RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ANAHEIM PUBLIC FINANCING AUTHORITY
(I) AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF
WATER REVENUE BONDS OF SAID AUTHORITY;
(II) APPROVING THE FORMS AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AN INDENTURE OF
TRUST, AN INSTALLMENT PURCHASE AGREEMENT,
SALE DOCUMENTS AND OTHER RELATED
DOCUMENTS; (III) APPROVING THE EXECUTION AND
DELIVERY OF AN OFFICIAL STATEMENT; AND
(IV) APPROVING CERTAIN ACTIONS IN CONNECTION
THEREWITH

WHEREAS, the City of Anaheim (the “City”) and the Anaheim Redevelopment Agency
have heretofore entered into a Joint Exercise of Powers Agreement (the “Joint Exercise of
Powers Agreement”) establishing the Anaheim Public Financing Authority (the “Authority”); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the
Government Code of the State of California (the “Bond Law”) and the Joint Exercise of Powers
Agreement, the Authority is authorized to borrow money for the purpose of assisting the City in
the financing of costs related to public capital improvements of the City; and

WHEREAS, the City wishes to finance the acquisition and construction of certain
improvements to the City’s water system (the “Water System”); and

WHEREAS, it has been proposed that the Authority assist the City in financing such
improvements to the Water System; and

WHEREAS, the Authority and the City have determined that it would be in the best
interests of the Authority, the City and the citizens of the City to authorize, pursuant to an
Indenture of Trust (the “Indenture”), by and among the Authority, the City and The Bank of New
York Trust Company, N.A., as trustee (the “Trustee”), the proposed form of which has been
presented to this Board, the issuance of the Authority’s Revenue Bonds, 2008 Series (Water
System Improvements) (the “2008 Bonds”) in an aggregate principal amount not to exceed
$50,000,000 under the provisions of the Bond Law, for the purpose of raising funds necessary to
provide such financial assistance to the City; and

WHEREAS, it has been proposed that the Authority purchase components of the Water
System in consideration for providing the proceeds of the 2008 Bonds to the City, and that the
City purchase back such components from the Authority pursuant to an Installment Purchase
Agreement (the “Installment Purchase Agreement”), by and between the City and the Authority,
the proposed form of which has been presented to this Board, pursuant to which the City will agree to make certain installment purchase payments to the Authority in connection therewith, which payments will be used by the Authority to pay debt service on the 2008 Bonds; and

WHEREAS, to provide for the competitive sale of the 2008 Bonds, the proposed forms of a Notice Inviting Bids and Official Bid Form for the 2008 Bonds (the “Sale Documents”) have been presented to this Board; and

WHEREAS, to provide for the negotiated sale of the 2008 Bonds, the proposed form of a purchase contract for the 2008 Bonds (the “Purchase Contract”) has been presented to this Board; and

WHEREAS, this Board desires to provide for the sale of the 2008 Bonds either by competitive sale pursuant to the Sale Documents or on a negotiated basis pursuant to the Purchase Contract; and

WHEREAS, there has been prepared a proposed form of preliminary official statement describing the 2008 Bonds and related matters (the “Preliminary Official Statement”); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority to approve the above documents and authorize and approve the transactions contemplated thereby;

NOW, THEREFORE, the Board of Directors of the Anaheim Public Financing Authority does hereby resolve, determine and order as follows:

SECTION 1: Issuance of 2008 Bonds; Indenture. The Board hereby authorizes the issuance of the 2008 Bonds under and pursuant to the Bond Law; provided that the aggregate principal amount of the 2008 Bonds shall not exceed $50,000,000. The 2008 Bonds shall be issued pursuant to the Indenture. The Board hereby approves the Indenture in the form thereof on file with the Secretary, together with such additions thereto and changes therein as are approved in accordance with Section 5 hereof, such approval to be conclusively evidenced by the execution and delivery thereof.

Each of the Chairman, the Executive Director, the Treasurer and the Authority Financial Advisor, or their respective designees (each, an “Authorized Officer”), is hereby authorized to execute, and the Secretary is hereby authorized to attest and affix the seal of the Authority to, the 2008 Bonds and the final form of the Indenture, for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

SECTION 2: Installment Purchase Agreement. The Board hereby approves the Installment Purchase Agreement in the form thereof on file with the Secretary, together with such additions thereto and changes therein as are approved in accordance with Section 5 hereof, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized to execute, and the Secretary is hereby authorized to attest and affix the seal of the Authority to, the final form of the Installment Purchase Agreement, for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Installment Purchase Agreement.
SECTION 3: Sale Documents; Purchase Contract. The proposed form of the Sale Documents, providing for the competitive public sale of the 2008 Bonds by the Authority, submitted to this Board and on file with the Secretary, and the terms and conditions of the Sale Documents, which are hereby incorporated by reference, with such additions, deletions or changes therein as shall be approved by any Authorized Officer, are hereby authorized and approved. Distribution of the Sale Documents to potential bidders by Public Financial Management, Inc., financial advisor to the Authority and the City (the “Financial Advisor”), and by other appropriate means, if the sale is competitive, is hereby authorized and approved. All 2008 Bonds, if the sale is on a competitive basis, shall be offered for public sale in accordance with the Sale Documents. Publication of a Notice of Intention to Sell Bonds in The Bond Buyer or other financial publication, in such form as shall be approved by any Authorized Officer, is hereby authorized and approved.

The proposed form of the Purchase Contract, providing for the negotiated sale of the 2008 Bonds by the Authority, submitted to this Board and on file with the Secretary, and the terms and conditions of the Purchase Contract, which are hereby incorporated by reference, are hereby authorized and approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Purchase Contract to such underwriter or underwriters as such Authorized Officer may select, with such additions, deletions or changes therein as shall be approved by any Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The sale of the 2008 Bonds, pursuant to either the Sale Documents or the Purchase Contract, as determined by any Authorized Officer, subject to the limitations set forth in Section 5 hereof, is hereby authorized and approved.

SECTION 4: Preliminary Official Statement; Official Statement. The Board hereby approves the Preliminary Official Statement in the form thereof on file with the Secretary, with such additions thereto and changes therein as are approved by any Authorized Officer, upon consultation with the City Attorney, as counsel to the Authority, and Fulbright & Jaworski L.L.P., Bond Counsel and Disclosure Counsel (“Bond Counsel”). Each of the Authorized Officers is hereby authorized to execute and deliver a certificate deeming the Preliminary Official Statement final for purposes of SEC Rule 15c2-12. Upon the pricing of the 2008 Bonds, each of the Authorized Officers is hereby authorized to prepare and execute a final Official Statement (the “Official Statement”), substantially the form of the Preliminary Official Statement, with such additions thereto and changes therein as approved by any Authorized Officer, upon consultation with the City Attorney, as counsel to the Authority, and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Official Statement by the Financial Advisor and the underwriters of the 2008 Bonds in connection with the offering and sale thereof.

SECTION 5: Parameters of 2008 Bonds. The agreements and documents approved in Sections 1, 2 and 3 of this Resolution shall, when executed and delivered pursuant to said sections, contain such additions and changes as shall have been approved by the Authorized Officers. Each of the Authorized Officers is hereby authorized to determine, in connection with the execution and delivery of the agreements and documents approved in Sections 1, 2 and 3 hereof, the following with respect to the 2008 Bonds:
(a) the aggregate principal amount of the 2008 Bonds, which shall not exceed $50,000,000;

(b) the final maturity of the 2008 Bonds, which shall be not later than October 1, 2038; and

(c) the yield on the 2008 Bonds, which shall not exceed six percent (6.0%) per annum.

SECTION 6: General Authorization. The Chairman, the Executive Director, the Treasurer and the Secretary of the Authority and the other officers, employees and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to do any and all things and to take all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2008 Bonds, to arrange for the insuring of all or any portion of the 2008 Bonds with any municipal bond insurer and to consummate the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Sale Documents or the Purchase Contract and this Resolution, and such actions previously taken by such officers, employees and agents are hereby ratified and confirmed.

SECTION 7: Effective Date. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED by the Anaheim Public Financing Authority this 10th day of June, 2008, by the following vote:

AYES:

NOES:

ABSENT:

______________________________
CHAIRMAN OF THE ANAHEIM PUBLIC FINANCING AUTHORITY

______________________________
SECRETARY OF THE ANAHEIM PUBLIC FINANCING AUTHORITY
STATE OF CALIFORNIA  )
COUNTY OF ORANGE  ) ss.
CITY OF ANAHEIM  )

I, Linda N. Andal, Secretary of the Board of Directors of the Anaheim Public Financing Authority, do hereby certify that the foregoing Resolution No. APFA 2008-____ was introduced and adopted at a regular meeting provided by law of the Board of Directors of the Anaheim Public Financing Authority held on the 10th day of June, 2008, by the following vote of the members thereof:

AYES:  BOARD MEMBERS:

NOES:  BOARD MEMBERS:

ABSENT:  BOARD MEMBERS:

AND I FURTHER certify that the Chairman of the Board of Directors signed said Resolution No. APFA 2008-____ on the 10th day of June, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Anaheim Public Financing Authority this ___ day of __________, 2008.

_____________________________________
SECRETARY OF THE ANAHEIM
PUBLIC FINANCING AUTHORITY
(SEAL)

I, Linda N. Andal, Secretary of the Board of Directors of the Anaheim Public Financing Authority, do hereby certify that the foregoing is the original Resolution No. APFA 2008-____ duly passed and adopted by the Anaheim Public Financing Authority on June 10, 2008.

_____________________________________
SECRETARY OF THE ANAHEIM
PUBLIC FINANCING AUTHORITY