CITY OF ANAHEIM RESOLUTION NO. 2008-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, CALIFORNIA (I) APPROVING THE ISSUANCE OF NOT TO EXCEED $50,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS OF THE ANAHEIM PUBLIC FINANCING AUTHORITY; (II) APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, SALE DOCUMENTS AND OTHER RELATED DOCUMENTS; (III) APPROVING THE 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 City Council, 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 such components back 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 City Council, pursuant to which the City will agree to make certain installment purchase payments to the Authority in connection

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

NOW, THEREFORE, the City Council of the City of Anaheim, California does hereby resolve, determine and order as follows:

SECTION 1: Approval of 2008 Bonds. The City Council hereby approves the issuance of the 2008 Bonds by the Authority under and pursuant to the Bond Law; provided that the aggregate principal amount of the 2008 Bonds shall not exceed $50,000,000.

SECTION 2: Installment Purchase Agreement. The City Council hereby approves the Installment Purchase Agreement in the form thereof on file with the City Clerk, together with such additions thereto and changes therein as are approved in accordance with Section 6 hereof, such approval to be conclusively evidenced by the execution and delivery thereof. The Mayor, the City Manager, the City Treasurer, the Public Utilities General Manager and the Public Utilities Assistant General Manager - Finance and Administration, and their respective designees (each, an “Authorized Officer”), are each hereby authorized to execute, and the City Clerk is hereby authorized to attest and affix the seal of the City to, the final form of the Installment Purchase Agreement, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Installment Purchase Agreement.

SECTION 3: Continuing Disclosure Agreement. The City Council hereby approves the Continuing Disclosure Agreement in the form on file with the City Clerk, together with such additions thereto and changes therein as are approved by any Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized to execute, and the City Clerk is hereby authorized to attest and affix the seal of the City to, the final form of the Continuing Disclosure Agreement, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Agreement.
SECTION 4: 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 City Council and on file with the City Clerk, 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 City Council and on file with the City Clerk, 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 6 hereof, is hereby authorized and approved.

SECTION 5: Preliminary Official Statement; Official Statement. The City Council hereby approves the Preliminary Official Statement in the form thereof on file with the City Clerk, with such additions thereto and changes therein as are approved by any Authorized Officer, upon consultation with the City Attorney, 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 in 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 and Bond Counsel. The City Council 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 6: Parameters of 2008 Bonds. The documents approved in Sections 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 Authorized Officer is hereby authorized to determine, in connection with the execution and delivery of the agreements or documents approved in Sections 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 2008 Purchase Payment under the Installment Purchase Agreement, which shall be due and payable not later than October 1, 2038;

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

SECTION 7: General Authorization. The Mayor, the City Manager, the Public Utilities General Manager and the Public Utilities Assistant General Manager - Finance and Administration, the City Treasurer, the City Attorney and the City Clerk of the City and the other officers, employees and agents of the City are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the City, 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 and to consummate the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Continuing Disclosure 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 8: Effective Date. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this 10th day of June, 2008, by the following vote:

AYES:

NOES:

ABSENT:

_______________________________________
Mayor

[SEAL]

ATTEST: ________________________________
City Clerk
I, Linda N. Andal, City Clerk of the City of Anaheim, do hereby certify that the foregoing Resolution No. 2008R-_______ was introduced and adopted at a regular meeting of the City Council of the City of Anaheim duly called, noticed and held on the 10th day of June, 2008, by the following vote of the members thereof:

AYES: COUNCIL MEMBERS:

NOES : COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

AND I FURTHER certify that the Mayor of the City of Anaheim signed said Resolution No. 2008R-_______ on the 10th day of June, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Anaheim this ___ day of _______________, 2008.

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CITY CLERK OF THE CITY OF ANAHEIM
(SEAL)

I, Linda N. Andal, City Clerk of the City of Anaheim, do hereby certify that the foregoing is the original Resolution No. 2008R-_______ duly passed and adopted by the Anaheim City Council on June 10, 2008.

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CITY CLERK