

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM APPROVING THE ISSUANCE OF TAXABLE LEASE REVENUE BONDS (ANAHEIM ARENA FINANCING PROJECT) BY THE ANAHEIM PUBLIC FINANCING AUTHORITY; APPROVING SPECIFIED DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING RELATED DOCUMENTS AND CERTIFICATES AND THE TAKING OF RELATED ACTIONS

WHEREAS, pursuant to that certain Amended and Restated Site and Facility Lease, dated as of December 1, 2003 (the "Site Lease"), between the City of Anaheim (the "City") and the Anaheim Public Financing Authority (the "Authority"), the City has leased to the Authority certain parcels of real property situated in the City and the buildings and improvements thereon consisting of the property and improvements now known as the Honda Center (the "Leased Premises"); and

WHEREAS, pursuant to that certain Amended and Restated Lease, dated as of December 1, 2003 (the "Lease"), between the City and the Authority, the Authority has leased the Leased Premises to the City; and

WHEREAS, the City is to make rent payments pursuant to the Lease (the "Rental Payments") in the amounts and at the times determined in accordance with the Lease; and

WHEREAS, the obligation of the City to make any payment under the Lease, including Rent Payments is a special obligation of the City payable only from the net revenues of the Leased Premises and certain insurance and condemnation proceeds with respect to the Leased Premises (collectively, the "Pledged Funds") and not from any other funds or monies of the City; and

WHEREAS, the full faith and credit of the City is not available for or pledged to any payment required by the Lease, including Rental Payments, and obligation of the City to make payments under the Lease does not constitute an obligation for which the City is obligated to levy or collect any form of taxation or for which the City has levied or pledged any form of taxation; and

WHEREAS, the Authority has been established pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), by the Joint Exercise of Powers Agreement (the "Agreement"), dated as of January 28, 1993, between the City of Anaheim, California (the "City") and the Anaheim Redevelopment Agency to, among others, assist in providing financing for the City for the purposes which are authorized under the Act; and

WHEREAS, pursuant to the Agreement, the Authority has all the powers provided in the Act; and

WHEREAS, pursuant to Article 4 of the Act, the Authority is authorized to issue revenue bonds for public capital improvements and any purpose for which the Authority may cause to be delivered certificates of participation in a lease agreement with any public entity; and

WHEREAS, pursuant to the Indenture of Trust (the "Original Indenture" and as amended and supplemented from time to time, the "Indenture"), dated as of December 1, 2003, between the Authority and The Bank of New York Mellon Trust Company, N.A. as successor to BNY Western Trust Company, as trustee (the "Trustee"), there has been established an issue of bonds of the Authority designated as its Taxable Lease Revenue (Anaheim Arena Financing Project) (the "Bonds") to be issued on the terms and conditions set forth in the Indenture; and

WHEREAS, the Bonds are to be payable from, and secured by a pledge of and lien on, the Pledged Funds pledged pursuant to the Indenture; and

WHEREAS, the Authority has heretofore issued under the Original Indenture a series of Bonds designated its Taxable Lease Revenue Bonds (Anaheim Arena Financing Project) 2003 Series A (the "2003 Bonds"); and

WHEREAS, the City desires the Authority to issue under the Indenture one or more Series of additional Bonds (the "2011 Bonds") in accordance with terms contained in the Authority's proposed Resolution _____ (the "Authority Resolution"); and

WHEREAS, the 2011 Bonds are to be issued pursuant to the Original Indenture as supplemented by the First Supplemental Indenture of Trust to be entered into by the Authority and the Trustee (the "First Supplemental Indenture"); and

WHEREAS, the City desires to have one or more sophisticated investors (each "Purchaser") purchase one or more Series of the 2011 Bonds from the Authority on the terms and conditions set forth in a Bond Purchase Agreement (a "Bond Purchase Agreement") among the Authority, the City and such Purchaser; and

WHEREAS, there is on file with the City Clerk of the City (the "City Clerk") the following:

- (1) a form of the Authority Resolution; and
- (2) a proposed form of the First Supplemental Indenture; and
- (3) a proposed form of the Bond Purchase Agreement; and

WHEREAS, the City is a member of the Authority and the Leased Premises are located within the boundaries of the City; and

WHEREAS, on this date, the City held a public hearing on the financing of improvements to Leased Premises and the provision of working capital in connection with the expansion of the operations of the Leased Premises through the issuance of the 2011 Bonds in accordance with Section 6586.5 of the Act, which hearing was held at City Council Chamber, City Hall East, 200 South Anaheim Boulevard, Anaheim, California; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in The Orange County Register, a newspaper of general circulation in the City; and

WHEREAS, it is in the public interest and for the public benefit that the City approve the issuance of the 2011 Bonds and the execution of a Bond Purchase Agreement with each Purchaser and any other documents necessary or advisable to implement and consummate the transactions on the part of the City contemplated by the First Supplemental Indenture, the Bond Purchase Agreements and this Resolution; and

WHEREAS, the members of the City Council, with the aid of its staff, have reviewed the forms of the Authority Resolution, the First Supplemental Indenture and the Bond Purchase Agreement on file with the City Clerk; and

WHEREAS, upon adoption of this Resolution all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, it is hereby DETERMINED, RESOLVED and ORDERED, as follows:

Section 1. The issuance of the 2011 Bonds and the application of the proceeds thereof to finance the 2011 Project in accordance with the terms set forth in the Authority Resolution are approved and authorized.

Section 2. Each of the Mayor, the City Manager, the City Treasurer, the Finance Director and the Deputy Finance Director is designated an Authorized Officer for all purposes of this Resolution.

Section 3. Each Authorized Officer, severally, is authorized and empowered to execute and deliver, in the name of and on behalf of the City any and all documents, instruments, certificates and other items required or permitted under the Indenture or the Lease: (i) to request the Authority to issue the 2011 Bonds; and (ii) to comply with the requirements of the Indenture and the Lease in connection with the issuance of the 2011 Bonds.

Section 4. Section 4.4(a) of the Original Lease provides that the Basic Rent for each Series of Bonds other than the 2003 Bonds, is to be in amounts and shall be payable on the dates set forth in or determined in accordance with a supplement to the Lease. Each Authorized Officer, severally, is authorized and empowered to execute by manual or facsimile signature and deliver a supplement to the Lease establishing Basic Rent payments with respect to the 2011 Bonds of each Series in such amounts and payable on such dates as shall provide sufficient funds for the payment when due of the principal of and interest on the 2011 Bonds of such Series.

Section 5. The form, terms and provisions of the Bond Purchase Agreement in the form on file with the City Clerk, with such changes, insertions and deletions therein as are approved pursuant to this Section, are approved. Each Authorized Officer, severally, is authorized and empowered to execute by manual or facsimile signature and deliver a Bond Purchase Agreement, in the name of and on behalf of the City, with the Authority and each Purchaser purchasing one or more Series of the 2011 Bonds in the form on file with the City Clerk with such changes, insertions and deletions therein as are approved by the Authorized Officer executing the Bond Purchase Agreement and counsel to the City, such approval to be conclusively evidenced by the execution thereof; provided that the purchase price of the 2011 Bonds of each Series shall not be less than the principal amount thereof. Each of HS Portfolio, L.P., H&S Investments I, L.P. and HS Partners Holdings III, L.P. is approved as a Purchaser of 2011 Bonds.

Section 6. In making any determination with respect to a Bond Purchase Agreement, or in taking any other action required or authorized to be taken pursuant to this Resolution, each Authorized Officer shall be subject to the provisions of this Resolution.

Section 7. This City Council finds and determines that use of the Act to assist the City in financing improvements to the Leased Premises and providing working capital in connection with the expansion of operations at the Leased Premises through the issuance of the 2011 Bonds as contemplated by the Authority Resolution and the documents authorized thereby will result in significant public benefits to the citizens of the City through employment benefits from undertaking the project in a timely fashion. This City Council further determines that the amount of proceeds of the 2011 Bonds which shall be applied as working capital, including Transition Costs, shall not exceed Fifty Million Dollars.

Section 8. All actions heretofore taken by any member of the City Council, or any officer or agent, of the City with respect to the issuance and sale of the 2011 Bonds or the leasing of the Leased Premises are approved, confirmed and ratified, and the members of the City Council, the officers and the agents of the City and their authorized deputies and representatives are authorized and directed, severally, to do any and all things and to execute and deliver any and all certificates and other documents, in addition to those enumerated herein, including any security agreements or arrangements in connection with the Pledged Funds, and any closing documents in connection with the issuance and sale of the 2011 Bonds, which they or counsel to the City may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2011 Bonds or otherwise to effectuate the purposes of the transactions and documents authorized by this Resolution.

Section 9. Capitalized terms used in this Resolution and not otherwise defined shall have the meaning given such terms pursuant to the Indenture.

Section 10. This Resolution shall take effect immediately upon its adoption.

THE FOREGOING RESOLUTION was approved and adopted by the City Council of the City of Anaheim this 29th day of March, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
MAYOR OF THE CITY OF
ANAHEIM

Attest:

CITY CLERK OF THE CITY OF ANAHEIM

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ANAHEIM)

I, Linda N. Andal, City Clerk of the City of Anaheim, do hereby certify that the foregoing Resolution No. 2003-_____ was introduced and adopted at a duly call and noticed regular meeting provided by law, of the Anaheim City Council held on the 29th day of March, 2011, by the following vote of the members thereof:

AYES: MAYOR/COUNCIL:

NOES: MAYOR/COUNCIL:

ABSENT: MAYOR/COUNCIL:

AND I FURTHER CERTIFY that the Mayor of the City of Anaheim signed said Resolution No. 2003-_____ on the _____ day of _____, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Anaheim this _____ day of _____, 2011.

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 of Resolution No. 2003-_____ was duly passed and adopted by the City Council of the City of Anaheim on March 29, 2011.

CITY CLERK OF THE CITY OF ANAHEIM