

RESOLUTION NUMBER R- **311473**DATE OF FINAL PASSAGE **DEC 20 2017**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AND ACKNOWLEDGING THE FORM OF THE PURCHASE CONTRACT AND THE PRELIMINARY OFFERING CIRCULAR; APPROVING A FINAL OFFERING CIRCULAR; AUTHORIZING THE CITY ATTORNEY TO APPOINT BOND COUNSEL AND DISCLOSURE COUNSEL; AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE CITY OF SAN DIEGO TOBACCO SETTLEMENT REVENUE FUNDING CORPORATION IN ONE OR MORE SERIES ON A TAX-EXEMPT AND/OR TAXABLE BASIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$115,000,000.

WHEREAS, The City of San Diego, California (City), is entitled to receive certain amounts of annual payments (Tobacco Settlement Revenues) and lump sum payments, if any, coming to the State of California (State) pursuant to the Master Settlement Agreement among a number of jurisdictions and certain tobacco manufacturing companies (Master Settlement Agreement), all pursuant to a Memorandum of Understanding, dated August 5, 1998, and an Agreement Regarding Interpretation of Memorandum of Understanding, dated January 18, 2000 (as amended, ARIMOU); and

WHEREAS, pursuant to a Sale Agreement, dated as of June 1, 2006 (Sale Agreement), by and between the City, as seller, and the City of San Diego Tobacco Settlement Revenue Funding Corporation (Corporation), as purchaser, the City sold to the Corporation the City's future right, title and interest in all Tobacco Settlement Revenues and all Lump Sum Payments, if any (Lump Sum Payments), received from participating manufacturers under the Master Settlement Agreement (collectively, Sold City Tobacco Assets), subject to the provisions of the Sale Agreement and the 2006 Indenture hereinafter described, to obtain money to make a

contribution to the San Diego City Employees' Retirement System (Retirement System) to reduce the unfunded accrued actuarial liability of the Retirement System, all as provided by law; and

WHEREAS, the Corporation funded its purchase of the Sold City Tobacco Assets from the proceeds of bonds (2006 Bonds) issued by the Corporation pursuant to an Indenture, as supplemented by a Series 2006 Supplement, each dated as of June 1, 2006 (2006 Indenture), by and between the Corporation and Wells Fargo Bank, National Association (Indenture Trustee), which 2006 Bonds are payable solely from the payments received by the Corporation in connection with the portion of the Sold City Tobacco Assets pledged therefor, together with certain funds and accounts held under the 2006 Indenture; and

WHEREAS, the Corporation established a City of San Diego Tobacco Settlement Revenue Funding Corporation Residual Trust (Residual Trust) pursuant to a Declaration and Agreement of Trust, dated as of June 1, 2006 (Agreement of Trust), to pay or cause to be paid to the City the unpledged tobacco settlement payments and all amounts to be deposited in the Residual Trust pursuant to the 2006 Indenture (as the same may be amended or supplemented from time to time), free and clear of the lien thereof; and

WHEREAS, pursuant to an ordinance introduced at a meeting of the City Council on the date hereof (Ordinance), the City approved and acknowledged the issuance of bonds by the Corporation (2018 Bonds) in one or more series on a tax-exempt and/or taxable basis in order to refund the currently outstanding 2006 Bonds with the proceeds of a taxable series of 2018 Bonds, to finance capital improvements in the City with the proceeds of a tax-exempt series of 2018 Bonds, to fund the reserve funds established under the Amended and Restated Indenture by and between the Corporation and the Indenture Trustee (Amended and Restated Indenture) and

to pay costs of issuance incurred in connection with the issuance of the 2018 Bonds, and that the Series 2018 Bonds shall be issued under and pursuant to the Amended and Restated Indenture; and

WHEREAS, provided the Ordinance becomes effective in accordance with the provisions of the Charter of the City and the requirements set forth in the Ordinance, the City acknowledges that the Corporation will enter into a Purchase Contract (Purchase Contract), pursuant to which the Corporation will sell and the underwriters named therein will purchase the 2018 Bonds, that the Corporation will prepare and deliver a Preliminary Offering Circular related to the Bonds (Preliminary Offering Circular), the form of which was acknowledged and approved by the City's Disclosure Practice Working Group prior to its submission to the Council, and that the Corporation will prepare, execute and deliver an Offering Circular relating to the Bonds in substantially the form of the Preliminary Offering Circular, with such changes therein and additions thereto to reflect the terms of the sale of the Bonds as an authorized officer of the Corporation shall approve (Final Offering Circular), which Final Offering Circular will be acknowledged and approved by the City's Disclosure Practice Working Group; NOW, THEREFORE,

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

Section 1. 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.

Section 2. The sale of the 2018 Bonds to the underwriters will be made upon substantially the terms provided in the form of Purchase Contract. The forms of the Purchase

Contract and the Preliminary Offering Circular, in substantially the forms presented to the Council, and on file with the City Clerk as Document Nos. RR-311473⁻¹ and RR-311473⁻², respectively, are hereby acknowledged and approved. The execution and delivery by the Corporation of a Final Offering Circular relating to the Bonds (in substantially the form of the Preliminary Offering Circular, with such changes therein and additions thereto to reflect the terms of the sale of the Bonds as an authorized officer of the Corporation shall approve) is hereby acknowledged.

Section 3. Any Authorized Officer and such other City officers and employees, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which any of them may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of transactions contemplated hereby including, but not limited to, the execution of any certification which is consistent, upon the advice of the City Attorney or Bond Counsel, with the requirements of the Purchase Contract. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed and approved.


Section 4. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the 2018 Bonds, including without limitation any of the foregoing, that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by any one of the Authorized Officers or the City Attorney without further authorization by the Council, and any of the foregoing officers is hereby authorized and directed

to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purpose of this Resolution.

Section 5. The City Attorney or her specified designee is authorized to retain Hawkins Delafield & Wood LLP as bond counsel and disclosure counsel for the City and the Corporation in connection with the issuance of the 2018 Bonds under such contracts or other arrangements as the City Attorney or her specified designee shall approve and believes to be in the best interests of the City and the Corporation. Such contract or other arrangements shall be in an amount not to exceed \$185,000.

Section 6. This Resolution shall take effect immediately upon the Ordinance becoming effective in accordance with the provisions of the Charter.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Bret A. Bartolotta
Deputy City Attorney

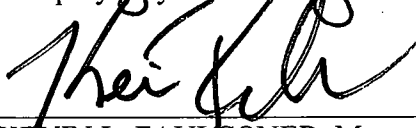
BAB:jdf
11/22/17
Or.Dept: Debt Management
Doc. No.: 1622570

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 13 2017.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 12/20/17
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on DEC 13 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 20 2017.

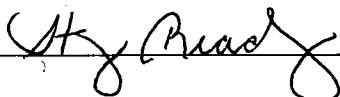
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 311473