

(R-88-2599)

RESOLUTION NUMBER R- 271241


ADOPTED ON JUN 22 1988

BE IT RESOLVED, by the Council of The City of San Diego, that it hereby accepts the gift of One Million Dollars (\$1,000,000.00) from Joan Kroc to The City of San Diego, to be used for the San Diego-Soviet International Arts Festival, according to the terms and conditions set forth in the letter from Beth Benes^v, counsel to Mrs. Kroc, dated June 21, 1988, and attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the City Treasurer be authorized to dispose of the stock in accordance with Ms. Benes^v letter.

BE IT FURTHER RESOLVED, that the City Auditor and Comptroller be and he is hereby directed to establish a trust fund to be utilized solely and exclusively for purpose of the Festival and preparation therefor and credit all interest to said account accordingly.

APPROVED: JOHN W. WITT, City Attorney

By 
Allisyn L. Thomas
Deputy City Attorney

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06/22/88
Or.Dept:Atty.
R-88-2599
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CLERK'S OFFICE *PC*
1968 JUN 22 AM 9:34
SAN DIEGO, CALIF.

EXHIBIT A

ELIZABETH EBEL BENES
ATTORNEY AT LAW
PERSONAL COUNSEL TO JOAN B. KROC

8939 VILLA LA JOLLA DRIVE
LA JOLLA, CA 92037
(619) 452-5702

June 21, 1988

The Honorable Maureen O'Connor
Mayor, City of San Diego
202 C Street, 11th Floor
San Diego, CA 92101

Dear Mayor O'Connor:

This letter will confirm Mrs. Joan Kroc's intent to make a gift of one million dollars to the City of San Diego to be used for the San Diego-Soviet International Arts Festival. The gift will be made subject to the following conditions:

1. The gift will be used for the arts festival, which is presently planned for 1990, and for no other purpose. It may be used for costs of preparation for the arts festival.

2. The funds will be placed in a segregated interest-bearing account, and all interest earned by that account will remain in the account to be used for the arts festival. Mrs. Kroc will be entitled to receive an accounting of the segregated account at her request once each six months.

3. If for any reason the arts festival is not held by the end of 1990 and no extension is granted by Mrs. Kroc, the funds and the interest earned thereon, less the gift's pro-rata share of preparation expenses actually incurred, will be returned to Mrs. Kroc no later than January 15, 1991.

4. Mrs. Kroc intends to fund the gift primarily with McDonald's Corporation common stock. In accordance with the Internal Revenue Code, the gift of stock will be valued at the mean of the high and the low selling price on the New York Stock Exchange on the date of transfer. Any shortfall will be paid in cash.

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5. The City may sell the stock at any time after it is received. The sale of the stock is subject to a right of first refusal in McDonald's Corporation. When the City is ready to sell the stock, it must notify Mr. Don Horowitz, corporate counsel for McDonald's, at 312-575-3482. McDonald's must respond within one business day of receipt of oral notice of the City's intent to sell. If McDonald's elects to purchase any of the stock, the price will be the closing price on the New York Stock Exchange on the date McDonald's responds to the City's request, or if that is not a trading date, then on the last preceding trading date. If McDonald's elects not to purchase the stock, the City is free to sell it on the open market within 15 days.

Please advise me whether the City of San Diego will accept the gift under these conditions. We are prepared to fund the gift upon receipt of the City's official acceptance.

Mrs. Kroc is pleased to be able to support the San Diego-Soviet International Arts Festival, which will not only benefit the City of San Diego but will enhance the understanding that is growing between the Soviet Union and the United States.

Sincerely,

Beth Benes
Elizabeth E. Benes

EEB:mp

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41621

JUN 22 1988

Passed and adopted by the Council of The City of San Diego on
by the following vote:

| Council Members | Yeas | Nays | Not Present | Ineligible |
|------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Abbe Wolfsheimer | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ron Roberts | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gloria McColl | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| H. Wes Pratt | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ed Struiksma | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| J. Bruce Henderson | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Judy McCarty | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bob Filner | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mayor Maureen O'Connor | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(Seal)

By *Rhonda R. Barnes*, Deputy.

Office of the City Clerk, San Diego, California

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