

MEETING NUMBER 2697

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



PROCEEDINGS HELD THURSDAY, SEPTEMBER 4, 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
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	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
Richard Huddleston	Investment Analyst

EXCUSED

Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
DeDan Milton	Ex/Officio Alternate Trustee

ABSENT

None

CHAIRPERSON

Marty Bandemer

VICE CHAIRPERSON

Jeffrey Pegg

ROLL CALL WAS TAKEN AT 9:12 A.M. BY THE BOARD'S RECORDING SECRETARY AND THE MEETING WAS CALLED TO ORDER.

CAPITAL CALLS/DRAWS

BY MR. BEST – SUPPORTED BY MR. MOORE

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:

FALCONHEAD – SEPTEMBER 2, 2008 - \$2,957,629.00

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

NAYS – NONE

TRUSTEE FREEMAN TEMPORARILY EXCUSED HERSELF.

RETIREMENTS – BY MR. STEWART – SUPPORTED BY MR. BEST

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

RETIREMENTS (CONTINUED)

RETIREMENTS

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN	MICHAEL CONNER – OFFICER - POLICE DUTY DISABILITY RETIREMENT CONVERSION - NEW
SERVICE CREDIT, EFFECTIVE DATE	25 00 00 – 09 08 08

NAME, TITLE, DEPARTMENT RETIREMENT, PLAN	NANCY COON, WIDOW OF DECEASED GEOFFREY COON – OFFICER – POLICE NON/DUTY WIDOW - NEW
SERVICE CREDIT, EFFECTIVE DATE	21 03 29 – 08 05 08

YEAS – TRUSTEES BEST, MOORE, ORZECH, STEWART AND CHAIRMAN  
BANDEMER – 5

NAYS – NONE

TRUSTEE FREEMAN RE-JOINED THE MEETING.

CONFIRMATIONS – BY MR. BEST – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE RECEIPTS (**\$1,866,669.44**) AND DISBURSEMENTS  
(**\$14,619,064.71**) WHICH ARE REFERENCED AT THE END OF THESE  
PROCEEDINGS BE CONFIRMED:

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

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY MR. STEWART – SUPPORTED BY MR. BEST

RESOLVED, THAT THE CONTRIBUTIONS (INCLUDING INTEREST) TO THE  
ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT  
SYSTEM OF THE CITY OF DETROIT BE REFUNDED PENDING AUDIT BY  
RETIREMENT SYSTEM ACCOUNTING STAFF:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

LIST NUMBER: 3287

REFUND AMOUNT: \$445,553.24

MINUTES OF AUGUST 7, 2008 AND AUGUST 14, 2008

BY MR. BEST – SUPPORTED BY MR. STEWART

RESOLVED, THAT THE MINUTES OF THE MEETINGS HELD THURSDAY, AUGUST 7, 2008 AND THURSDAY, AUGUST 14, 2008 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

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

NAYS – NONE

BILL PAYMENT REQUESTS

BY MR. BEST – SUPPORTED BY MR. ORZECH

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. – AUGUST 22, 2008 - \$100.86 – MISCELLANEOUS EXPENSES

BAKER, MCKENZIE & ABOGADOS (PER F. LOGAN DAVIDSON) – SEPTEMBER 3, 2008 - \$8,000.00

CLARK HILL – AUGUST 27, 2008 - \$29,627.72 – JULY, 2008 SERVICES – EDS

BILL PAYMENT REQUESTS

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

CLARK HILL – AUGUST 27, 2008 - \$10,245.29 – JULY, 2008 SERVICES – MISCELLANEOUS SERVICES

CLARK HILL – AUGUST 27, 2008 - \$8,382.33 – JULY, 2008 SERVICES – BROOKS/JARRETT LITIGATION

CLARK HILL – AUGUST 27, 2008 - \$4,460.01 – JULY, 2008 SERVICES – LAFER LITIGATION

DAVIDSON, F. LOGAN – SEPTEMBER 3, 2008 - \$15,000.00 – DOTT ACQUISITION, LLC

GRACE LANDSCAPE MANAGEMENT – AUGUST 25, 2008 - \$125.00 – LANDSCAPING SERVICING FEES

IRON MOUNTAIN – JULY 31, 2008 - \$848.87 – MISCELLANEOUS SERVICES

IT STAFF – SEPTEMBER 3, 2008 - \$82,108.53 – PROGRAMMERS' SALARIES FOR THE MONTH ENDING AUGUST, 2008

MCTEVIA & ASSOCIATES – SEPTEMBER 1, 2008 - \$5,845.00 – EXPENSES – TRADEWINDS AIRLINES, INC.

O'NEAL, REGINALD – SEPTEMBER 3, 2008 - \$3,025.10 – EXAMINATION FEES

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

NAYS – NONE

TRUSTEE DOYLE ENTERED THE MEETING.

MCRAE GROUP OF COMPANIES  
NEAL & FM 548-1876  
MANN 1100 DUE DILIGENCE LEGAL REIMBURSEMENTS

BY MR. BEST – SUPPORTED BY MR. ORZECH

WHEREAS, THE MCRAE GROUP OF COMPANIES HAS PRESENTED THE BOARD WITH A MAY 19, 2008 COMMUNICATION WHEREIN MCRAE REQUESTS THAT THE BOARD APPROVE THE REQUESTS WHICH ARE REFERENCED BELOW, AND

WHEREAS, THE BOARD HAS DISCUSSED SAID REQUESTS, THEREFORE BE IT

RESOLVED, THAT THE BOARD APPROVES SAID REQUESTS, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO THE MCRAE GROUP OF COMPANIES, BANYAN REALTY ADVISORS, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEMS:

REQUESTS

CLOSE THE SYSTEM'S DUE DILIGENCE ACCOUNT WITH MCRAE BY WIRE-TRANSFERRING THE SUM OF \$17,168.02 TO BANYAN REALTY ADVISORS AND REMITTING THE BALANCE OF \$10,836.98 TO MCRAE VIA CHECK

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

NAYS – NONE

ABSTAIN – TRUSTEE DOYLE – 1

CONFERENCE(S)

BY MR. STEWART – SUPPORTED BY MR. MOORE

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(s), and be it further

CONFERENCE(S)

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(s):

IIR'S 22<sup>ND</sup> ANNUAL PRIVATE PLACEMENTS INDUSTRY FORUM  
BOCA RATON, FLORIDA  
JANUARY 21, 2009 – JANUARY 23, 2009

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

NAYS – NONE

TRUSTEE PEGG ENTERED THE MEETING.

TRUSTEE DOYLE TEMPORARILY EXCUSED HIMSELF.

DUTY DISABILITY RETIREMENT APPLICATION OF CECELIA CARTER  
DETROIT RECEIVING HOSPITAL

BY MR. STEWART – SUPPORTED BY MR. BEST

WHEREAS, CECELIA CARTER APPLIED FOR A DUTY DISABILITY RETIREMENT, PER APPLICATION DATED JULY 25, 2007 STATING THE NATURE AND CAUSE OF DISABILITY AS "I INJURED MYSELF ON DUTY AND TORE MY MENISCUS. I HAVE NOW HAD THREE (3) SURGERIES, THE LAST BEING 6-25-2007," AND

WHEREAS, THE RETIREMENT SYSTEMS MEDICAL DIRECTOR PROVIDED A MEDICAL REPORT DATED SEPTEMBER 13, 2007 CONCLUDING THAT "IT IS PREMATURE AT THIS TIME TO GRANT THE DUTY DISABILITY RETIREMENT," AND

WHEREAS, MS. CARTER, PURSUANT TO HER COLLECTIVE BARGAINING AGREEMENT, APPEALED THE FINDING OF LACK OF DISABILITY TO THE EVALUATION GROUP/DETROIT RECEIVING HOSPITAL FOR REVIEW, WHICH DECISION IS FINAL AND BINDING, AND

WHEREAS, THE BOARD OF TRUSTEES IS IN RECEIPT OF A MEDICAL REPORT DATED AUGUST 20, 2008 FROM THE EVALUATION GROUP SIGNED BY MICHAEL HOLDA, M.D. WHICH, IN EFFECT, FINDS DISABILITY WHICH CONCLUSION, PER COLLECTIVE BARGAINING AGREEMENT, IS FINAL AND BINDING, THEREFORE BE IT

DUTY DISABILITY RETIREMENT APPLICATION OF CECELIA CARTER  
DETROIT RECEIVING HOSPITAL

RESOLVED, THAT CECELIA CARTER'S APPLICATION FOR DUTY DISABILITY RETIREMENT IS GRANTED BASED UPON THE FINDING OF DISABILITY WHICH IS FINAL AND BINDING REGARDING DISABILITY, AND

WHEREAS, CAUSATION OF WORK-RELATED INJURY IS NOT IN DISPUTE, AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO MS. CARTER AND THE POLICE DEPARTMENT:

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

NAYS – NONE

TRUSTEE DOYLE RE-JOINED THE MEETING.

TRUSTEE FREEMAN EXCUSED HERSELF.

TRUSTEE BEASLEY ENTERED THE MEETING.

ABRAHAM, FRUCHTER & TWERSKY

MITCHELL TWERSKY AND AN ASSOCIATE DISCUSSED SHAREHOLDER LITIGATION.

MILESTONE REALTY SERVICES

MARTY WEST AND TWO DOWNTOWN DEVELOPMENT AUTHORITY ASSOCIATES DISCUSSED THE BOOK CADILLAC PARKING GARAGE.

TRUSTEES DOYLE AND BEASLEY TEMPORARILY EXCUSED THEMSELVES.

WACHOVIA SECURITIES

RODNEY NOLAN, MARK MITCHELL AND GEOFFREY JOHNSON DISCUSSED BROKERAGE SERVICES.

TRUSTEE PEGG TEMPORARILY EXCUSED HIMSELF.

CHAIRMAN BANDEMER TEMPORARILY EXCUSED HIMSELF AND THE BOARD'S QUORUM WAS LOST.

CHAIRMAN BANDEMER RE-JOINED THE MEETING AND THE BOARD'S QUORUM WAS RESTORED.

TRUSTEE PEGG RE-JOINED THE MEETING.

BOOK CADILLAC PARKING GARAGE

BY MR. BEST – SUPPORTED BY MR. MOORE

RESOLVED, THAT THE BOOK CADILLAC PARKING GARAGE PROPOSAL BE SUBMITTED TO COURTLAND PARTNERS FOR REVIEW AND RECOMMENDATION:

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

NAYS – NONE

TRUSTEE MOORE TEMPORARILY EXCUSED HIMSELF.

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

BY MR. ORZECH – SUPPORTED BY MR. STEWART

WHEREAS, THE BOARD OF TRUSTEES HAS BEEN INFORMED OF POSSIBLE INCONSISTENCIES BETWEEN THE RETIREMENT SYSTEM PROVISIONS, PER ORDINANCE NO. 356-H, CH. 54, ART. 30, THE DPOA ACT 312 AWARD OF JULY 1, 2004, COLLECTIVE BARGAINING PROVISIONS, AND THE RECORD (RE: THE ACT 312 PROCEEDINGS), AND

WHEREAS, THE BOARD OF TRUSTEES WISHES TO CLARIFY THESE MATTERS AND ADVISES ITS STAFF TO ADMINISTER PRE-EMPLOYMENT MILITARY SERVICE CREDIT APPLICATIONS CONSISTENT WITH APPLICABLE LAW AND PER BOARD RESOLUTIONS, THEREFORE BE IT

RESOLVED, THAT THE COLLECTIVE BARGAINING ASSOCIATIONS' ATTORNEYS INVOLVED WITH THE FOREGOING MATTERS BE REQUESTED TO PROVIDE A REPORT TO THE BOARD OF TRUSTEES AT THE COST OF THE RETIREMENT SYSTEM, SUBJECT TO APPROVAL BY THE BOARD AND THE RETIREMENT SYSTEM'S GENERAL COUNSEL, AND BE IT FURTHER

PRE-EMPLOYMENT MILITARY SERVICE CREDIT

RESOLVED, THAT THE ASSISTANT EXECUTIVE SECRETARY COORDINATE THE FOREGOING WITH THE ASSISTANCE OF GENERAL COUNSEL:

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

NAYS – NONE

TRUSTEE MOORE RE-JOINED THE MEETING.

RETIREMENT SYSTEMS' TELEPHONE ANSWERING

BY MR. ORZECH – SUPPORTED BY MR. PEGG

WHEREAS, THE BOARD NOTES THE NEED FOR IMPROVED SERVICES TO ITS MEMBERS AND RETIREES REGARDING THE RETIREMENT SYSTEMS' ACCEPTANCE OF TELEPHONE CALLS, AND

WHEREAS, THE BOARD HAS ATTEMPTED TO ARRANGE FOR THE ADDITION OF STAFF WITH THE CITY OF DETROIT AS AN EMPLOYER, AND

WHEREAS, THE CITY OF DETROIT HAS NOT BEEN ABLE TO MEET THE REQUESTS OF THE RETIREMENT SYSTEMS, THEREFORE BE IT

RESOLVED, THAT THE RETIREMENT SYSTEMS RETAIN A CONTRACTUAL EMPLOYEE TO BE PRIMARILY RESPONSIBLE FOR FRONT DESK TELEPHONE ANSWERING, AND BE IT FURTHER

RESOLVED, THAT THIS RESOLUTION IS SUBJECT TO THE APPROVAL OF THE GENERAL RETIREMENT SYSTEM, AND BE IT FURTHER

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

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

NAYS – NONE

LEGAL COUNSEL'S REPORTS

LEGAL COUNSEL RONALD ZAJAC DISCUSSED VARIOUS MATTERS WITH THE BOARD, INCLUDING PFRS JEFFERSON AVENUE CORPORATION, 3151 BEHREND DRIVE CORPORATION, AMBAC FINANCIAL GROUP, AND LEE VERSUS LEE.

PFRS JEFFERSON AVENUE CORPORATION

BY MR. BEST – SUPPORTED BY MR. ORZECH

Whereas, The Board is the sole shareholder of the Corporation, and

Whereas, The Board has been requested to authorize the execution of a Real Property Statement dated September 4, 2008 by an officer of the Corporation, and

Whereas, The execution of said document(s) has been recommended by the Board's Special Legal Counsel, F. Logan Davidson, P.C., and

Whereas, The execution of said document(s) has been reviewed and approved as to form by the Board's Legal 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 the appropriate corporate officers on behalf of the Corporation, and be it further

Resolved, That the executed original document(s) be forwarded to the appropriate party, and be it further

Resolved, That the Accounting Division of the Retirement Systems retain copies of said executed original document(s):

TRUSTEE DOYLE RE-JOINED THE MEETING.

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

NAYS – NONE

ABSTAIN – TRUSTEE DOYLE - 1

PFRS 3151 BEHREND DRIVE CORPORATION

BY MR. STEWART – SUPPORTED BY MR. MOORE

Whereas, The Board is the sole shareholder of the Corporation, and

Whereas, The Board has been requested to authorize the execution of a 2008 Arizona Annual Report dated September 4, 2008 by an officer of the Corporation, and

Whereas, The execution of said document(s) has been recommended by the Board's Special Legal Counsel, F. Logan Davidson, P.C., and

Whereas, The execution of said document(s) has been reviewed and approved as to form by the Board's Legal 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 the appropriate corporate officers on behalf of the Corporation, and be it further

Resolved, That the executed original document(s) be forwarded to the appropriate party, and be it further

Resolved, That the Accounting Division of the Retirement Systems retain copies of said executed original document(s):

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

NAYS – NONE

LEE VERSUS LEE  
WAYNE COUNTY CASE #02-212019-DM

BY MR. DOYLE – SUPPORTED BY MR. BEST

WHEREAS, THE BOARD IS IN RECEIPT OF A JANUARY 23, 2002 JUDGMENT OF DIVORCE WHEREIN KAREN LEE IS, SUBJECT TO THE ENTRY OF AN EDRO, AWARDED CERTAIN RIGHTS TO THE DEFINED BENEFIT PLAN AND/OR DEFINED CONTRIBUTION PLAN BENEFITS OF WHO IS CURRENTLY AN ACTIVE EMPLOYEE, AND

LEE VERSUS LEE  
WAYNE COUNTY CASE #02-212019-DM

WHEREAS, THE BOARD HAS BEEN INFORMED THAT PARTICIPANT IS ELIGIBLE TO IMMEDIATELY RETIRE, AND

WHEREAS PARTICIPANT'S DATE OF BIRTH IS MARCH 7, 1956, AND, TO DATE, PARTICIPANT HAS ATTAINED 24 YEARS AND 07 MONTHS OF SERVICE CREDIT, AND

WHEREAS, SUBJECT TO THE ENTRY OF AN EDRO, 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 FURTHER SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME; AND SUBJECT TO THE ENTRY OF AN EDRO, ALTERNATE PAYEE IS ENTITLED TO CLAIM A PORTION OF PARTICIPANT'S DEFINED BENEFIT PLAN, AND

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 OTHERWISE BEING ELIGIBLE TO WITHDRAW AMOUNTS FROM THE DEFINED AND FURTHER 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 EDRO SHOULD PROVIDE FOR PAYMENT 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 REQUIRE THE ENTRY OF AN EDRO, THEREFORE BE IT

RESOLVED THAT THE BOARD ACKNOWLEDGE RECEIPT OF SAID COURT ORDER BUT NO BENEFITS BE PAID PENDING ENTRY OF AN EDRO, A COPY OF THIS RESOLUTION BE IMMEDIATELY ATTACHED AS THE TOP SHEET OF THE PENSION FILE, OTHER APPROPRIATE RECORDS BE RETAINED BY THE

LEE VERSUS LEE  
WAYNE COUNTY CASE #02-212019-DM

RETIREMENT SYSTEM RELATIVE TO THIS MATTER, AND A COPY OF THIS RESOLUTION BE FORWARDED TO ATTORNEY ADA MONTGOMERY, CHARLES BERSCHBACK, KAREN LEE AND BENJAMIN LEE:

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

NAYS – NONE

SPECIAL LEGAL COUNSEL’S REPORTS

SPECIAL COUNSEL JOE TURNER REQUESTED THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING MATTERS INVOLVING ATTORNEY/CLIENT PRIVILEGE.

CLOSED SESSION

BY MR. BEST – SUPPORTED BY MR. PEGG

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

A Roll Call Vote was taken as follows:

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

NAYS – NONE

The Board entered into Closed Session at **12:14 P.M.**

OPEN SESSION

BY MR. STEWART – SUPPORTED BY MR. BEST

Resolved, That the Board return to Open Session:

A Roll Call Vote was taken as follows:

OPEN SESSION

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

NAYS – NONE

The Board returned to Open Session at **12:26 P.M.**

DURING CLOSED SESSION, SPECIAL COUNSEL TURNER DISCUSSED GVC  
NETWORKS, GLOBAL CROSSING AND RDD INVESTMENT CORPORATION.

GVC

BY MR. BEST – SUPPORTED BY MR. PEGG

WHEREAS, SPECIAL LEGAL COUNSEL HAS RECOMMENDED THAT THE  
BOARD APPROVE THE PAYMENT OF ONE-HALF OF A (UP TO) \$20,000.00 FEE  
FOR TAKING CONTROL OF ASSETS OF THE GVC SUBJECT TO THE RETIREMENT  
SYSTEM'S SECURITY INTEREST EVIDENCED BY UCC STATEMENTS AND  
APPLICABLE DOCUMENTATION, THEREFORE BE IT

RESOLVED, THE BOARD APPROVES THE PAYMENT OF (UP TO) \$10,000.00  
FOR THE REASONS STATED ABOVE:

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

NAYS – NONE

CAPITAL CALLS/DRAWS

BY MR. DOYLE – SUPPORTED BY MR. STEWART

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:

CAPITAL CALLS/DRAWS

RDD INVESTMENT CORPORATION – JULY 1, 2008 - \$253,000.00

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

NAYS – NONE

GLOBAL CROSSING

BY MR. STEWART – SUPPORTED BY MR. DOYLE

WHEREAS, SPECIAL LEGAL COUNSEL JOE TURNER (OF CLARK HILL) HAS  
RECOMMENDED A SETTLEMENT AMOUNT AND THE BOARD ACCEPTS SAID  
SETTLEMENT AMOUNT, THEREFORE BE IT

RESOLVED, THAT SPECIAL COUNSEL SETTLE THIS MATTER CONSISTENT WITH  
THE BOARD'S DISCUSSION IN CLOSED SESSION THIS DATE:

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

NAYS – NONE

TANDEM

GARY FRIEDLE AND BRIAN CHEN DISCUSSED TANDEM'S CHINA MEZZANINE  
DEBT FUND.

TRUSTEE STEWART EXCUSED HIMSELF FOR THE REMAINDER OF THE MEETING.

BANYAN REALTY ADVISORS, LLC

**LOU VOGT** DISCUSSED TRAMMELL CROW'S AFFORDABLE APARTMENT  
PORTFOLIO.

TRAMMELL CROW AFFORDABLE APARTMENT PORTFOLIO  
BANYAN REALTY ADVISORS, LLC

BY MR. BEST – SUPPORTED BY MR. MOORE

WHEREAS, INTER ALIA, THE BOARD ADOPTED A RESOLUTION ON FEBRUARY 7, 2008 APPROVING THE **\$7,700,000.00** INVESTMENT AND A **\$1,300,000.00** SECOND MORTGAGE CONTINGENCY LOAN SUBJECT TO A NUMBER OF CONDITIONS, INCLUDING THE REQUIREMENT OF CERTAIN GUARANTIES, AND

WHEREAS, THE BOARD IS IN RECEIPT OF A SEPTEMBER 3, 2008 LETTER FROM BANYAN REALTY ADVISORS, LLC WHICH PRESENTS A RESPONSE TO THE BOARD'S AUGUST 28, 2008 RESOLUTION WHICH SEPTEMBER 3, 2008 LETTER PROVIDES FOR PRO-RATA GUARANTIES AND MODIFICATION TO THE ADDITIONAL INTEREST AS INDICATED IN SAID LETTER, AND

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

RESOLVED, THAT THE BOARD APPROVES THE MODIFICATION TO THE PROPOSED TRANSACTION INDICATED IN THE AFORESAID SEPTEMBER 3, 2008 LETTER INCLUDING THE CLARIFICATION THAT FUNDING IS SUBJECT TO ALL LOAN FUNDS (\$17,100,000.00) FROM MMIC BE AVAILABLE AT CLOSING WITHOUT REQUIREMENT OF DELIVERY OF THE LOAN TO FANNIE MAE, AND BE IT FURTHER

RESOLVED, THAT TRANSACTION DOCUMENTS BE EXECUTED SUBJECT TO APPROVAL OF SPECIAL LEGAL COUNSEL AND GENERAL COUNSEL, AND BE IT FURTHER

RESOLVED, THAT ALL FUNDS BE WIRE-TRANSFERRED AS REQUIRED BY TRANSACTION DOCUMENTS SUBJECT TO ESTABLISHED PROCEDURES, AND BE IT FURTHER

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

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

TRAMMELL CROW AFFORDABLE APARTMENT PORTFOLIO  
BANYAN REALTY ADVISORS, LLC

NAYS – NONE

MERRILL LYNCH DUE DILIGENCE SITE VISIT

TRUSTEES MOORE AND ORZECH DISCUSSED THEIR ATTENDANCE AT MERRILL LYNCH'S NEW YORK OFFICES AUGUST 21, THROUGH AUGUST 23, 2008 FOR DUE DILIGENCE PURPOSES.

EDUCATIONAL/TRAVEL POLICIES FOR STAFF

BY MR. DOYLE – SUPPORTED BY MR. ORZECH

WHEREAS, THE BOARD OF TRUSTEES PREVIOUSLY ADOPTED EDUCATIONAL/TRAVEL POLICIES REGARDING EDUCATIONAL SEMINARS/CONFERENCES FOR TRUSTEES, EXECUTIVE SECRETARY, ASSISTANT EXECUTIVE SECRETARY AND GENERAL COUNSEL, AND

WHEREAS, FROM TIME TO TIME, THE BOARD MAY DEEM IT APPROPRIATE TO APPROVE COSTS FOR ATTENDANCE BY STAFF TO CONTINUE TO IMPROVE THE OPERATION OF THE RETIREMENT SYSTEMS, AND

WHEREAS, THE BOARD WISHES TO REFINE THE PROCEDURES BEING USED TO APPROVE SUCH EDUCATIONAL AND TRAVEL COSTS FOR CERTAIN STAFF EMPLOYEES, THEREFORE BE IT

RESOLVED, THAT PRIOR TO THE BOARD TAKING ACTION TO GRANT OR DENY A REQUEST REGARDING ATTENDANCE OF CERTAIN STAFF EMPLOYEES TO EDUCATIONAL SEMINARS/CONFERENCES, THE EXECUTIVE SECRETARY OR ASSISTANT EXECUTIVE SECRETARY MUST RECOMMEND THAT THE REQUEST BE GRANTED BY THE BOARD OF TRUSTEES:

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

NAYS – NONE

PUBLIC FORUM/ADJOURNMENT

AT **2:15 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 **2:18 P.M.** UNTIL THURSDAY, SEPTEMBER 18, 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