

RESOLUTION NUMBER R- 301378

DATE OF FINAL PASSAGE MAY 04 2006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE INCORPORATION OF THE CITY OF SAN DIEGO TOBACCO SETTLEMENT REVENUE FUNDING CORPORATION AND THE NAMING OF ITS DIRECTORS, AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, The City of San Diego, California [City], is a charter city and a municipal corporation duly organized and existing under its charter and the Constitution of the State of California; and

WHEREAS, the City desires to realize the present cash value of certain payments due to the City [Tobacco Settlement Revenues] from the State of California pursuant to the Master Settlement Agreement [Master Settlement Agreement] among a number of jurisdictions and certain tobacco manufacturing companies, all pursuant to a Memorandum of Understanding, dated August 5, 1998 [MOU], and an Agreement Regarding Interpretation of Memorandum of Understanding, dated January 18, 2000, as amended [ARIMOU]; and

WHEREAS, the City desires to sell to a corporation (as described below) its future right, title and interest in the Tobacco Settlement Revenues and all lump sum payments, if any, received from participating manufacturers to the Master Settlement Agreement in order to reduce the amount and duration of risk associated with the City's receipt of Tobacco Settlement Revenues pursuant to the Master Settlement Agreement, the MOU and the ARIMOU, and thereby ensure a source of funds from which to meet the needs of the City, including the funding of the San Diego City Employees' Retirement System; and

WHEREAS, the City desires to approve and authorize the formation and organization of a nonprofit public benefit corporation pursuant to the provisions of the Nonprofit Public Benefit Corporation Law of the State of California for such purpose, which corporation shall be known as the City of San Diego Tobacco Settlement Revenue Funding Corporation [Corporation]; and

WHEREAS, the Council of the City of San Diego, California [City Council] has been presented with the forms of the (i) Articles of Incorporation of the City of San Diego Tobacco Settlement Revenue Funding Corporation [Articles of Incorporation], (ii) Bylaws of the City of San Diego Tobacco Settlement Revenue Funding Corporation [Bylaws] and (iii) the Action by Incorporator of the City of San Diego Tobacco Settlement Revenue Funding Corporation [Action by Incorporator], and the City Council has examined and approved such documents and desires to authorize the incorporation of the Corporation and direct the execution of such documents; and

WHEREAS, the City desires to authorize the naming of the Corporation (including its Directors, with the independent director (who shall be a volunteer of the City) to be selected by the Mayor and approved by the City Council, and officers); NOW THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. Declaration of the City Council. The City Council hereby specifically finds and declares that the actions authorized hereby constitute and are public affairs of the City and that the statements, findings and determinations of the City set forth in the preambles above and of the documents approved herein are true and correct.

2. Formation of the Corporation. Arto C. Becker [Incorporator] is hereby authorized to act as Incorporator and to cause the formation and organization of the City of San Diego Tobacco Settlement Revenue Funding Corporation.

The form, terms and provisions of the Articles of Incorporation in the form presented at this meeting are approved and the Incorporator hereby is authorized and empowered to execute by facsimile or manual signature and file, or cause to be filed, with the office of the Secretary of State the Articles of Incorporation, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution or to comply with the California Nonprofit Public Benefit Corporation Law and as are approved by the Mayor, the Chief Financial Officer, the Chief Operating Officer or their respective designees [each, an Authorized Officer], upon the advice of the City Attorney or Bond Counsel, such approval to be conclusively evidenced by the filing of the Articles of Incorporation with the office of the Secretary of State of the State of California.

The form, terms and provisions of the Bylaws in the form presented at this meeting are approved with such changes and insertions therein as may be deemed necessary and appropriate by any one of the Authorized Officers, upon the advice of the City Attorney or Bond Counsel.

The form, terms and provisions of the Action by the Incorporator in the form presented at this meeting are approved with such changes and insertions therein as may be deemed necessary and appropriate by any one of the Authorized Officers, upon the advice of the City Attorney or Bond Counsel and the Incorporator is hereby authorized and empowered to execute by manual signature such Action by the Incorporator.

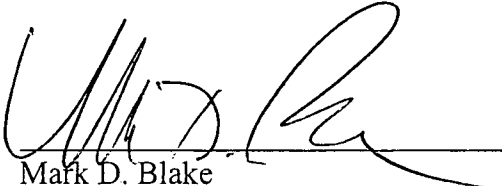
R-301378

In accordance with the Articles of Incorporation and the Bylaws, the Corporation shall be managed by a Board of Directors [Board of Directors] consisting of two officials of the City serving in their ex officio capacities and one independent director. The initial Independent Director shall be selected by the Mayor and approved by the City Council. Subsequent Independent Directors shall be appointed in the manner as set forth in the Articles of Incorporation and the Bylaws.

3. Further Actions. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby, including authorization to the Chief Financial Officer of the City to make all necessary budgetary and accounting adjustments to accomplish the above. The Chief Financial Officer and the Chief Operating Officer of the City are each authorized and directed to take any related actions deemed necessary, advisable or appropriate to consummate and give effect to Section 2 above. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed and approved.

4. Effective Date. This Resolution shall take effect immediately upon its adoption.

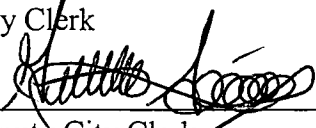
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Mark D. Blake
Deputy City Attorney

MDB:ai
04/20/06
Or.Dept:FIN
R-2006-901

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 24 2006.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5-04-06
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on APR 24 2006, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 04 2006

AUTHENTICATED BY:

(Seal)

JERRY SANDERS
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By *Mary Cepeda*, Deputy

Office of the City Clerk, San Diego, California
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