

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF EDUCATION OF THE ANAHEIM CITY SCHOOL DISTRICT PRESCRIBING THE TERMS OF SALE OF NOT TO EXCEED \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF ANAHEIM CITY SCHOOL DISTRICT, IN ONE OR MORE SERIES OR SUBSERIES, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO ISSUE AND SELL THE BONDS BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS AND ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, an election was duly called and regularly held in the Anaheim City School District, County of Orange, California (the “District”), on November 2, 2010, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District:

“To improve local elementary schools by fixing leaky roofs, deteriorating restrooms, plumbing, sewer systems, wiring, dry rot, termite damage; removing asbestos/ other hazardous materials; improving fire/ school safety; improving classroom instructional technology for teaching math, science and 21st-century skills; relieving overcrowding; and qualifying for up to \$84 million in state matching funds, shall Anaheim City (Elementary) School District issue \$169,300,000 of bonds, at legal rates, with independent citizen oversight and no money for administrator salaries?”

WHEREAS, at least fifty-five percent (55%) of the votes cast on the proposition were in favor of issuing the bonds; and

WHEREAS, pursuant to California Government Code Section 53506 *et seq.*, including Section 53508.7 thereof, and California Education Code Section 15140, the Board of Education of the District (the “Board of Education”) deems it necessary and desirable that the Board of Supervisors (the “Board of Supervisors”) of the County of Orange (the “County”) authorize and consummate the sale of a portion of the bonds, in one or more series or subseries, designated the “Anaheim City School District General Obligation Bonds, Election of 2010, Series 2011” (collectively, the “Series 2011 Bonds”), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate principal amount not exceeding \$35,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) added Section 54AA to the Internal Revenue Code of 1986 (the “Code”), authorizing state

and local governments, at their option, to issue Build America Bonds, as described and authorized therein (“Build America Bonds”), in 2009 and 2010, as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs, and there are proposals to extend such program beyond 2010; and

WHEREAS, the Recovery Act authorizes another new debt instrument known as “Qualified School Construction Bonds” (“Qualified School Construction Bonds”), which are federally taxable bonds with federal subsidies for which the federal government subsidizes the interest cost (up to a set rate) through the allowance of direct subsidy payments; and

WHEREAS, the Recovery Act limits the dollar volume of Qualified School Construction Bonds for 2010 to \$11 billion, of which the State of California (the “State”) was allocated \$720,058,000; and

WHEREAS, the District has applied to the California Department of Education for an allotment of such Qualified School Construction Bond volume cap; and

WHEREAS, the Board of Education deems it necessary and desirable to issue and sell all or a portion of the Series 2011 Bonds as Build America Bonds (if and to the extent such program is extended by Congress) and/or Qualified School Construction Bonds (up to the amount of Qualified School Construction Bond allocation, if any, awarded to the District) if it is determined by an Authorized Officer (as defined herein), in consultation with the Treasurer-Tax Collector of the County or any authorized designee thereof (the “Treasurer”), to be in the best interest of the District; and

WHEREAS, the Board of Education has determined that securing the timely payment of the principal of and interest on the Series 2011 Bonds by obtaining a municipal bond insurance policy with respect thereto could be economically advantageous to the District; and

WHEREAS, a form of Bond Purchase Agreement (each Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as a “Bond Purchase Agreement”) to purchase the Series 2011 Bonds proposed to be entered into among Piper Jaffray & Co., as representative of itself and E. J. De La Rosa & Co., as underwriters (collectively, the “Underwriter”), the County and the District has been prepared; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2011 Bonds, the Underwriter must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2011 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as a “Continuing Disclosure Certificate”), a form of which has been prepared; and

WHEREAS, the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2011 Bonds (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as the “Preliminary Official Statement”) has been prepared; and

WHEREAS, the Board of Education has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Education has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Anaheim City School District, as follows:

Section 1. Recitals. All of the above recitals are true and correct and the Board of Education so finds.

Section 2. Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this District Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Auditor-Controller” means the Auditor-Controller of the County or any authorized deputy thereof.

“Authorized Officers” means the President of the Board of Education, or such other member of the Board of Education as the President may designate, the Superintendent of the District and the Assistant Superintendent, Administrative Services of the District, or such other officer or employee of the District as the Superintendent may designate.

“Board of Education” means the Board of Education of the District.

“Board of Supervisors” means the Board of Supervisors of the County.

“Bond Purchase Agreement” means the applicable Bond Purchase Agreement relating to the sale of all or a portion of the Series 2011 Bonds by and among the County, the District and the Underwriter in accordance with the provisions hereof.

“Build America Bonds” means those Series 2011 Bonds designated as such pursuant to Section 54AA of the Code or any successor provision.

“Capital Appreciation Bonds” means those Series 2011 Bonds accreting interest semiannually to the maturity date thereof payable in accordance with Section 4(e) hereof.

“Code” means the Internal Revenue Code of 1986.

“Continuing Disclosure Certificate” means the applicable Continuing Disclosure Certificate executed and delivered by the District relating to all or a portion of the Series 2011 Bonds.

“Conversion Date” means the date a Convertible Capital Appreciation Bond converts to a current interest bond.

“Convertible Capital Appreciation Bonds” means those Series 2011 Bonds accreting interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bearing interest payable semiannually on a current basis, all in accordance with Section 4(f) hereof.

“County” means the County of Orange.

“County Resolution” means the Resolution of the County authorizing the issuance of the Series 2011 Bonds.

“Current Interest Bonds” means those Series 2011 Bonds bearing interest payable semiannually on a current basis in accordance with Section 4(d) hereof.

“District” means the Anaheim City School District.

“District Resolution” means this Resolution of the Board of Education adopted on March 14, 2011.

“Interest Date” means with respect to Series 2011 Bonds, February 1 and August 1 of each year, (a) commencing on February 1, 2012, with respect to the Current Interest Bonds and, for purposes of compounding interest on the Capital Appreciation Bonds and, to their Conversion Dates, Convertible Capital Appreciation Bonds, commencing on August 1, 2011, and (b) with respect to Convertible Capital Appreciation Bonds, from and after their Conversion Date, commencing on the February 1 or August 1 immediately following such Conversion Date, or such other dates as may be set forth in the applicable Bond Purchase Agreement.

“Official Statement” means the Official Statement of the District relating to the Series 2011 Bonds.

“Opinion of Bond Counsel” means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

“Owner” means with respect to any Series 2011 Bond, the person whose name appears on the registration books provided for in the County Resolution as the registered Owner thereof.

“Paying Agent” means U.S. Bank National Association, or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2011 Bonds in accordance with Section 5 hereof and the County Resolution.

“Qualified School Construction Bonds” means those Series 2011 Bonds designated as qualified school construction bonds within the meaning of and as defined in Section 54F of the Code.

“Record Date” means, with respect to any Interest Date for the Series 2011 Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such day is a business day, or such other date or dates as may be set forth in the applicable Bond Purchase Agreement.

“Series 2011 Bonds” means the bonds authorized and issued pursuant to the County Resolution, at the request of the District pursuant to this District Resolution, in one or more series or subseries, designated the “Anaheim City School District General Obligation Bonds, Election of 2010, Series 2011,” with such additional or other series or subseries designations as may be approved as herein provided.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate with respect to the Series 2011 Bonds not issued as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds, executed by the District, dated the date of issuance of such Series 2011 Bonds.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Taxable Bonds” means those Series 2011 Bonds the interest on which is not Tax-Exempt.

“Treasurer” means the Treasurer-Tax Collector of the County or any authorized designee thereof.

“Underwriter” means Piper Jaffray & Co., as representative of itself and E. J. De La Rosa & Co., as underwriters.

Section 3. Request for Sale of Series 2011 Bonds; Use of Proceeds. The Board of Supervisors of the County, pursuant to California Government Code Section 53506 *et seq.*, including Section 53508.7 thereof, and California Education Code Section 15140, is hereby requested to sell not later than August 31, 2011, by negotiated sale to the Underwriter, not to exceed \$35,000,000 aggregate principal amount of Series 2011 Bonds, in one or more series or subseries, and to designate the Series 2011 Bonds as the “Anaheim City School District General Obligation Bonds, Election of 2010, Series 2011,” with appropriate additional or other series or

subseries designations. The Series 2011 Bonds may be issued such that the interest on such Series 2011 Bonds is Tax-Exempt or such that the interest on such Series 2011 Bonds is not Tax-Exempt, and may be issued as Current Interest Bonds (all or a portion of which may be designated as Build America Bonds (if and to the extent such program is extended by Congress) or Qualified School Construction Bonds (up to the amount of Qualified School Construction Bond allocation, if any, awarded to the District)), Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds, or any combination thereof, all as provided in Section 4 hereof.

The Board of Supervisors is hereby requested to provide by County Resolution for the terms of the sale and issuance of the Series 2011 Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by the County Resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in the applicable Bond Purchase Agreement.

Section 4. Terms of Series 2011 Bonds. (a) *Date of Bonds.* The Series 2011 Bonds shall be dated the date of their delivery, or such other date or dates as shall be set forth in the applicable Bond Purchase Agreement.

(b) *Denominations.* The Current Interest Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall be issued in denominations of \$5,000 accreted value at maturity (“maturity value”) or any integral multiple thereof, except that one numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of \$5,000. The Convertible Capital Appreciation Bonds shall be issued in denominations of \$5,000 accreted value at their Conversion Date or any integral multiple thereof.

(c) *Maturity.* The Current Interest Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the applicable Bond Purchase Agreement. It is requested that no Current Interest Bond mature later than the date which is 40 years from the date of the Current Interest Bonds. No Current Interest Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2011 Bonds may provide that no Current Interest Bonds shall be issued.

The Capital Appreciation Bonds shall mature on the date or dates, in each of the years, and in such maturity values as shall be set forth in the applicable Bond Purchase Agreement. It is requested that no Capital Appreciation Bond mature later than the date which is 40 years from the date of the Capital Appreciation Bonds. No Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2011 Bonds may provide that no Capital Appreciation Bonds shall be issued.

The Convertible Capital Appreciation Bonds shall have Conversion Dates of and mature on the date or dates, in each of the years, in the accreted amounts and in the stated values at their

Conversion Date as shall be set forth in the applicable Bond Purchase Agreement. It is requested that no Convertible Capital Appreciation Bond mature later than the date which is 40 years from the date of the Convertible Capital Appreciation Bonds. No Convertible Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2011 Bonds may provide that no Convertible Capital Appreciation Bonds shall be issued.

The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds may mature in the same year or years as any other Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, without limitation. The aggregate principal amount of the Series 2011 Bonds issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds shall not exceed \$35,000,000.

(d) *Interest on Current Interest Bonds.* The Current Interest Bonds shall bear interest at an interest rate or rates not to exceed 12.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of 12 30-day months. Each Current Interest Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds. If provided in the applicable Bond Purchase Agreement, Current Interest Bonds may have different interest rates for separately defined periods of the term thereof as set forth in such Bond Purchase Agreement.

(e) *Interest on Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to its maturity (on the basis of a 360-day year of 12 30-day months), from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). The accreted value per \$5,000 maturity value of the Capital Appreciation Bonds on each Interest Date shall be given for reference in a table of accreted values to appear in the Capital Appreciation Bonds; provided, however, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in such table. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or prior redemption thereof.

(f) *Interest on Convertible Capital Appreciation Bonds.* The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest; each Convertible Capital Appreciation Bond shall accrete in value daily from its initial principal (denominational) amount on the date of issuance thereof to its stated accreted value at the Conversion Date thereof (on the basis of a 360-day year of 12 30-day months), on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on

each Interest Date (with straight-line interpolations between Interest Dates). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear current interest on the accreted value thereof at an interest rate not to exceed 12.00% per annum, computed on the basis of a 360-day year of 12 30-day months, payable on the Interest Dates in each year following its Conversion Date. Following the Conversion Date with respect thereto, each Convertible Capital Appreciation Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date following its Conversion Date, in which event it shall bear interest from its Conversion Date; provided, however, that if, at the time of authentication of any Convertible Capital Appreciation Bond, interest is in default on any outstanding Convertible Capital Appreciation Bonds, such Convertible Capital Appreciation Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Convertible Capital Appreciation Bonds.

(g) *Designation of Series 2011 Bonds as Build America Bonds or Qualified School Construction Bonds or Otherwise as Taxable Bonds.* The Authorized Officers are each hereby authorized and directed to designate, and cause to be issued and sold, all or a portion of the Series 2011 Bonds as Build America Bonds or Qualified School Construction Bonds, insofar as permitted by law, or otherwise as other Taxable Bonds, if it is determined by the Authorized Officer designating the same, in consultation with the Treasurer of the County, to be in the best interest of the District, such designation to be conclusively evidenced by the execution and delivery of the applicable Bond Purchase Agreement by the District and the County incorporating such designation. Build America Bonds and Qualified School Construction Bonds, if any, shall be issued as Current Interest Bonds. Each Bond Purchase Agreement executed with respect to the Series 2011 Bonds may provide that no Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds shall be issued. The Board of Education hereby finds and determines (i) that, pursuant to Section 5903 of the California Government Code, (1) the interest payable on the Series 2011 Bonds designated as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds, as applicable, will be subject to federal income taxation under the Code in existence on the date of issuance of the Series 2011 Bonds so designated, and (2) the terms and conditions of the Series 2011 Bonds so designated set forth in this District Resolution, the County Resolution and the applicable Bond Purchase Agreement are necessary to place the Build America Bonds, the Qualified School Construction Bonds or the other Taxable Bonds, as applicable, on the interest rates and cash flow desired by the Board of Education, and (ii) that, pursuant to Section 5922 of the California Government Code, the terms and conditions of the Series 2011 Bonds so designated set forth in this District Resolution, the County Resolution and the applicable Bond Purchase Agreement will result in a reduction in the amount or duration of payment and lower the cost of borrowing when used in combination with the Build America Bonds, the Qualified School Construction Bonds or the other Taxable Bonds, as applicable. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the designation of all or a portion of the Series 2011 Bonds as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds as herein authorized, including making the applicable formal election required by the Code to issue all or a

portion of the Series 2011 Bonds as Build America Bonds or Qualified School Construction Bonds on the District's books and records on or before the issue date of such Build America Bonds or Qualified School Construction Bonds. To the extent any portion of the Series 2011 Bonds are designated as Build America Bonds or Qualified School Construction Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government in connection with such Build America Bonds or Qualified School Construction Bonds shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Fund (as defined herein) of the District or account therein established for payment of such Build America Bonds or Qualified School Construction Bonds, as applicable.

Section 5. Payment of Bonds. (a) *Request for Tax Levy.* The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and accreted value, redemption premium, if any, and interest coming due on the Series 2011 Bonds in such year, and to pay from such taxes all amounts due on the Series 2011 Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2011 Bonds, and to pay the principal and accreted value, redemption premium, if any, and interest thereon as and when the same become due. The Board of Supervisors is hereby requested to authorize the Auditor-Controller to create such sinking funds or accounts for Series 2011 Bonds designated as Qualified School Construction Bonds as shall be necessary in order to provide for the accumulation of funds sufficient to pay such Qualified School Construction Bonds when due. No part of any fund or account of the County is pledged or obligated to the payment of the Series 2011 Bonds.

(b) *Insurance.* The payment of principal or accreted value of and interest on all or a portion of the Series 2011 Bonds may be secured by a municipal bond insurance policy as shall be described in the applicable Bond Purchase Agreement. Each Bond Purchase Agreement executed with respect to the Series 2011 Bonds may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized and directed to apply for municipal bond insurance for the Series 2011 Bonds and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Series 2011 Bonds. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract or contracts for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

(c) *Appointment of Paying Agent; Payment of Fees and Expenses.* This Board of Education does hereby consent to and confirm the appointment of U.S. Bank National Association, to act as the initial Paying Agent for the Series 2011 Bonds. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Series 2011 Bonds, or from the Interest and Sinking Fund (as defined herein) of the District, insofar as permitted by law, including specifically by Section 15232 of the California Education Code, such fees and expenses shall be paid by the District.

Section 6. Redemption Provisions. (a) *Optional Redemption.* The Series 2011 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be

designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2011 Bonds shall not be subject to optional redemption, and may provide separate and distinct optional redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds or Qualified School Construction Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

(b) *Extraordinary Redemption.* The Series 2011 Bonds may be subject to extraordinary redemption on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2011 Bonds shall not be subject to extraordinary redemption, and may provide separate and distinct extraordinary redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds or Qualified School Construction Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

(c) *Selection.* If less than all of the Series 2011 Bonds (Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or any Series 2011 Bonds designated as Build America Bonds or Qualified School Construction Bonds or otherwise as other Taxable Bonds, as applicable), if any, are subject to such redemption and are called for redemption, such Series 2011 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District (or as otherwise set forth in the applicable Bond Purchase Agreement), and if less than all of the Series 2011 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the applicable Bond Purchase Agreement).

(d) *Mandatory Sinking Fund Redemption.* The Series 2011 Bonds, if any, which are designated in a Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the applicable Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the applicable Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2011 Bonds of that maturity redeemed in accordance with the subsection (a) or (b) of this Section prior to the mandatory sinking fund payment date (or as otherwise set forth in the applicable Bond Purchase Agreement). The applicable Bond Purchase Agreement may provide that the Series 2011 Bonds shall not be subject to mandatory sinking fund redemption.

The Board of Supervisors is hereby requested to authorize the Auditor-Controller to create such sinking funds or accounts for the term Series 2011 Bonds as shall be necessary to accomplish the purposes of this Section.

Section 7. Sale of Bonds; Bond Purchase Agreement. The Bond Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Bond Purchase Agreements in substantially said form, as is determined by the Authorized Officer

executing the same, in consultation with the Treasurer, to be in the best interest of the District, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided, however, that (a) the true interest cost for Series 2011 Bonds shall not be in excess of 7.00% (net of any federal subsidies expected to be received with respect to any Series 2011 Bonds designated as Build America Bonds and/or Qualified School Construction Bonds), (b) the interest rate on the Current Interest Bonds and, from and after their Conversion Dates, the Convertible Capital Appreciation Bonds, shall not exceed 12.00% per annum, (c) the Capital Appreciation Bonds and, to their Conversion Dates, the Convertible Capital Appreciation Bond, shall accrete in value at a compounded interest rate not to exceed 12.00% per annum, (d) the minimum price for the Series 2011 Bonds shall be not less than the aggregate principal amount thereof, (e) the Underwriter's discount for the sale of Series 2011 Bonds shall not exceed 1.00% of the principal amount of such Series 2011 Bonds exclusive of any costs of issuance the Underwriter contracts to pay, and (f) the Series 2011 Bonds shall otherwise conform to the limitations specified herein. The Board of Supervisors of the County is hereby requested to cause one or more Bond Purchase Agreements to be executed and delivered by the County, as is determined by the District and the Treasurer to be in the best interest of the District, subject to such changes, insertions and omissions as may be acceptable to the District and to the Board of Supervisors or the County officer to whom execution of each such Bond Purchase Agreement is delegated.

The Board of Education hereby finds and determines that the sale of the Series 2011 Bonds at negotiated sale as contemplated herein and by the form of Bond Purchase Agreement will provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Series 2011 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the Series 2011 Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. Estimates of the costs associated with the issuance of said Series 2011 Bonds, including any such costs which the Underwriter agrees to pay pursuant to a Bond Purchase Agreement, are set forth on Exhibit A attached hereto and incorporated herein.

Section 8. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer.

Section 9. Preliminary Official Statements. The Preliminary Official Statement to be distributed in connection with the public offering of the Series 2011 Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by an Authorized Officer, is hereby

approved, and the use of such Preliminary Official Statement in connection with the offering and sale of the Series 2011 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 10. Official Statements. The preparation and delivery of an Official Statement with respect to the Series 2011 Bonds, and its use by the Underwriter in connection with the offering and sale of the Series 2011 Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of the Series 2011 Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to the Series 2011 Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

Section 11. Investment of Proceeds. The proceeds of sale of the Series 2011 Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District within the County treasury (the "Building Fund"). Any net premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund"). The Treasurer is hereby authorized and requested to invest any or all funds held by the Treasurer in the Building Fund and the Interest and Sinking Fund at the Treasurer's discretion pursuant to law and the investment policy of the County. In addition, to the extent permitted by law, (i) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, (ii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Series 2011 Bonds necessary in order to maintain the then-current rating on the Series 2011 Bonds, and (iii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, the Treasurer shall deposit any investment of all or any portion of the Building Fund or the Interest and Sinking Fund of the District made pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized Officer and California Education Code Section 41016. Pursuant to Section 5922 of the California Government Code, the Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Series 2011 Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Series 2011 Bonds and funds held to pay the Series 2011 Bonds.

Section 12. Tax Covenants. (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Series 2011 Bonds not issued as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate with respect to the Series 2011 Bonds not issued as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds to be executed by the District on the date of issuance of such Series 2011 Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2011 Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer on behalf of the District, in accordance with this District Resolution or pursuant to law, the District shall so request of the Treasurer in writing, and the District shall make its best efforts to ensure that the Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Series 2011 Bonds not issued as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds under Section 103 of the Code, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate with respect to the Series 2011 Bonds not issued as Build America Bonds, Qualified School Construction Bonds or other Taxable Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

Section 13. Professional Services. Piper Jaffray & Co. and E. J. De La Rosa & Co. shall serve as underwriters for the Series 2011 Bonds. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel and disclosure counsel to the District for the Series 2011 Bonds. Fieldman, Rolapp & Associates shall serve as financial advisor to the District for the Series 2011 Bonds.

Section 14. Delegation of Authority. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this District Resolution, including, without limitation, upon consultation with the Treasurer, negotiating the terms of the municipal bond insurance policy, if any, referred to herein.

Section 15. Approval of Actions. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 16. Notice to California Debt and Investment Advisory Commission. The Clerk of this Board of Education is hereby authorized and directed to cause notices of the proposed sale and final sale of the Series 2011 Bonds to be filed in a timely manner with the

California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 17. Filing with Board of Supervisors. The Clerk of the Board of Education is hereby authorized and directed to file a certified copy of this Resolution upon the adoption hereof with the Clerk of the Board of Supervisors.

Section 18. Effective Date. This District Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this day, March 14, 2011.

President of the Board of Education of
the Anaheim City School District

ATTEST:

Clerk of the Board of Education of the
Anaheim City School District

EXHIBIT A

ESTIMATES OF COSTS OF ISSUANCE

A) Underwriter's Discount	\$ 300,000
B) Financial Advisor	70,370
C) Credit Enhancement	176,000*
D) Bond Counsel	55,000
E) Disclosure Counsel	25,000
F) Other Expenses	210,000

* A municipal bond insurance policy with respect to the Series 2011 Bonds will be obtained only if economically advantageous to the District as determined by an Authorized Officer of the District.

CLERK'S CERTIFICATE

I, James Vanderbilt, Clerk of the Board of Education of the Anaheim City School District, County of Orange, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on March 14, 2011, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of the meeting was posted at least 72 hours before the meeting at 1001 S. East Street, Anaheim, California, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Pursuant to Section 17 of said resolution, I have caused a certified copy thereof to be filed with the Clerk of the Board of Supervisors of the County.

Dated: _____, 2011

Clerk of the Board of Education of
Anaheim City School District