

RESOLUTION NO. 1985-9

RESOLUTION APPROVING A THIRD SUPPLEMENTAL INDENTURE OF TRUST AND AUTHORIZING THE ISSUANCE OF \$219,050,000 AGGREGATE PRINCIPAL AMOUNT OF TRANSMISSION PROJECT REVENUE BONDS, 1985 REFUNDING SERIES A; AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT AND OFFICIAL STATEMENT IN CONNECTION THEREWITH; APPOINTING PAYING AGENTS; AUTHORIZING CERTAIN RELATED ACTIONS; AND 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. The Third Supplemental Indenture of Trust, dated as of July 1, 1985, from Southern California Public Power Authority (the "Authority") to Security Pacific National Bank, as trustee (the "Trustee"), in the form presented to this meeting and hereby made a part of this resolution as though set forth in full herein, be and the same hereby is approved. The President or Vice President and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to execute and deliver said Supplemental Indenture with such changes, insertions and omissions as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his execution and delivery thereof); and said Secretary or Assistant Secretary is hereby authorized and directed to affix the seal of the Authority thereto. The issuance of Two Hundred Nineteen Million Fifty Thousand Dollars (\$219,050,000) aggregate principal amount of Transmission Project Revenue Bonds, 1985 Refunding Series A (the "Bonds"), of the Authority is hereby authorized, subject to the provisions of this resolution and the Indenture of Trust, dated as of May 1, 1983, from the Authority to the Trustee (the "Original Indenture"), as heretofore supplemented and as supplemented by said Third Supplemental Indenture of Trust (collectively, the "Indenture"). The Bonds shall mature on July 1 in the years and bear interest from July 1, 1985 (payable semiannually on January 1 and July 1, commencing January 1, 1986) at the rates per annum as follows (except as set forth below with respect to the Bonds maturing on July 1, 2015):

<u>July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1989	\$1,405,000	6.75 %	1997	\$ 480,000	8.50 %
1990	1,595,000	7.00	1998	520,000	8.60
1991	1,700,000	7.25	1999	560,000	8.70
1992	1,830,000	7.50	2000	610,000	8.75
1993	1,970,000	7.70	2005	21,440,000	8.875
1994	2,120,000	7.90	2013	60,080,000	8.75
1995	2,290,000	8.10	2015	22,550,000	9.75
1996	2,470,000	8.30	2021	97,430,000	9.00

The Bonds maturing on July 1, 2015 shall bear interest payable semiannually on January 1 and July 1, commencing January 1, 1986, in the following manner:

<u>Period</u>	<u>Interest Rate</u>
July 1, 1985 through June 30, 1996	0 %
July 1, 1996 and thereafter	9.75

The form of the 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 Indenture, including the Third Supplemental Indenture of Trust (as executed and delivered).

2. The Bonds shall be secured by the pledge effected by the Indenture and shall be special, limited obligations of the Authority payable solely from the sources specified in the 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 of, or interest on, the 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 Bonds. The Bonds and interest coupons appurtenant thereto, if any, shall never constitute the debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State of California, nor shall they constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

3. The Purchase Contract dated July 10, 1985 for the Bonds between the Authority and E. F. Hutton & Company Inc., Salomon Brothers Inc, Bear Stearns & Co., The First Boston Corporation,

Merrill Lynch Capital Markets and Sutro & Co. Incorporated (the "Underwriters"), as submitted to this meeting and hereby made a part of this resolution as though set forth in full herein, be and the same hereby is approved.

The Bonds are hereby sold to the Underwriters at a purchase price of \$199,965,084.39 (which amount equals the principal amount of the bonds less original issue discount of \$14,540,074.50 and the underwriters' compensation of \$4,540,842.11 to be paid by the Authority as provided in the Purchase Contract) plus accrued interest on the Bonds from July 1, 1985 to the date of delivery and payment therefor, on the terms and conditions set forth in the Purchase Contract.

Pursuant to Section 6571 of the Government Code of the State of California, it is hereby found and determined that the sale of the Bonds at less than the par amount thereof will result in more favorable terms for the Bonds and that a negotiated sale of the Bonds is necessary.

The President or Vice President of the Authority is hereby authorized and directed to execute the Purchase Contract and to deliver the same to the Underwriters.

4. The President or Vice President of the Authority are hereby authorized to approve an Official Statement relating to the Bonds (such approval to be conclusively evidenced by his execution and delivery thereof) (the "Official Statement") and the Board hereby approves the use of the Official Statement by the Underwriters in connection with the offering and sale of the Bonds, and the Board hereby further approves the use by the Underwriters of any supplement or amendment to the Official Statement which is necessary so that the 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 not misleading. The President or Vice President of the Authority is hereby authorized and directed 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 Underwriters.

5. Security Pacific National Bank, Los Angeles, California, and Citibank, N.A., New York, New York, are hereby designated Paying Agents for the Bonds under the terms and conditions of the Indenture.

6. The advance refunding of the Refunded Bonds (as defined in the Third Supplemental Indenture) as provided for in the Third Supplemental Indenture is hereby authorized and directed. The President, Vice President, Secretary or any Assistant

Secretary are authorized on behalf of the Authority to purchase U.S. Government obligations in such amounts, maturing at such times and bearing such rates of interest as shall be necessary (taking into account any moneys or other securities deposited in the Escrow Fund at the same time for such purpose) to pay when due the redemption price of and interest on the Refunded Bonds; and to take such other action as he may deem necessary or appropriate to effectuate the purchase of said securities.

7. The President, Vice President, Secretary or Assistant Secretary and any other officer of the Authority is hereby authorized to apply for and obtain municipal bond insurance for the Bonds maturing on July 1, 2013. The President or Vice President of the Authority is hereby authorized to execute and deliver a contract for municipal bond insurance, said execution being conclusive evidence of such approval; and the Secretary or Assistant Secretary is hereby authorized to affix and attest the seal of the Authority thereto.

8. The President and Vice President be and each of them is hereby authorized to appoint from time to time any fiduciaries, depositaries or agents in connection with the Bonds and to execute and deliver any and all documents and instruments necessary or proper in connection with each such appointment.

9. The appropriate Authority officers and representatives of the Department of Water and Power of The City of Los Angeles are hereby authorized and directed to cause the Trustee to transfer moneys from the Debt Service Account and Debt Service Reserve Account in the Debt Service Fund and from the Construction Fund to the Escrow Fund established pursuant to the Third Supplemental Indenture as contemplated by the Third Supplemental Indenture.

10. The Executive Director of the Authority is hereby authorized and directed to, on or before July 1, 1986, estimate (with the assistance of the Authority's Consulting Engineer) the amount (if any) by which the moneys on deposit in the Initial Facilities Account in the Construction Fund as of the date of such estimate (together with estimated investment income therefrom) exceeds the amount required to complete the Project. If there shall be such an excess (as determined by such estimate) the appropriate Authority officers and Department of Water and Power of The City of Los Angeles employees are hereby authorized and directed to submit a requisition to the Trustee (i) transferring the first \$6,000,000 of such moneys from the Initial Facilities Account in the Construction Fund to the Operating Fund for deposit to a reserve for working capital therein and (ii) transferring moneys from the Initial Facilities Account in the Construction Fund to the Debt Service Account in the Debt Service Fund so that there will be available therein an

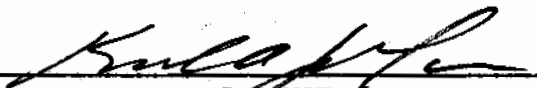
amount not to exceed 50% of the interest to become due on January 1, 1987 and July 1, 1987 on all the outstanding Bonds of the Authority issued with respect to the Southern Transmission Project. Any money so transferred to the Debt Service Account in the Debt Service Fund shall be applied (i) first, to the payment of 50% of the interest due on outstanding Bonds on January 1, 1987 and (ii) second, to the extent such moneys are not expended pursuant to clause (i) above, to the payment of 50% of the interest due on outstanding Bonds on July 1, 1987.

11. Arthur T. Devine, in addition to the other offices or positions with the Authority he already holds, is hereby appointed an Assistant Secretary of the Authority solely for the purpose of taking any and all required action in connection with the issuance and delivery of the Bonds.

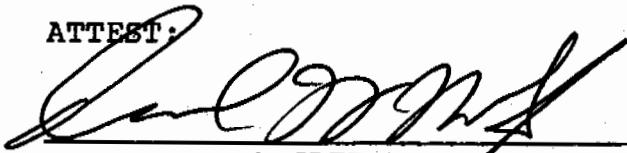
12. The President, Vice President, Secretary and any Assistant Secretary, and any other officer of the Authority, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

13. This resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 10th day of July, 1985.

  
PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

  
SECRETARY  
Southern California Public  
Power Authority

VOTING ON RESOLUTION  
Resolution No. 1985-9

<u>Member</u>	<u>Reg. Votes</u>	<u>Absent</u>	<u>Vote</u>			<u>STS Proj Votes</u>	<u>Vote</u>		
			<u>Y</u>	<u>N</u>	<u>Abst</u>		<u>Y</u>	<u>N</u>	<u>Abst</u>
Anaheim	1					178	X		
Azusa	1					1			X
Banning	1					1			X
Burbank	1					46	X		
Colton	1					1			X
Glendale	1					24	X		
Los Angeles	1					597	X		
Pasadena	1					60	X		
Riverside	1					103			X
Imperial	1					1	X		
Vernon	1					1	X		
							<u>7</u>		

Passage requires Y  
vote of majority of those  
present

Passage requires  
80% of votes cast