

RESOLUTION NO. 82-015

ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM

December 20, 1982

WHEREAS, W. Jim Smith presented to the Board his November, 1982, real estate advisor's report; and

WHEREAS, in said report the Pacific Telephone/DIJI Associates loan transaction is discussed at length, with an identification of two separate legal problems; and

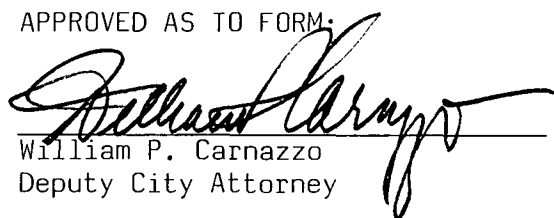
WHEREAS, William Carnazzo, counsel to the Board, advised the Board regarding the risks inherent in proceeding with the loan transaction in view of the two legal problems, especially in view of the pending reorganization of Pacific Telephone Company and its reported difficult financial situation; and

WHEREAS, the Board determined that notwithstanding those risks the investment is a prudent one for the reasons identified in W. Jim Smith's report;

NOW, THEREFORE, BE IT RESOLVED BY THE ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD that all necessary remaining steps be taken by W. Jim Smith and legal counsel to consummate the said loan transaction, and that:

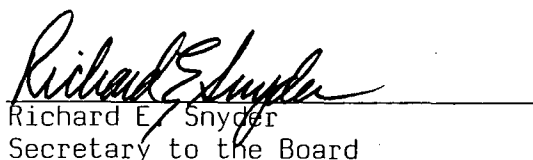
- 1) The agreements be modified so as to permit the Telephone Company option to purchase to be included in the transaction subject to the sixty percent (60%) equity payoff provision proposed by DIJI, as specified in W. Jim Smith's report, pages 1 and 2; and
- 2) The Telephone Company lease may be recorded prior to the System's trust deed, upon the condition that the System's legal counsel is satisfied that the System is adequately protected by a duly executed and recorded assignment of the Pacific Telephone lease and the rentals thereunder accruing.

APPROVED AS TO FORM:


William P. Carnazzo
Deputy City Attorney


Ralph W. D'Agostini
Chairman

ATTEST:


Richard E. Snyder
Secretary to the Board