

RESOLUTION NO. 1996-4

RESOLUTION REGARDING FINANCING FOR THE COST OF ACQUISITION OF CAPACITY RELATING TO THE SOUTHERN TRANSMISSION PROJECT: (I) AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A SUBORDINATE INDENTURE OF TRUST AND AUTHORIZING THE ISSUANCE OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY TRANSMISSION PROJECT REVENUE BONDS, 1996 SUBORDINATE REFUNDING SERIES AND (B) A TWELFTH SUPPLEMENTAL INDENTURE OF TRUST WITH RESPECT TO THE SOUTHERN TRANSMISSION PROJECT; (II) AUTHORIZING THE CURRENT REFUNDING OF OUTSTANDING BONDS ISSUED UNDER THE SENIOR INDENTURE; (III) AUTHORIZING THE INVITATION OF PROPOSALS FOR THE PURCHASE OF SUCH TRANSMISSION PROJECT REVENUE BONDS, 1996 SUBORDINATE REFUNDING SERIES; (IV) APPROVING A NOTICE INVITING BIDS, A NOTICE OF INTENTION TO SELL BONDS AND AN OFFICIAL BID FORM; (V) AUTHORIZING THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; (VI) AUTHORIZING CERTAIN RELATED ACTIONS; AND (VII) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AS FOLLOWS:

1. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Southern California Public Power Authority (the "Authority") are hereby authorized to execute and deliver a Twelfth Supplemental Indenture of Trust, by and between the Authority and First Trust of California, National Association, as trustee (the "Trustee"), dated as of April 1, 1996, in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 8 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto (said Supplemental Indenture, in the form in which executed and delivered, is hereinafter referred to as the "Twelfth Supplemental Indenture"). The Twelfth Supplemental Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

2. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized to execute and deliver an Indenture of Trust, dated as of April 1, 1996, from the Authority to First Trust of California, National Association, as trustee (the "Subordinate Trustee") in the

form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 8 hereof) as shall be approved by said President or Vice President to provide for the terms of the Authority's Transmission Project Revenue Bonds, 1996 Subordinate Refunding Series (the "Subordinate Bonds") (such approval to be conclusively evidenced by his execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto. Such Indenture of Trust, as executed and delivered, is hereinafter referred to as the "Subordinate Indenture." The Subordinate Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

The issuance of the Subordinate Bonds is hereby authorized, subject to the provisions of this Resolution and the Subordinate Indenture. The Subordinate Bonds shall be dated, shall mature on the dates and in the years and shall bear interest payable at the rates and on the dates all as provided in the Subordinate Indenture.

The form of the Subordinate Bonds and the provisions for signatures, authentication, payment, registration, redemption, denomination, sinking fund, number and other terms thereof shall be as set forth in the Subordinate Indenture.

The Subordinate Bonds shall be secured by the pledge effected by the Subordinate Indenture and shall be special, limited obligations of the Authority payable solely from the sources specified in the Subordinate Indenture. Neither the State of California nor any public agency thereof (other than the Authority) nor any member of the Authority nor any Project Participant shall be obligated to pay the principal or Redemption Price (as defined in the Subordinate Indenture) of, or interest on, the Subordinate Bonds. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority or any Project Participant is pledged to the payment of the principal or Redemption Price of, or interest on, the Subordinate Bonds. The Subordinate Bonds shall not constitute a debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State of California, and they shall not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

3. Pursuant to Section 6571 of the Government Code of the State of California it is hereby found and determined by the Board of Directors that if the Subordinate Bonds, or any thereof, are sold at less than the par amount thereof, such sale at less than the par amount thereof will result in more favorable terms for such Subordinate Bonds.

Each of the President and the Vice President of the Authority is hereby authorized to approve a Notice Inviting Bids for the Subordinate Bonds in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 8 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by the distribution thereof) (the "Notice Inviting Bids"). Each of the President, Vice President, Secretary and Executive Director of the Authority is hereby authorized and directed to cause the Notice Inviting Bids for the Subordinate Bonds to be distributed to prospective bidders for the Subordinate Bonds.

Each of the President and the Vice President of the Authority is hereby authorized to approve an Official Bid Form for the Subordinate Bonds in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 8 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by the distribution thereof) (the "Official Bid Form"). Each of the President, Vice President, Secretary and Executive Director of the Authority is hereby authorized and directed to cause the Official Bid Form for the Subordinate Bonds to be distributed to prospective bidders for the Subordinate Bonds.

Each of the President and the Vice President of the Authority is hereby authorized to approve a Notice of Intention to Sell Bonds in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 8 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by the publication thereof) (the "Notice of Intention to Sell Bonds"). Each of the President, Vice President, Secretary and Executive Director is hereby authorized and directed to cause the Notice of Intention to Sell Bonds to be distributed to prospective bidders for the Subordinate Bonds. Each of the President, Vice President, Secretary and Executive Director is hereby authorized and directed to cause such notice to be published in such newspaper or newspapers and at such time or times as required by law, with such changes, insertions and omissions as the President, Vice President, Secretary or Executive Director of the Authority shall approve, such approval to be conclusively evidenced by such publication of the Notice of Intention to Sell Bonds.

The President, Vice President, Secretary or Executive Director of the Authority may withdraw or modify the Notice Inviting Bids, the Official Bid Form and the Notice of Intention to Sell Bonds, or any one or more of such documents, at any time by notice published via Munifacts wire or other means determined by the President, Vice President, Secretary or Executive Director of the Authority to be reasonably calculated to reach potential bidders for the Subordinate Bonds. If the President, Vice President, Secretary or Executive Director should withdraw the Notice Inviting Bids, the Official Bid Form and/or the Notice of Intention to Sell Bonds at any time before the Subordinate Bonds are awarded, and should at a later date determine that it is desirable to receive bids for the Subordinate Bonds, then each of the President, Vice President, Secretary and Executive Director of the Authority is hereby authorized to redistribute or republish the Notice Inviting Bids, the Official Bid Form and/or the Notice of Intention to Sell Bonds with such modifications or revisions as are approved by the President, Vice President, Secretary or Executive Director of the Authority.

The Subordinate Bonds shall be offered for sale and sealed proposals for the purchase of the Subordinate Bonds shall be received by the President, Vice President or Executive Director of the Authority at the date, time and place provided for in the Notice Inviting Bids for the Subordinate Bonds or at such other date, time and place as shall be determined by the President, Vice President or Executive Director of the Authority. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed: (i) to receive and record the receipt of all bids and to publicly open and read the sealed bids received by the President, Vice

President or Executive Director of the Authority at the date, time and place specified in the Notice Inviting Bids; (ii) to examine the bids for compliance with the Notice Inviting Bids and to cause computations to be made as to which bidder or bidders provide the lowest true interest cost; and (iii) to award the sale of the Subordinate Bonds to the bidder or bidders whose bid will result in the lowest true interest cost to the Authority.

4. Each of the President and Vice President is hereby authorized to approve a Preliminary Official Statement relating to the Subordinate Bonds (such approval to be conclusively evidenced by the delivery thereof) (the "Preliminary Official Statement"), and the Board of Directors hereby approves the use of the Preliminary Official Statement in connection with the offering and sale of the Subordinate Bonds, with such additions thereto and changes therein as are determined necessary or appropriate by the President or Vice President of the Authority to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of those items permitted by said Rule). Each of the President, Vice President and Executive Director of the Authority is authorized to deem the Preliminary Official Statement to be final within the meaning of Securities and Exchange Commission Rule 15c2-12 subject to completion of those items permitted by said Rule. The Secretary, any Assistant Secretary, the President and the Executive Director of the Authority are each authorized and directed to cause to be furnished to prospective bidders for the Subordinate Bonds, upon their request, copies of the Preliminary Official Statement.

5. Each of the President and Vice President of the Authority is hereby authorized to approve an Official Statement relating to the Subordinate Bonds (such approval to be conclusively evidenced by his execution and delivery thereof) (the "Official Statement"), and the Board of Directors hereby approves the use of the Official Statement in connection with the offering and sale of the Subordinate Bonds. The Board of Directors hereby further approves the use of any supplement or amendment to the Official Statement that is necessary or appropriate so that, in the opinion of the President or the Vice President of the Authority (after consultation with the Authority's Co-Bond Counsel), such Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which such statements were made, not misleading. Each of the President and Vice President of the Authority is hereby authorized to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the Authority, and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the successful bidder or bidders. The successful bidder or bidders are authorized to distribute the Official Statement to the ultimate purchasers of the Subordinate Bonds.

6. The refunding of the Refunded Bonds (as defined in the Subordinate Indenture) within 90 days of the issuance of the Subordinate Bonds as provided for in the Twelfth Supplemental Indenture and the Subordinate Indenture is hereby authorized. Each of the President, Vice President, Executive Director, Secretary and any Assistant Secretary of the Authority is hereby authorized on behalf of the Authority to purchase (by contract or otherwise, and including on a future delivery basis) U.S. Government obligations (including non-callable State and Local Government

Series direct obligations of the United States of America issued by the Bureau of Public Debt and certain direct obligations of the United States of America purchased on the open market) in such amounts, maturing at such time or times and bearing such rate or rates of interest as shall be necessary (taking into account any moneys or other securities deposited in the 1996 Refunding Bonds Escrow Fund created by the Twelfth Supplemental Indenture at the same time for such purpose) to pay when due the redemption price or prices of and interest on the Refunded Bonds, and to take such other action as any of them may deem necessary or appropriate to effectuate the purchase of said obligations.

7. (a) This Board of Directors hereby determines that one or more debt service reserve account policies may be obtained in connection with the issuance of the Subordinate Bonds, provided the premium for each such debt service reserve account policy shall not exceed 3.0% of the face amount of such debt service reserve account policy. Each of the President and Vice President of the Authority is hereby authorized to determine the provider or providers of each debt service reserve account policy with whom the Authority shall contract for each such debt service reserve account policy.

(b) Each of the President and Vice President of the Authority is hereby authorized to determine (if such determination is not to be made by the bidder or bidders for the Subordinate Bonds), in connection with the issuance and delivery of the Subordinate Bonds, whether municipal bond insurance may be obtained for all or any portion of the Subordinate Bonds and, if it is determined that municipal bond insurance shall be obtained by the Authority, may participate in determining the particular provider or providers of municipal bond insurance for all or a portion of the Subordinate Bonds.

8. (a) Each of the President and Vice President of the Authority is hereby authorized to determine, in connection with the execution and delivery of the Twelfth Supplemental Indenture and the Subordinate Indenture and any sale of the Subordinate Bonds, and in consultation with and approved by the Finance Committee, the following:

(i) the aggregate principal amount of the Subordinate Bonds (not to be less than \$100,000,000 nor more than \$250,000,000);

(ii) the interest rates of the Subordinate Bonds, which together shall produce an overall true interest cost with respect to the Subordinate Bonds which does not exceed 7.00%;

(iii) the maturity dates for the Subordinate Bonds, the latest of which shall be no later than July 1, 2023;

(iv) the principal amount in each maturity and any sinking fund installments for any term Subordinate Bonds;

(v) the purchase price of the Subordinate Bonds;

(vi) the terms and conditions for delivery of the Subordinate Bonds;

(vii) the Outstanding Bonds (as such term is defined in the Senior Indenture) of the Authority to be refunded by the Subordinate Bonds (which Outstanding Bonds shall constitute the Refunded Bonds under the Twelfth Supplemental Indenture and the Subordinate Indenture);

(viii) the initial Escrow Securities to be purchased and deposited in the 1996 Refunding Bonds Escrow Fund;

(ix) the redemption terms and prices of the Subordinate Bonds;

(x) the application of the proceeds of the Subordinate Bonds;

(xi) any transfers from any other funds or accounts created under the Senior Indenture in connection with the refunding of the Refunded Bonds;

(xii) the date(s) the Refunded Bonds shall be redeemed;

(xiii) if not to be determined by the bidder or bidders for the Subordinate Bonds, whether or not to acquire municipal bond insurance in connection with the issuance of the Subordinate Bonds, such determination to be made in accordance with Paragraph 7(b) of this Resolution, provided the premium for such insurance shall not exceed 0.50% of the payments insured; and

(xiv) any further changes, insertions or omissions to the form of the Twelfth Supplemental Indenture or the Subordinate Indenture as shall be deemed necessary or appropriate.

(b) The terms approved pursuant to paragraph (a) of this Paragraph 8 shall produce for the Authority a present value savings from the refunding of the Refunded Bonds.

(c) Compliance with the requirements of Paragraph 8(b) may be conclusively evidenced by a certificate of the Chairman of the Finance Committee or, in the absence of said Chairman, the Vice-Chairman of the Finance Committee or the Executive Director of the Authority.

(d) As used herein, the "Finance Committee" refers to that portion of the committee of the Authority designated to consider financial matters, comprised of representatives of the Cities of Anaheim, Burbank, Glendale, Los Angeles, Pasadena and Riverside.

9. Each of the President, Vice President, Secretary, Executive Director and any Assistant Secretary and any other officer of the Authority is hereby authorized to take any and all actions which such person deems necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Subordinate Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further actions which such person may deem necessary or advisable in order to maintain any such registration or qualification for as long as such person deems necessary or as required by law or by the successful bidder or bidders for the Subordinate Bonds; and any such action previously taken is hereby ratified, confirmed and approved.

10. Each of the President and Vice President of the Authority is hereby authorized to appoint from time to time any additional fiduciaries, depositaries or agents (including paying agents) in connection with the Subordinate Bonds and to execute and deliver any and all agreements (including, but not limited to, any Guaranty Agreement required by any provider of municipal bond insurance obtained pursuant to Paragraph 8(a)(xiii) hereof), documents and instruments necessary or proper in connection with each such appointment.

11. The following are hereby designated as Transmission Project Agreements under the Senior Indenture and the Transmission Service Contracts (as defined in the Senior Indenture):

(a) the Subordinate Indenture; and

(b) any municipal bond insurance policy obtained with respect to Subordinate Bonds pursuant to Paragraph 8(a)(xiii) hereof.

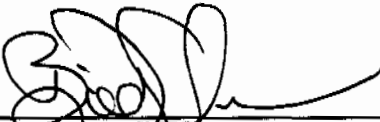
12. The President, Vice President, Secretary, any Assistant Secretary and Executive Director of the Authority and representatives of the Department of Water and Power of The City of Los Angeles are hereby authorized to cause the Trustee to transfer moneys as contemplated by the Twelfth Supplemental Indenture.

13. Daniel W. Waters, in addition to the other offices or positions with the Authority he already holds, is hereby appointed an Assistant Secretary of the Authority and an Authorized Authority Representative under the Senior Indenture for the purpose of taking any and all required or appropriate actions in connection with the issuance and delivery of the Subordinate Bonds.

14. Each of the President, Vice President, Secretary, Executive Director, any Assistant Secretary and any other officer of the Authority is hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

15. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 21st day of March, 1996.

  
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PRESIDENT  
Southern California Public Power Authority

ATTEST:

  
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ASSISTANT SECRETARY  
Southern California Public Power Authority