

MEETING NUMBER 2684

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



PROCEEDINGS HELD THURSDAY, JUNE 5, 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
DeDan Milton	Ex/Officio Alternate Trustee
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Tyrone Scott	Ex/Officio Trustee/Fire Commissioner
Paul Stewart	Elected Trustee
Walter Stampor	Executive Secretary
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel
Richard Huddleston	Investment Analyst

EXCUSED

Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee

ABSENT

None

CHAIRMAN

Gregory Best

VICE CHAIRMAN

Marty Bandemer

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

CONFIRMATIONS

BY MR. BANDEMER – SUPPORTED BY MR. PEGG

RESOLVED, THAT THE RECEIPTS (\$590,083.00) AND DISBURSEMENTS (\$8,181,924.71) WHICH ARE REFERENCED AT THE END OF THESE PROCEEDINGS BE CONFIRMED:

YEAS – TRUSTEES BANDEMER, ORZECH, PEGG, STEWART AND CHAIRMAN BEST -5

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BANDEMER – 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 #3278, IN THE AMOUNT OF \$410,414.56, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

YEAS – TRUSTEES BANDEMER, ORZECH, PEGG, STEWART AND
CHAIRMAN BEST -5

NAYS – NONE

MINUTES OF THURSDAY, MAY 15, 2008

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETING HELD THURSDAY,
MAY 15, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY
THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES BANDEMER, ORZECH, PEGG, STEWART AND
CHAIRMAN BEST -5

NAYS – NONE

CHAIRMAN/VICE CHAIRMANSHIP

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

RESOLVED, THAT **MARTY BANDEMER** IS HEREBY DESIGNATED
CHAIRMAN OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE
CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2008
AND TERMINATING JUNE 30, 2009, AND BE IT FURTHER

RESOLVED, THAT **JEFFREY PEGG** IS HEREBY DESIGNATED VICE
CHAIRMAN OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE
CITY OF DETROIT FOR THE PERIOD COMMENCING JULY 1, 2008
AND TERMINATING JUNE 30, 2009:

CHAIRMAN/VICE CHAIRMANSHIP

YEAS – TRUSTEES BANDEMER, ORZECH, PEGG, STEWART AND
CHAIRMAN BEST -5

NAYS – NONE

POLICE DEPARTMENT ELECTION RESULTS

The Chairman directed that a **May 13, 2008** communication from Police Chief Ella Bully-Cummings indicating that **James Moore** is declared to be duly re-elected to the office of Trustee of the Police and Fire Retirement System for the term commencing **July 1, 2008** and terminating **June 30, 2011** (as he ran unopposed for re-election)) be made a matter of record and that Mr. Moore make arrangements to be administered the Oath of Office prior to **July 1, 2008**. The Chairman also directed that a copy of Police Chief Bully-Cummings' May 13, 2008 communication be submitted to the City Clerk's office.

BILL PAYMENT REQUESTS

BY MR. ORZECH – 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

BILL PAYMENT REQUESTS

ADP – MAY 30, 2008 - \$97.38 – PROCESSING CHARGES FOR THE PERIOD ENDING MAY 19, 2008

ADP – MAY 30, 2008 - \$38.69 – PROCESSING CHARGES FOR THE PERIOD ENDING MAY 31, 2008

CLARK HILL – MAY 21, 2008 - \$30,813.19 – LEGAL SERVICES – EDS, INC., LAFER LITIGATION

COURTLAND PARTNERS – MAY 27, 2008 - \$25,000.00 – APRIL AND MAY, 2008 SERVICES

DIMENSIONAL FUND ADVISORS – MAY 20, 2008 - \$134,746.91 – 2008 FIRST QUARTER FEES

FISHER INVESTMENTS – APRIL 11, 2008 - \$147,366.65 – 2008 FIRST QUARTER FEES

GABRIEL, ROEDER, SMITH & COMPANY – JUNE 2, 2008 - \$4,700.00 – JUNE, 2008 ACTUARIAL SERVICES

HGK – MAY 21, 2008 - \$12,889.90 – 2008 FIRST QUARTER FEES

MCTEVIA & ASSOCIATES – MARCH 24, 2008 - \$2,359.86 – CONSULTING FEES – GVC WINSTAR

SCM ADVISORS – MAY 28, 2008 - \$47,522.81 – 2008 FIRST QUARTER FEES

YEAS – TRUSTEES BANDEMER, ORZECH, PEGG, STEWART AND CHAIRMAN BEST -5

NAYS – NONE

TRUSTEE MOORE ENTERED THE MEETING.

BEHRINGER HARVARD PROXY

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE PROXY FOR BEHRINGER HARVARD BE SUBMITTED TO COURTLAND PARTNERS FOR REVIEW AND RECOMMENDATION:

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

NAYS – NONE

RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION

BY MR. ORZECH – SUPPORTED BY MR. MOORE

WHEREAS, THE RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION HAS PRESENTED THE BOARD WITH A JUNE 4, 2008 REQUEST TO RECEIVE CERTAIN INFORMATION (NAME, PENSION NUMBER, ADDRESS, DEPARTMENT, RANK, RETIREMENT OPTION AND RETIREMENT DATE) REGARDING ALL POLICE AND FIRE RETIREES, AND

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

RESOLVED, THAT THE BOARD APPROVES THE REQUEST OF THE RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION:

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

NAYS – NONE

TRUSTEE SCOTT ENTERED THE MEETING.

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING SRF TECHNOLOGY HOLDINGS, INC., WARNER, NORCROSS & JUDD AND TRADEWINDS AIRLINES, INC.

SPECIAL COUNSEL JOE TURNER ENTERED THE MEETING.

TRADEWINDS AIRLINES, INC.

BY MR. STEWART – SUPPORTED BY MR. SCOTT

WHEREAS, REPRESENTATIVES OF TRADEWINDS AIRLINES, INC APPEARED BEFORE THE BOARD OF TRUSTEES ON JUNE 5, 2008, AND

WHEREAS, TRADEWINDS AND GUARANTOR HAVE FAILED TO MEET CONTRACTUAL OBLIGATIONS AND ARE IN DEFAULT UNDER THE LOAN DOCUMENTS, AND

WHEREAS, THE BOARD OF TRUSTEES DIRECTED ITS LEGAL COUNSEL TO:

- 1) TAKE ALL ACTION DEEMED APPROPRIATE BY LEGAL COUNSEL (SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL) TO PROTECT THE INTERESTS OF THE POLICE AND FIRE RETIREMENT SYSTEM AND THE GENERAL RETIREMENT SYSTEM, AND
- 2) INITIATE LITIGATION AGAINST THE GUARANTOR, AND
- 3) COMPLETE AN INVESTIGATION RELATIVE TO ANY POTENTIAL NON-CIVIL VIOLATIONS REGARDING THIS MATTER AND TAKE APPROPRIATE ACTION, AND

TRADEWINDS AIRLINES, INC.

WHEREAS, THE GENERAL RETIREMENT SYSTEM IS A CO-INVESTOR WITH THE POLICE AND FIRE RETIREMENT SYSTEM REGARDING THIS MATTER, AND

WHEREAS, SPECIAL LEGAL COUNSEL HAS ADVISED THE BOARD (IN CLOSED SESSION) OF SPECIAL LEGAL COUNSEL'S AND GENERAL COUNSEL'S RECOMMENDATIONS AND LEGAL STRATEGY REGARDING THIS MATTER, AND

WHEREAS, THE BOARD RECEIVED A MEMORANDUM DATED JUNE 3, 2008 FROM ADRIAN ANDERSON OF NORTH POINT ADVISORS (THE BOARD'S BUSINESS ADVISOR) AND AN OVERVIEW DATED JUNE 4, 2008 FROM JAMES V. MCTEVIA & ASSOCIATES (THE BOARD'S MONITOR), AND

WHEREAS, DURING THE AFOREMENTIONED PRESENTATION, THE BOARD'S BUSINESS ADVISOR, THE BOARD'S MONITOR, JOSEPH E. TURNER, ESQ. OF CLARK HILL, PLC (SPECIAL COUNSEL) AND GENERAL COUNSEL ADVISED THE BOARD ON VARIOUS MATTERS SUCH AS BORROWER'S DEFAULTS UNDER THE LOAN DOCUMENTS, INCLUDING, BUT NOT LIMITED TO, GUARANTOR'S FAILURE TO MAKE ITS FIRST \$5,000,000.00 CAPITAL CONTRIBUTION IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA AS SET FORTH IN THE LOAN DOCUMENTS, AS WELL AS BORROWER'S FAILURE TO MAKE THE FIRST INTEREST PAYMENT WHICH WAS DUE MARCH 31, 2008, AND

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

RESOLVED, THAT THE BOARD, IN ITS CAPACITY AS ADMINISTRATIVE AGENT AND AS LENDER, HEREBY DIRECTS LEGAL COUNSEL (SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL) TO:

TRADEWINDS AIRLINES, INC.

- 1) TAKE ALL LEGAL ACTION DEEMED APPROPRIATE BY LEGAL COUNSEL TO PROTECT THE INTERESTS OF THE RETIREMENT SYSTEM, AND
- 2) INITIATE LITIGATION AGAINST THE GUARANTOR, AND
- 3) COMPLETE AN INVESTIGATION RELATIVE TO ANY POTENTIAL NON-CIVIL VIOLATIONS REGARDING THIS MATTER AND TAKE APPROPRIATE ACTION, AND BE IT FURTHER

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

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

NAYS – NONE

TRUSTEE MILTON ENTERED THE MEETING.

MILESTONE REALTY SERVICES, INC.

MARTY WEST AND TWO ASSOCIATES DISCUSSED 7850 EAST JEFFERSON AVENUE AND THE GREENING OF DETROIT PARK.

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

BY MR. PEGG – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD OF TRUSTEES, SIMULTANEOUSLY WITH THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM, HAS

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

BEEN CONSIDERING THE LEASING OR BUILDING OF NEW OFFICES
FOR THE RETIREMENT SYSTEMS, AND

WHEREAS, THE BOARD HAS RECENTLY/CURRENTLY REDUCED
THEIR OPTIONS TO 1) LEASING OR PURCHASING TWO FLOORS AT
1001 WOODWARD AVENUE, DETROIT, MICHIGAN, AND 2)
BUILDING ON PROPERTY (KNOWN AS 7850 EAST JEFFERSON
AVENUE, DETROIT, MICHIGAN) OWNED BY THE POLICE AND FIRE
RETIREMENT SYSTEM, AND

WHEREAS, THE BOARDS HAVE INDICATED A SHARING OF COSTS
FOR THE RETIREMENT SYSTEMS OFFICES, SUBJECT TO MUTUAL
AGREEMENT AS TO LOCATION AND RELATED MATTERS, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A COMPARISON
BOOKLET (“BUILD VERSUS LEASE ANALYSIS”) PRESENTED TO THE
BOARD MAY 29, 2008 CONSISTING OF FIVE (5) TABS, THIRTY-FIVE
(35) NUMBERED PAGES PLUS TWELVE (12) UN-NUMBERED
EXHIBITS/ATTACHMENTS, AND

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

RESOLVED, THAT THE BOARD SELECTS THE OPTION OF BUILDING
ON THE 7850 EAST JEFFERSON AVENUE PROPERTY, AND BE IT
FURTHER

RESOLVED, THAT WHITE CONSTRUCTION BE RETAINED TO
CONSTRUCT THE NEW RETIREMENT SYSTEMS OFFICES, AND BE IT
FURTHER

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

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

SYSTEM (FOR ITS CONSIDERATION), MILESTONE REALTY SERVICES, INC., WHITE CONSTRUCTION AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, TRUSTEE ORZECH WITHDREW HIS SUPPORT.

FOLLOWING FURTHER DISCUSSION OF THE FOREGOING MOTION, TRUSTEE PEGG MADE THE MOTION WHICH FOLLOWS AND TRUSTEE ORZECH SUPPORTED SAME:

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

BY MR. PEGG – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD OF TRUSTEES, SIMULTANEOUSLY WITH THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM, HAS BEEN CONSIDERING THE LEASING OR BUILDING OF NEW OFFICES FOR THE RETIREMENT SYSTEMS, AND

WHEREAS, THE BOARD HAS RECENTLY/CURRENTLY REDUCED THEIR OPTIONS TO 1) LEASING OR PURCHASING TWO FLOORS AT 1001 WOODWARD AVENUE, DETROIT, MICHIGAN, AND 2) BUILDING ON PROPERTY (KNOWN AS 7850 EAST JEFFERSON AVENUE, DETROIT, MICHIGAN) OWNED BY THE POLICE AND FIRE RETIREMENT SYSTEM, AND

WHEREAS, THE BOARDS HAVE INDICATED A SHARING OF COSTS FOR THE RETIREMENT SYSTEMS OFFICES, SUBJECT TO MUTUAL AGREEMENT AS TO LOCATION AND RELATED MATTERS, AND

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

WHEREAS, THE BOARD IS IN RECEIPT OF A COMPARISON BOOKLET (“BUILD VERSUS LEASE ANALYSIS”) PRESENTED TO THE BOARD MAY 29, 2008 CONSISTING OF FIVE (5) TABS, THIRTY-FIVE (35) NUMBERED PAGES PLUS TWELVE (12) UN-NUMBERED EXHIBITS/ATTACHMENTS, AND

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

RESOLVED, THAT THE BOARD SELECTS THE OPTION OF BUILDING ON THE 7850 EAST JEFFERSON AVENUE PROPERTY, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM (FOR ITS CONSIDERATION), MILESTONE REALTY SERVICES, INC. AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

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

NAYS – NONE

1425, 1463, 1489 EAST JEFFERSON AVENUE
(REFER TO HEREINAFTER “GREENING OF DETROIT PARK”)

BY MR. BANDEMER – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD HAS CONSIDERED AND DISCUSSED THE PROPOSED GREENING OF DETROIT PARK SITE FOR THE INTENT OF CONSTRUCTING A NEW OFFICE BUILDING, AND

1425, 1463, 1489 EAST JEFFERSON AVENUE
(REFER TO HEREINAFTER “GREENING OF DETROIT PARK”)

WHEREAS, THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT PREVIOUSLY FUNDED A DEPOSIT FOR 1425, 1463 AND 1489 EAST JEFFERSON AVENUE, DETROIT, MICHIGAN IN THE AMOUNT OF \$18,750.00 HELD BY THE CITY OF DETROIT PLANNING AND DEVELOPMENT DEPARTMENT, THEREFORE BE IT

RESOLVED, THAT THE BOARD AUTHORIZES MILESTONE REALTY SERVICES (THE BOARD’S ADVISOR) TO REQUEST A RETURN OF ITS DEPOSIT IN THE AMOUNT OF \$18,750.00 TO BE FULLY REFUNDED FROM THE CITY OF DETROIT PLANNING AND DEVELOPMENT DEPARTMENT TO THE POLICE AND FIRE RETIREMENT SYSTEM FOR THE ABOVE-REFERENCED SITE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MILESTONE REALTY SERVICES AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

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

NAYS – NONE

TRANSAMERICA

TRUSTEE BEASLEY ENTERED THE MEETING.

HEIDU HU AND AN ASSOCIATE DISCUSSED PERFORMANCE.

LEGAL COUNSEL’S REPORTS – CONTINUED

LEGAL COUNSEL RONALD ZAJAC DISCUSSED WSB, YAHOO!, INC. AND GILDAN ACTIVE WEAR, INC.

SIRF TECHNOLOGY HOLDINGS, INC.

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A MAY 29, 2008 COMMUNICATION FROM SPECIAL COUNSEL KIRBY, MCINERNEY REGARDING THE ABOVE-CAPTIONED SECURITIES. LITIGATION.

FOIA REQUEST OF WARNER, NORCROSS & JUDD

LEGAL COUNSEL PROVIDED EACH BOARD MEMBER WITH A COPY OF A JUNE 3, 2008 FOIA REQUEST FROM WARNER, NORCROSS & JUDD.

FOIA REQUEST OF WARNER, NORCROSS & JUDD

BY MR. STEWART – SUPPORTED BY MR. SCOTT

RESOLVED, THAT A JUNE 3, 2008 FOIA REQUEST FROM WARNER, NORCROSS & JUDD BE SUBMITTED TO LEGAL COUNSEL, SPECIAL LEGAL COUNSEL AND THE BOARD'S EXECUTIVE SECRETARY FOR REVIEW AND RECOMMENDATION:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, MOORE,
ORECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST

- 9

NAYS – NONE

THE POWER OF GREEN HOUSING

LUANNE NELSON AND FIVE ASSOCIATES DISCUSSED A HOUSING RECYCLING PROPOSAL (SHIPPING CONTAINERS).

CHAIRMAN BEST RELINQUISHED THE CHAIR TO VICE CHAIRMAN BANDEMER AND TEMPORARILY EXCUSED HIMSELF.

TRUSTEE STEWART TEMPORARILY EXCUSED HIMSELF.

CLOSED SESSION

BY MR. PEGG – SUPPORTED BY MR. MILTON

Resolved, That the Board enter into Closed Session for the purpose of discussing matters involving attorney/client privilege:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEASLEY, MILTON, MOORE, ORZECH, PEGG,
SCOTT AND VICE CHAIRMAN BANDEMER - 7

NAYS – NONE

The Board entered into Closed Session at 12:08 P.M.

CHAIRMAN BEST RE-JOINED THE MEETING AND VICE CHAIRMAN BANDEMER RELINQUISHED THE CHAIR TO HIM.

TRUSTEE STEWART RE-JOINED THE MEETING.

OPEN SESSION

BY MR. BANDEMER – SUPPORTED BY MR. MILTON

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, MOORE,
ORECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST

OPEN SESSION

NAYS – NONE

The Board returned to Open Session at 12:20 P.M.

DURING CLOSED SESSION, ADRIAN ANDERSON JOINED THE BOARD IN LISTENING TO DONALD WATKINS AND JEFF CONRY DISCUSS TRADEWINDS AIRLINES AT LENGTH.

TRUSTEE MILTON TEMPORARILY EXCUSED HIMSELF AND THEN RE-JOINED THE MEETING.

MCTEVIA & ASSOCIATES

JAMES MCTEVIA DISCUSSED TRADEWINDS AIRLINES AT LENGTH.

TRUSTEES BEASLEY AND MOORE TEMPORARILY EXCUSED THEMSELVES.

TRADEWINDS AIRLINES

BY MR. MILTON – SUPPORTED BY MR. SCOTT

RESOLVED, THAT MCTEVIA & ASSOCIATES IS RETAINED TO PROVIDE MONITORING OF TRADEWINDS AIRLINES AND TO PROVIDE AVAILABLE INFORMATION TO THE BOARD'S LEGAL COUNSEL AND SPECIAL LEGAL COUNSEL REGARDING LEGAL COUNSEL'S ACTIONS TO PROTECT THE RETIREMENT SYSTEM'S INTERESTS REGARDING THIS INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT NORTH POINT ADVISORS AND ADRIAN ANDERSON PROVIDE ALL FINANCIAL AND DUE DILIGENCE INFORMATION TO THE BOARD'S LEGAL COUNSEL, AND BE IT FURTHER

TRADEWINDS AIRLINES

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MCTEVIA & ASSOCIATES, NORTH POINT ADVISORS, PER ADRIAN ANDERSON, AND SPECIAL LEGAL COUNSEL, CLARK HILL, PLC, ATTENTION: JOE TURNER:

YEAS – TRUSTEES BANDEMER, MILTON, ORZECH, PEGG, SCOTT, STEWART AND CHAIRMAN BEST – 7

NAYS – NONE

TRUSTEES BEASLEY AND MOORE RE-JOINED THE MEETING.

JOHN A. JENKINS VERSUS DENISE R. STEWART
WAYNE COUNTY CASE #96-690755-D0

BY MR. BANDEMER – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD IS IN RECEIPT OF A MAY 9, 2008 ELIGIBLE DOMESTIC RELATIONS ORDER WHICH AMENDS/SUPPLEMENTS A JUNE 9, 1997 JUDGMENT OF DIVORCE WHEREIN DENISE R. STEWART IS AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN BENEFITS OF JOHN A. JENKINS WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

WHEREAS PARTICIPANT'S DATE OF BIRTH IS JANUARY 21, 1951, AND, TO DATE, PARTICIPANT HAS ATTAINED 22 YEARS AND 09 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 THE DEFINED CONTRIBUTION PLAN, AND ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

JOHN A. JENKINS VERSUS DENISE R. STEWART
WAYNE COUNTY CASE #96-690755-D0

WHEREAS, DEFINED CONTRIBUTION PLAN AMOUNTS CAN BE MADE TO THE PARTICIPANT OR ALTERNATE PAYEE UPON PARTICIPANT ATTAINING 25 YEARS OF SERVICE CREDIT, OR TERMINATION OF SERVICE, OR UPON PARTICIPANT ATTAINING THE AGE OF 60 YEARS, 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, 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 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, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS

JOHN A. JENKINS VERSUS DENISE R. STEWART
WAYNE COUNTY CASE #96-690755-D0

RESOLUTION BE FORWARDED TO ATTORNEY DONALD GREENSPON, JOHN A. JENKINS AND DENISE R. STEWART:

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

NAYS – NONE

MMA REALTY CAPITAL ADVISORS, INC. (MRC)
RED RIVER CONSTRUCTION LOAN
\$47,500,000.00

BY MR. SCOTT – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF A JUNE 4, 2008 LETTER WHEREIN MMA REALTY CAPITAL ADVISORS, INC., IN RESPONSE TO THE BOARD'S REQUEST FOR FULL PAYMENT (I.E.: "PUT") OF ITS \$47,500,000.00 INVESTMENT PARTICIPATION IN THE RED RIVER CONSTRUCTION LOAN INVOLVING MMA CAPITAL CORPORATION (MMACC), HAS PROPOSED A RESTRUCTURED TRANSACTION TO REPLACE THE CURRENT PUT, AND

WHEREAS, THE BOARD ADOPTED A RESOLUTION ON MAY 8, 2008 (A COPY OF WHICH IS ATTACHED HERETO) TO PUT THE RED RIVER LOAN BACK TO MMA FINANCIAL, LLC AND DEMAND THAT MMA FINANCIAL, LLC IMMEDIATELY PAY ALL AMOUNTS DUE THE BOARD, INCLUDING, BUT NOT LIMITED TO, ALL OUTSTANDING PRINCIPAL, INTEREST, LATE CHARGES AND EXTENSION FEES, AND

MMA REALTY CAPITAL ADVISORS, INC. (MRC)
RED RIVER CONSTRUCTION LOAN
\$47,500,000.00

WHEREAS, THE BOARD PREVIOUSLY MADE CLEAR ITS DEMAND FOR IMMEDIATE FULL PAYMENT OF ALL AMOUNTS DUE THE RETIREMENT SYSTEM REGARDING THIS MATTER, AND

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

RESOLVED, THAT THE PROPOSAL OF MMA REALTY CAPITAL ADVISORS, INC. IS REJECTED, AND BE IT FURTHER

RESOLVED, THAT THE BOARD HEREBY, AGAIN, DEMANDS IMMEDIATE PAYMENT OF ALL AMOUNTS DUE THE RETIREMENT SYSTEM, AND BE IT FURTHER

RESOLVED, THAT THE BOARD HAS NO INTEREST IN ANY RESTRUCTURING OF THE INVESTMENT AND EXPECTS PAYMENT IMMEDIATELY, AND BE IT FURTHER

RESOLVED, THAT MMA REALTY CAPITAL ADVISORS, INC., MMA REALTY CAPITAL, INC., MMA CAPITAL CORPORATION, MMA REALTY CAPITAL, LLC, MMA FINANCIAL HOLDINGS, LLC (GUARANTOR), MUNICIPAL MORTGAGE AND EQUITY, LLC AND ALL RELATED ENTITIES IMMEDIATELY MEET THEIR OBLIGATIONS UNDER THIS INVESTMENT, AND BE IT FURTHER

RESOLVED, THAT GENERAL COUNSEL FORWARD A LETTER, WITH COPIES OF THE TWO AFOREMENTIONED RESOLUTIONS, TO ALL APPLICABLE PARTIES, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MMA REALTY CAPITAL ADVISORS, INC., MMA CAPITAL CORPORATION, MMA REALTY CAPITAL, LLC, MMA FINANCIAL

MMA REALTY CAPITAL ADVISORS, INC. (MRC)
RED RIVER CONSTRUCTION LOAN
\$47,500,000.00

HOLDINGS, LLC (GUARANTOR), MUNICIPAL MORTGAGE AND
EQUITY, LLC AND THE ACCOUNTING DIVISION OF THE
RETIREMENT SYSTEMS:

YEAS – TRUSTEES BANDEMER, BEASLEY, MILTON, MOORE,
ORZECH, PEGG, SCOTT AND CHAIRMAN BEST – 8

NAYS – TRUSTEE STEWART – 1

POLICE AND FIRE RETIREMENT SYSTEM BOARD MEETING
OF THURSDAY, JULY 31, 2008

BY MR. STEWART – SUPPORTED BY MR. ORZECH

RESOLVED, THAT THE POLICE AND FIRE RETIREMENT SYSTEM
BOARD MEETING OF THURSDAY, JULY 31, 2008 BE CANCELLED
AND THE APPROPRIATE PARTIES NOTIFIED:

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

NAYS – NONE

CONFERENCE

BY MR. STEWART – SUPPORTED BY MR. SCOTT

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 conference, and be it further

CONFERENCE

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 conference:

OPAL FINANCIAL GROUP'S GREEN INNOVATION VENTURE
CAPITAL SUMMIT
SCOTTSDALE, ARIZONA
SEPTEMBER 6, 2008 – SEPTEMBER 9, 2008

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

NAYS – NONE

CONFERENCE

BY MR. STEWART – SUPPORTED BY MR. SCOTT

Resolved, That the Board approve the attendance of its Investment Analyst at the below-referenced conference:

OPAL FINANCIAL GROUP'S GREEN INNOVATION VENTURE
CAPITAL SUMMIT
SCOTTSDALE, ARIZONA
SEPTEMBER 6, 2008 – SEPTEMBER 9, 2008

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

NAYS – NONE

PROPOSED NEW RETIREMENT SYSTEMS OFFICES
7850 EAST JEFFERSON AVENUE, DETROIT, MI

BY MR. PEGG

RESOLVED, THAT WHITE CONSTRUCTION BE RETAINED TO CONSTRUCT THE NEW RETIREMENT SYSTEMS OFFICES ON THE 7850 EAST JEFFERSON AVENUE PROPERTY:

TRUSTEE PEGG'S MOTION RECEIVED NO SUPPORT.

THE YUCAIPA COMPANIES

BY MR. BEASLEY – SUPPORTED BY MR. BANDEMER

RESOLVED, THAT CARLTON JENKINS AND ANY ASSOCIATE(S) OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (CORPORATE INITIATIVES GROWTH FUND):

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

NAYS – NONE

Income, Research & Management-CMBS Account

By Mr. Orzech – Supported by Mr. Bandemer

WHEREAS, The Board, by prior action, allocated \$30 million to a new collateralized mortgage backed securities (CMBS) account to be managed by Income, Research & Management, and

Income, Research & Management-CMBS Account

WHEREAS, General Counsel has advised the Board that all of the contract documents have been completed and approved and the account is ready for funding, and

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

RESOLVED, That \$30 million be withdrawn from the mortgage account managed by Trust Company of the West (TCW), account number 591350, and be further

RESOLVED, That the \$30 million withdrawn from the TCW account be utilized to initially fund the new CMBS account to be managed by Income, Research & Management, and be it further

RESOLVED, That the Executive Secretary, Assistant Executive Secretary and Investment Analyst be directed to take whatever actions are necessary to effectuate the provisions contained herein, and be it further

RESOLVED, That a copy of this resolution be sent to Income Research & Management, TCW, North Point Advisors, The Bank of New York Mellon Asset Servicing and the Accounting Division of the Retirement Systems:

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

NAYS – NONE

GILDAN ACTIVE WEAR, INC.

BY MR. MOORE – SUPPORTED BY MR. ORZECH

WHEREAS, THE SYSTEM HAS INCURRED APPROXIMATELY \$289,687.00 IN LOSSES FROM THE PURCHASE OF APPROXIMATELY 29,500 SHARES OF GILDAN ACTIVE WEAR, INC. STOCK, AND

WHEREAS, SCOTT & SCOTT HAS REPORTED TO THE BOARD REGARDING THEIR ANALYSIS OF THE MERITS OF A CASE AGAINST GILDAN ACTIVE WEAR, INC., AND

WHEREAS, SCOTT & SCOTT HAS INQUIRED WHETHER THE RETIREMENT SYSTEM IS INTERESTED IN SEEKING TO BE A LEAD PLAINTIFF IN THIS LITIGATION, AND

WHEREAS, THE BOARD HAS DISCUSSED THIS MATTER, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO SEEK TO BE A LEAD PLAINTIFF IN THIS MATTER TO RECOVER LOSSES INCURRED BY THE SYSTEM, THEREFORE BE IT

RESOLVED, THAT THE BOARD SEEK TO BE NAMED LEAD PLAINTIFF REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT SCOTT & SCOTT BE RETAINED TO REPRESENT THE SYSTEM REGARDING THIS MATTER, SUBJECT TO AGREEMENT REGARDING PRIOR TERMS OF RETENTION IN CLASS ACTION MATTERS, AND BE IT FURTHER

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

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

NAYS – NONE

PUBLIC FORUM/ADJOURNMENT

AT **3:25 P.M.**, CHAIRMAN BEST DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN BEST ADJOURNED THE MEETING AT **3:28 P.M.** UNTIL THURSDAY, **JUNE 19, 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