

MEETING NUMBER 2689

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



PROCEEDINGS HELD THURSDAY, JULY 10, 2008  
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226



PRESENT

Marty Bandemer	Elected Trustee/Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Gregory Best	Elected Trustee
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
James Moore	Elected Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee/Vice Chairperson
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

Richard Huddleston	Investment Analyst
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ABSENT

None

CHAIRPERSON

Marty Bandemer

VICE CHAIRPERSON

Jeffrey Pegg

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

CAPITAL CALLS/DRAWS

BY MR. STEWART – SUPPORTED BY MR. BEST

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: FALCONHEAD

Date: JUNE 27, 2008

Fund Name: FALCONHEAD CAPITAL PARTNERS II, L.P.

Capital Call/Draw: \$670,634.00

Firm: PROVENDER CAPITAL GROUP, LLC

Date: JULY 9, 2008

Fund Name: PROVENDER OPPORTUNITIES FUND, L.P.

Capital Call/Draw: \$19,964.00

Firm: NEAL & FM 548-1076 (MANN 1100)

Date: JULY 1, 2008

Fund Name: NEAL & FM 548-1076 (MANN 1100) – GP, LLC

Capital Call/Draw: \$965,305.00

CAPITAL CALLS/DRAWS

YEAS – TRUSTEES BEST, FREEMAN, MOORE, ORZECH, STEWART AND CHAIR-  
MAN BANDEMER – 6

NAYS – NONE

CONFIRMATIONS

BY MR. BEST – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE RECEIPTS AND DISBURSEMENTS WHICH ARE  
REFERENCED BELOW AND AT THE END OF THESE PROCEEDINGS BE  
CONFIRMED:

RECEIPTS:                   \$106,813,372.20

DISBURSEMENTS:   \$ 24,194,025.66

YEAS – TRUSTEES BEST, FREEMAN, MOORE, ORZECH, STEWART AND CHAIR-  
MAN BANDEMER – 6

NAYS – NONE

TRUSTEE DOYLE ENTERED THE MEETING.

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. BEST – SUPPORTED BY MR. ORZECH

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 #3281, IN THE AMOUNT OF \$294,600.81,  
INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM  
ACCOUNTING STAFF:

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

NAYS – NONE

TRUSTEE PEGG ENTERED THE MEETING.

TRUSTEE COLLINS ENTERED THE MEETING.

RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION  
VERSUS THE DETROIT POLICE OFFICERS' ASSOCIATION,  
THE DETROIT POLICE LIEUTENANTS' AND SERGEANTS' ASSOCIATION,  
THE DETROIT POLICE COMMAND OFFICERS' ASSOCIATION,  
THE DETROIT FIRE FIGHTERS' ASSOCIATION AND THE CITY OF DETROIT  
WAYNE CIRCUIT COURT CASE #08-116128-AS

BY MR. ORZECH – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS AWARE OF WAYNE CIRCUIT CASE #08-116128-AS,  
AND

WHEREAS, ALTHOUGH THE POLICE AND FIRE RETIREMENT SYSTEM IS NOT A  
NAMED DEFENDANT, THE COMPLAINT REQUESTS THE COURT TO, IN EFFECT,  
NEGATE A RESOLUTION OF THE BOARD OF TRUSTEES, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO RETAIN SPECIAL  
COUNSEL TO COORDINATE WITH GENERAL COUNSEL TO MONITOR THIS  
LITIGATION AND TAKE ANY APPROPRIATE ACTION AS IS DEEMED  
APPROPRIATE BY GENERAL COUNSEL TO PROTECT THE INTERESTS OF THE  
RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD DEEMS ATTORNEY CHRIS LEGGHIO AS AN  
APPROPRIATE CHOICE AS SPECIAL LEGAL COUNSEL, THEREFORE BE IT

RESOLVED, THAT CHRIS LEGGHIO IS SELECTED AS SPECIAL COUNSEL  
REGARDING THIS MATTER, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO CHRIS  
LEGGHIO:

FOLLOWING DISCUSSION OF THE FOREGOING MOTION, THE MOTION  
WHICH FOLLOWS WAS MADE:

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE FOREGOING MOTION BE TABLED:

YEAS – TRUSTEES BEST, COLLINS, DOYLE, FREEMAN, MOORE, ORZECH,  
PEGG, STEWART AND CHAIRMAN BANDEMER – 9

RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION  
VERSUS THE DETROIT POLICE OFFICERS' ASSOCIATION,  
THE DETROIT POLICE LIEUTENANTS' AND SERGEANTS' ASSOCIATION,  
THE DETROIT POLICE COMMAND OFFICERS' ASSOCIATION,  
THE DETROIT FIRE FIGHTERS' ASSOCIATION AND THE CITY OF DETROIT  
WAYNE CIRCUIT COURT CASE #08-116128-AS

NAYS – NONE

TRUSTEE MILTON ENTERED THE MEETING.

BILL PAYMENT REQUESTS

BY MR. BEST – 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, INC. – JUNE 20, 2008 - \$173.34 – CONTRACT/MISCELLANEOUS  
SERVICES

ADP, INC. – JUNE 13, 2008 - \$104.28 – CONTRACT/MISCELLANEOUS  
SERVICES

CLARK HILL – JUNE 18, 2008 - \$5,805.00 – MAY, 2008 SERVICES  
(MISCELLANEOUS)

CORE TECHNOLOGY – JUNE 13, 2008 - \$1,460.00 – LICENSE RENEWAL AND  
MAINFRAME ACCESS

COURTLAND PARTNERS – JUNE 30, 2008 - \$12,500.00 – JUNE, 2008 SERVICES

BILL PAYMENT REQUESTS

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

CRAIN'S DETROIT BUSINESS – UNDATED - \$29.50 – SUBSCRIPTION RENEWAL  
FOR TRUSTEE PAUL STEWART

GABRIEL, ROEDER, SMITH & COMPANY – JUNE 25, 2008 - \$1,800.00 –  
SERVICES REGARDING UNUSED SICK LEAVE IN AFC FOR FIRE MEMBERS

GENERAL RETIREMENT SYSTEM – JULY 9, 2008 - \$77,267.03 – JUNE, 2008  
PROGRAMMER SALARIES

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL – JUNE 25, 2008 - \$75,366.31 –  
LEGAL SERVICES PERFORMED BETWEEN OCTOBER, 2005 AND DECEMBER,  
2006

NORTH POINT ADVISORS – JULY 7, 2008 - \$12,500.00 – AUGUST, 2008 AND  
SEPTEMBER, 2008 FEES

PREFERRED DATA SYSTEMS, LLC – MAY 31, 2008 - \$14,449.11 – COMPUTER  
SUPPLIES

PREFERRED DATA SYSTEMS, LLC – JUNE 30, 2008 - \$28,877.32 – COMPUTER  
SUPPLIES

RELIABLE OFFICE SUPPLIES – JUNE 13, 2008 - \$3.50 – OFFICE SUPPLIES

YEAS – TRUSTEES BEST, COLLINS, DOYLE, FREEMAN, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

MCTEVIA & ASSOCIATES/TRADEWINDS AIRLINES, INC.

BY MR. DOYLE – SUPPORTED BY MR. ORZECH

WHEREAS, THE RETIREMENT SYSTEM IS IN RECEIPT OF AN INVOICE IN THE  
AMOUNT OF \$16,325.73, PER LETTER TO SPECIAL LEGAL COUNSEL DATED  
JUNE 16, 2008, OF WHICH ONE-HALF (\$8,162.87) IS THE AMOUNT PAYABLE  
BY THE RETIREMENT SYSTEM, THEREFORE BE IT

MCTEVIA & ASSOCIATES/TRADEWINDS AIRLINES, INC.

RESOLVED, THAT PAYMENT OF SAID INVOICE IS APPROVED AND THE AMOUNT OF \$8,162.87 BE PAID TO MCTEVIA & ASSOCIATES PER CHECK OR WIRE-TRANSFER, AND BE IT FURTHER

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

YEAS – TRUSTEES BEST, COLLINS, DOYLE, FREEMAN, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

MCTEVIA & ASSOCIATES/TRADEWINDS AIRLINES, INC.

BY MR. DOYLE – SUPPORTED BY MR. ORZECH

WHEREAS, THE RETIREMENT SYSTEM IS IN RECEIPT OF AN INVOICE IN THE AMOUNT OF \$16,163.54, PER LETTER TO SPECIAL LEGAL COUNSEL DATED JUNE 16, 2008, OF WHICH ONE-HALF (\$8,081.77) IS THE AMOUNT PAYABLE BY THE RETIREMENT SYSTEM, THEREFORE BE IT

RESOLVED, THAT PAYMENT OF SAID INVOICE IS APPROVED AND THE AMOUNT OF \$8,081.77 BE PAID TO MCTEVIA & ASSOCIATES PER CHECK OR WIRE-TRANSFER, AND BE IT FURTHER

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

YEAS – TRUSTEES BEST, COLLINS, DOYLE, FREEMAN, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

MILESTONE REALTY SERVICES

MARTY WEST PRESENTED THE BOARD WITH A PROPOSED AGREEMENT FOR REAL ESTATE ADVISORY SERVICES FOR THE BOARD'S REVIEW AND APPROVAL.

TRUSTEE BEASLEY ENTERED THE MEETING.

MARTENS, ICE, KLASS, LEGGHIO & ISRAEL

THE BOARD DISCUSSED THE RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION'S COMPLAINT FOR SUPERINTENDING CONTROL AND DAMAGES WITH CHRIS LEGGHIO VIA PHONE CONFERENCE.

TRUSTEE FREEMAN TEMPORARILY EXCUSED HERSELF.

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

By Mr. Best – Supported by Mr. Moore

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

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:

Rick Allen Fields  
Police Department

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING MILESTONE REALTY SERVICES, THE RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION, PARADIGM ASSET MANAGEMENT, PUBLIC ACT 314 AND TRADEWINDS AIRLINES, INC.

CLOSED SESSION

BY MR. MOORE – SUPPORTED BY MR. BEASLEY

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, BEST, COLLINS, DOYLE, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

The Board entered into Closed Session at 11:00 A.M.

TRUSTEE FREEMAN RE-JOINED THE MEETING.

OPEN SESSION

BY MR. MOORE – SUPPORTED BY MR. BEASLEY

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, FREEMAN, MILTON,  
MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER –

11

NAYS – NONE

The Board returned to Open Session at 11:26 A.M.

DURING CLOSED SESSION, GENERAL AND SPECIAL COUNSEL DISCUSSED TRADEWINDS AIRLINES, INC. AT LENGTH AND PROVIDED EACH BOARD MEMBER WITH COPIES OF MC TEVIA & ASSOCIATES' SECOND AND THIRD ADVISORY REPORTS AND TWO NEWS CLIPPINGS REGARDING TRADEWINDS.

PARADIGM ASSET MANAGEMENT

BY MR. PEGG – SUPPORTED BY MR. MILTON

WHEREAS, THE BOARD HAS BEEN REQUESTED TO EXECUTE AN INVESTMENT MANAGEMENT AGREEMENT 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

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 AND RETIREMENT SYSTEM ACCOUNTING STAFF:

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, FREEMAN, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER –

11

NAYS – NONE

NORTH POINT ADVISORS/PITG GAMING

THE BOARD DISCUSSED PITG GAMING WITH ADRIAN ANDERSON VIA PHONE CONFERENCE.

TRUSTEE DOYLE EXCUSED HIMSELF.

THE YUCAIPA COMPANIES

NORICE RICE, CARLTON JENKINS AND ERIC HOLLIMAN DISCUSSED YUCAIPA JOHNSON'S CORPORATE INITIATIVES GROWTH FUND AT LENGTH.

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

**BY MR. MILTON – SUPPORTED BY MS. COLLINS**

**WHEREAS**, the Board of Trustees of the Police and Fire Retirement System of the City of Detroit (the “Board”) previously adopted a resolution of continued interest in the proposed investment/credit enhancement based on information available at the time of the Board resolution, and

**WHEREAS**, subsequent to the preliminary approval, the terms and structure of the transaction changed, and

**WHEREAS**, the Board has received and reviewed an Indication of Interest dated June 29, 2008 (the “IOI”) by and between Neil G. Bluhm, Walton Street Capital, LLC and PITG Gaming, LLC, and

**WHEREAS**, the Board has received and reviewed an updated analysis from Adrian Anderson of North Point Advisors (the Board’s Advisor) dated July, 2008, and

**WHEREAS**, the Board’s Advisor (via phone conference) reported to the Board, and

**WHEREAS**, the Board has indicated its willingness to make the proposed investment consistent with a revised term sheet and subject to additional conditions and terms which may be required by the Board and subject to all other conditions per prior resolutions of the parties, and after the Board’s Special Legal Counsel continues the review/drafting/editing of transaction documents, and

**WHEREAS**, the Board and the General Retirement System of the City of Detroit (GRS) are the co-credit enhancers of the Key Bank credit facility in this investment, sharing equally in the obligations and rights in the transaction, and the Retirement Systems, as part of their respective credit enhancement of a Key Bank loan, are required to pledge collectively \$200 million in Eligible Collateral (consisting of rated securities) as further defined in the loan documents, and

**WHEREAS**, the Police and Fire Retirement System of the City of Detroit (PFRS) agrees to pledge whatever amount is required (after determining the GRS pledged amount of Eligible Collateral) with the understanding

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

that the GRS is responsible for its credit enhancement amount (\$75,000,000.00 plus any applicable interest, costs and fees), 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 its conditionally approval of the proposed investment, and indicates its intention to complete the transaction provided, the proposed investment is in compliance with all of the existing and following policies, and all requirements of the Board are met by applicable parties, subject to

\* All conditions and requirements set forth in the boiler plate and other prior board resolutions; and

\* Approval of final documents by Special Legal Counsel, General Counsel and the Board; and

\* Each Retirement System shall receive an equity warrant to purchase a number of shares in Pittsburgh Gaming Holding, L.P. (PGHL) (the parent company of the Borrower) which on the closing date are equivalent to a two and one-half percent (2.50%) common equity interest in PGHL which shall not be diluted. Each warrant may be exercised for a five (5) year period at a purchase price of One Dollar (\$1.00) U.S. currency ; and

\* Upon the Barden entity (its successor or assigns) exercising either option as set forth in the PGHL Limited Partnership Agreement, each Retirement System shall receive an option to purchase and additional two and one half percent (2.50%) common equity interest and preferred equity interest in PGHL at the prorata amount paid by the Barden entity subject to the PGHL Limited Partnership Agreement, or as determined by Special Legal Counsel; and

\* Alternatively, if the Barden entity does not exercise either option as set forth in the PGHL Limited Partnership Agreement, PGHL shall extend to each Retirement System an option period to purchase an additional two and one half percent (2.50%) common equity interest and preferred equity interest in PGHL at the pro rata amount paid by the Barden entity subject to the PGHL Limited

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

Partnership Agreement, or equivalent amount deemed appropriate by Special Legal and General Counsel; and

\* Certification within the appropriate loan documents certifying that all Pennsylvania gaming licensed entities involved in the transaction have complied with all Pennsylvania gaming laws, including, but not limited to, disclosure requirements, as well as no threatened or pending litigation relative to the transaction or project litigation; and

\* PFRS will provide whatever amount of the Eligible Collateral pledge amount needed following GRS's pledge of Eligible Collateral, however, the actual funding of any obligation shall be limited to \$75 million per Retirement System and GRS shall, first, to the extent legally required, pay its obligations hereunder, or, to the extent the Eligible Collateral is foreclosed upon by Key Bank, GRS shall reimburse PFRS for any amount PFRS pays for the GRS obligation; and

\* All due diligence and legal fees to be paid by Project Sponsor prior to closing;

and be it further

**RESOLVED**, that F. Logan Davidson, PC and Clark Hill, PLC shall continue as Special Legal Counsel, and be it further

**RESOLVED**, that all previous related conditions remain applicable unless superseded by this resolution, and be it further

**RESOLVED**, that the closing of this transaction take place subject to the foregoing, 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 and the Accounting Division of the Retirement Systems:

**YEAS – TRUSTEES BEASLEY, COLLINS, FREEMAN, MILTON, MOORE, STEWART  
AND CHAIRMAN BANDEMER – 7**

**NAYS – TRUSTEES BEST, ORZECH AND PEGG – 3**

TRUSTEE **FREEMAN** EXCUSED HERSELF.

PUGH CAPITAL MANAGEMENT  
\$10,000,000.00 ADDITIONAL INVESTMENT

BY MR. PEGG – SUPPORTED BY MR. BEASLEY

RESOLVED, THAT THE BOARD INVEST AN ADDITIONAL \$10,000,000.00 WITH PUGH CAPITAL MANAGEMENT SUBJECT TO FINAL APPROVAL OF TRANSACTION DOCUMENTS BY LEGAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO PUGH CAPITAL MANAGEMENT AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

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

NAYS – NONE

PR INVESTMENTS (TURKS AND CAICOS ISLANDS)

BY MR. STEWART – SUPPORTED BY MR. MOORE

Whereas, The Board desires that a Phase II due diligence be performed on the proposal presented to the Board by PR Investments, Therefore Be It

Resolved, That subject to PR Investments agreeing to pay the costs for said due diligence and said funds being escrowed by PR Investments with the Retirement System, North Point Advisors be engaged to perform said Phase II 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 Phase II due diligence report, the Board will decide whether it has any continued interest in the proposal, and be it further

PR INVESTMENTS (TURKS AND CAICOS ISLANDS)

Resolved, That a copy of this resolution be forwarded to PR Investments, North Point Advisors and the Accounting Division of the Retirement Systems:

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

NAYS – NONE

TRUSTEE DOYLE RE-JOINED THE MEETING.

THE YUCAIPA COMPANIES (SMALL-CAP INVESTING)

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

Whereas, The Board has been presented with an investment proposal from Yucaipa, and

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

Resolved, That subject to Yucaipa agreeing to pay the costs for said due diligence and said funds being escrowed by Yucaipa with the Retirement System, North Point Advisors be engaged to perform due diligence on said proposal regarding small-cap investing 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, 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 Yucaipa, North Point Advisors and the Accounting Division of the Retirement Systems:

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, MILTON, MOORE, ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

THE YUCAIPA COMPANIES (SMALL-CAP INVESTING)

NAYS – NONE

ABEL NOSER

BY MR. ORZECH – SUPPORTED BY MR. STEWART

RESOLVED, THAT ANDREW SCHWARTZ BE REQUESTED TO APPEAR BEFORE THE BOARD JULY 24, 2008 AT 10:00 A.M. TO DISCUSS FIXED INCOME TRADING:

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

MULLER & MONROE

BY MR. STEWART – SUPPORTED BY MR. PEGG

RESOLVED, THAT ALFRED SHARP AND ANY ASSOCIATES OF HIS CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (PRIVATE EQUITY PROPOSAL):

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

NAYS – NONE

ROTHSCHILD

BY MR. BEASLEY – SUPPORTED BY MR. DOYLE

RESOLVED, THAT DEIDRE GUICE AND ANY ASSOCIATES OF HER CHOOSING BE REQUESTED TO APPEAR BEFORE THE BOARD FOR PRESENTATION PURPOSES (130/30 AND SMALL-CAP GROWTH INVESTING PROPOSALS):

YEAS – TRUSTEES BEASLEY, BEST, COLLINS, DOYLE, MILTON, MOORE,  
ORZECH, PEGG, STEWART AND CHAIRMAN BANDEMER – 10

ROTHSCHILD

NAYS – NONE

CHAIRMAN BANDEMER RELINQUISHED THE CHAIR TO VICE CHAIRMAN PEGG AND MADE THE MOTION WHICH FOLLOWS:

RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION  
VERSUS THE DETROIT POLICE OFFICERS' ASSOCIATION,  
THE DETROIT POLICE LIEUTENANTS' AND SERGEANTS' ASSOCIATION,  
THE DETROIT POLICE COMMAND OFFICERS' ASSOCIATION,  
THE DETROIT FIRE FIGHTERS' ASSOCIATION AND THE CITY OF DETROIT  
WAYNE CIRCUIT COURT CASE #08-116128-AS

BY MR. BANDEMER – SUPPORTED BY MR. DOYLE

WHEREAS, THE BOARD IS AWARE OF WAYNE CIRCUIT CASE # 08-116128-AS,  
AND

WHEREAS, ALTHOUGH THE POLICE AND FIRE RETIREMENT SYSTEM IS NOT A  
NAMED DEFENDANT, THE COMPLAINT REQUESTS THE COURT TO, IN EFFECT,  
NEGATE A RESOLUTION OF THE BOARD OF TRUSTEES, AND

WHEREAS, THE BOARD DEEMS IT APPROPRIATE TO RETAIN SPECIAL  
COUNSEL TO COORDINATE WITH GENERAL COUNSEL TO MONITOR THIS  
LITIGATION AND TAKE ANY APPROPRIATE ACTION AS IS DEEMED  
APPROPRIATE BY GENERAL COUNSEL TO PROTECT THE INTERESTS OF THE  
RETIREMENT SYSTEM, AND

WHEREAS, THE BOARD DEEMS ATTORNEY CHRIS LEGGHIO AS AN  
APPROPRIATE CHOICE AS SPECIAL LEGAL COUNSEL WHO PRESENTLY  
CANNOT UNDERTAKE THIS ASSIGNMENT DUE TO HIS INVOLVEMENT WITH  
OTHER LITIGATION IN WHICH THE RETIREE ASSOCIATION IS A PLAINTIFF,  
THEREFORE BE IT

RESOLVED, THAT JOE TURNER OF CLARK HILL IS SELECTED AS SPECIAL  
COUNSEL REGARDING THIS MATTER WITH THE UNDERSTANDING THAT IN THE  
EVENT MR. LEGGHIO MAY BE ABLE TO UNDERTAKE THE ASSIGNMENT, THE  
MATTER WILL THEN BE ASSIGNED TO MR. LEGGHIO, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO CHRIS  
LEGGHIO AND JOE TURNER:

RETIRED DETROIT POLICE AND FIRE FIGHTERS' ASSOCIATION  
VERSUS THE DETROIT POLICE OFFICERS' ASSOCIATION,  
THE DETROIT POLICE LIEUTENANTS' AND SERGEANTS' ASSOCIATION,  
THE DETROIT POLICE COMMAND OFFICERS' ASSOCIATION,  
THE DETROIT FIRE FIGHTERS' ASSOCIATION AND THE CITY OF DETROIT  
WAYNE CIRCUIT COURT CASE #08-116128-AS

YEAS – TRUSTEES BANDEMER, BEASLEY, BEST, COLLINS, DOYLE, MILTON  
MOORE, ORZECH, STEWART AND VICE CHAIRMAN PEGG – 10

NAYS – NONE

VICE CHAIRMAN PEGG RELINQUISHED THE CHAIR TO CHAIRMAN  
BANDEMER.

PUBLIC FORUM/ADJOURNMENT

AT 2:30 P.M., CHAIRMAN BANDEMER DECLARED THE MEETING IN OPEN  
FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE  
MEETING.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, CHAIRMAN  
BANDEMER ADJOURNED THE MEETING AT 2:35 P.M. UNTIL THURSDAY,  
JULY 17, 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