIS DATE, THEREFORE BE IT

RESOLVED, THAT THE FOREGOING (LARGE-CAP) ASSET ALLOCATION STRUCTURE IS APPROVED, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO ADRIAN ANDERSON OF NORTH POINT ADVISORS, THE BOARD'S INVESTMENT ANALYST AND RETIREMENT SYSTEM ACCOUNTING STAFF:

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Milton, Pegg, Stewart and Vice Chairman Bandemer – 8

Nays – None

INVESCOR (LIFE SETTLEMENTS)
\$5,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

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

WHEREAS, the Board is in receipt of a one-page term sheet from its due diligence advisor, (the Board's Advisor), dated May 15, 2008 which acts as a preliminary report which was supplemented by commentary from its due diligence advisor per phone conference this date and is to be followed by a detailed report

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

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

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

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

B. All legal costs be paid by, or on behalf of, project sponsor/borrower/other applicable party which estimated costs are to be

INVECOR (LIFE SETTLEMENTS)
\$5,000,000.00 PROPOSED INVESTMENT

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.

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,

INVECOR (LIFE SETTLEMENTS)
\$5,000,000.00 PROPOSED INVESTMENT

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

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

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

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

RESOLVED, that notwithstanding the project sponsor's request for a \$10,000,000.00 investment, the Board is only interested in further considering a \$5,000,000.00 investment, and be it further

RESOLVED, that subject to the requirements as stated in this resolution, the Board conditionally approves the proposed investment generally consistent with the proposed term sheet, but subject to the interest rate to be negotiated, but at least 8% in addition to a 10% equity interest in the company/fund, 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 Joseph Turner of Clark Hill is hereby selected as Special Legal Counsel regarding this proposed investment, and be it further

RESOLVED, that a copy of this resolution be forwarded to the project sponsor/borrower/applicable party, the Board's Advisor (North Point

INVESCOR (LIFE SETTLEMENTS)
\$5,000,000.00 PROPOSED INVESTMENT

Advisors), the Board's Special Legal Counsel (Clark Hill) and the Accounting Division of the Retirement Systems:

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Stewart and Vice Chairman Bandemer – 6

Nays – Trustees Milton and Pegg – 2

I-NETWORKS BIO-OPPORTUNITY FUND
\$4,000,000.00 PROPOSED INVESTMENT

BY MR. STEWART – SUPPORTED BY MR. BEASLEY

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

WHEREAS, the Board is in receipt of a report from its due diligence advisor, (the Board's Advisor), dated May 14, 2008 consisting of 9 pages supplemented by commentary per phone conference this date, and

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

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

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

I-NETWORKS BIO-OPPORTUNITY FUND
\$4,000,000.00 PROPOSED INVESTMENT

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

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

C. Special Legal Counsel be designated by the Board or General Counsel.

D. No UBTI be applicable to the Retirement System.

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

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

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

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

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

I-NETWORKS BIO-OPPORTUNITY FUND
\$4,000,000.00 PROPOSED INVESTMENT

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

K. Any commitment or other preliminary transaction documents signed by the Board include the provision that all final [transaction] [loan] documents are subject to approval as to form and content by the Board, Board's Advisor and Special Legal Counsel, if applicable, and approval as to form and content by General Counsel, and

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

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

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

RESOLVED, that subject to the requirements as stated in this resolution, the Board conditionally approves the proposed investment generally consistent with the due diligence report dated May 14, 2008 but, inter alia, subject to the following: The Board intends to invest \$4,000,000.00, but only after the project sponsor obtains \$40,000,000.00 of investment dollars from other investors, 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 Marie Racine & Associates is hereby selected as Special Legal Counsel regarding this proposed investment, and be it further

I-NETWORKS BIO-OPPORTUNITY FUND
\$4,000,000.00 PROPOSED INVESTMENT

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

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Milton, Stewart and Vice Chairman Bandemer – 7

Nays – Trustee Pegg – 1

TAIL WIND CAPITAL

BY MR. STEWART
SUPPORTED BY MR. BEASLEY

Whereas, The Board has been presented with a "private equity" proposal from Tail Wind Capital, and

Whereas, The Board desires due diligence on said proposal, Therefore Be It

Resolved, That subject to Tail Wind Capital agreeing to pay the costs for said due diligence and said funds being escrowed by Tail Wind Capital with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal and submit their findings (in writing) to the Board, and be it further

Resolved, That the Executive Secretary/Assistant Executive Secretary arrange for the coordination of the foregoing with all applicable parties, and be it further

Resolved, That after receiving the required due diligence report from North Point Advisors, the Board will decide whether it has any continued interest in the proposal, and be it further

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

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Milton, Pegg, Stewart and Vice Chairman Bandemer – 8

TAIL WIND CAPITAL

Nays – None

MILESTONE REALTY SERVICES
EAST ENGLISH VILLAGE AND HERITAGE AT RIVER BEND
\$4.2 MILLION PROPOSED INVESTMENT

BY MR. BEASLEY – SUPPORTED BY MR. STEWART

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

WHEREAS, the Board is in receipt of a booklet from Milestone regarding this matter, 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.

MILESTONE REALTY SERVICES
EAST ENGLISH VILLAGE AND HERITAGE AT RIVER BEND
\$4.2 MILLION 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.

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.

MILESTONE REALTY SERVICES
EAST ENGLISH VILLAGE AND HERITAGE AT RIVER BEND
\$4.2 MILLION PROPOSED INVESTMENT

K. Any commitment or other preliminary transaction documents signed by the Board include the provision that all final [transaction] [loan] documents are subject to approval as to form and content by the Board, Board's Advisor and Special Legal Counsel, if applicable, and approval as to form and content by General Counsel, and

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

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

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

RESOLVED, that subject to the requirements as stated in this resolution, the Board conditionally approves the proposed investment, and indicates its 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 F. Logan Davidson is hereby selected as Special Legal Counsel regarding this proposed investment, and be it further

RESOLVED, that a copy of this resolution be forwarded to the project sponsor/borrower/applicable party, the Board's Advisor, the Board's Special Legal Counsel (F. Logan Davidson) and the Accounting Division of the Retirement Systems:

MILESTONE REALTY SERVICES
EAST ENGLISH VILLAGE AND HERITAGE AT RIVER BEND
\$4.2 MILLION PROPOSED INVESTMENT

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Milton, Pegg, Stewart
and Vice Chairman Bandemer – 8

Nays – None

THE POWER OF GREEN HOUSING

BY MR. DOYLE – SUPPORTED BY MS. FREEMAN

RESOLVED, THAT LUANNE NELSON AND ANY ASSOCIATE(S) OF HER
CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR
PRESENTATION PURPOSES:

Yeas – Trustees Beasley, Collins, Doyle, Freeman, Milton, Pegg, Stewart
and Vice Chairman Bandemer – 8

Nays – None

PUBLIC FORUM

AT **1:39 P.M.**, VICE CHAIRPERSON 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, VICE
CHAIRPERSON BANDEMER ADJOURNED THE MEETING AT **1:43 P.M.** UNTIL
THURSDAY, **MAY 29, 2008** AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN
A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

CYNTHIA A. THOMAS
ASSISTANT EXECUTIVE SECRETARY