

RESOLUTION NO. 2017-001

RESOLUTION RELATING TO THE CANYON POWER PROJECT: (I) AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING BONDS; (II) AUTHORIZING THE EXECUTION AND DELIVERY OF (A) A SIXTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO THE CANYON POWER PROJECT, REFUNDING REVENUE BONDS, 2017 SERIES A, AND (B) A CONTINUING COVENANT AGREEMENT TO BE ENTERED INTO WITH THE PURCHASER OF THE 2017 SERIES A BONDS; (III) AUTHORIZING CERTAIN RELATED ACTIONS; AND (IV) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

WHEREAS, there has been presented to this meeting proposed forms of certain financing documents relating to the 2017 Series A Bonds (as hereinafter defined);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority (the "Authority") as follows:

1. Each of the President, Vice President and Executive Director of the Authority and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized to execute and deliver a Sixth Supplemental Indenture of Trust relating to the Canyon Power Project, Refunding Revenue Bonds, 2017 Series A (the "2017 Series A Bonds"), from the Authority to U.S. Bank National Association, as trustee (the "Trustee"), in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 4 hereof) as shall be approved by said President, Vice President or Executive Director to provide for the issuance and terms of such 2017 Series A Bonds (such approval to be conclusively evidenced by such officer's or Executive Director's execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to attest thereto and to affix the seal of the Authority. Proceeds of the 2017 Series A Bonds will be used primarily to refund all or a portion of the outstanding Canyon Power Project, Revenue Bonds, 2010 Series B (Taxable Build America Bonds) (such bonds, the "2010 Series B Bonds" and such bonds to be refunded, the "Refunded Bonds"). The Sixth Supplemental Indenture of Trust, in the form in which executed and delivered, is hereinafter referred to as the "Sixth Supplemental Indenture." The Sixth Supplemental Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved. As used in this Resolution, "Executive Director" shall also include any interim Executive Director of the Authority.

The issuance of the 2017 Series A Bonds is hereby authorized, subject to the provisions of this Resolution, the Amended and Restated Indenture of Trust, dated as of October 1, 2009, relating to the Canyon Power Project (as heretofore further amended and supplemented, the "Indenture"), and the Sixth Supplemental Indenture. The 2017 Series A Bonds shall be dated, shall mature on the date or dates and in the years or years and shall bear interest all as provided in the Indenture and the Sixth Supplemental Indenture. The form of the 2017 Series A Bonds and the provisions for signatures, authentication, payment, registration, various bond interest rate

modes and the method for determining the applicable interest rates therefor, redemption of such bonds (including any special mandatory redemption), tender for purchase and remarketing, denominations, sinking fund installments (including special mandatory redemption amounts), numbers and other terms thereof shall be as set forth in the Indenture and the Sixth Supplemental Indenture.

The 2017 Series A 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 the City of Anaheim nor any other member of the Authority shall be obligated to pay the principal or Redemption Price (as defined in the Indenture) of, or interest on, the 2017 Series A Bonds. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof or the City of Anaheim or any other member of the Authority is pledged to the payment of the principal or Redemption Price of, or interest on, the 2017 Series A Bonds. The 2017 Series A 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.

2. Each of the President, Vice President and Executive Director of the Authority is hereby authorized and directed to execute and deliver the Continuing Covenant Agreement, between the Authority and Banc of America Preferred Funding Corporation (or any other appropriate affiliate approved by the President, Vice President or Executive Director) (the "Purchaser"), to provide for the terms and conditions of the direct purchase of the 2017 Series A Bonds by such Purchaser, in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions to the Continuing Covenant Agreement (subject to Paragraph 4 hereof) as shall be approved by said President, Vice President or Executive Director (such approval to be conclusively evidenced by his execution and delivery thereof). The Continuing Covenant Agreement, in the form in which executed and delivered, is hereinafter referred to as the "Continuing Covenant Agreement." The Continuing Covenant Agreement is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

3. The refunding of the Refunded Bonds as provided for in the Sixth Supplemental Indenture and the Indenture is hereby authorized. Each of the President, Vice President and Executive Director of the Authority and each Secretary and any Assistant Secretary of the Authority are hereby authorized on behalf of the Authority to purchase (by contract or otherwise), if any of such obligations are to be purchased, U.S. Government obligations and other permitted obligations (including, but not limited to, non-callable State and Local Government Series direct obligations of the United States of America issued by the Bureau of Public Debt and direct obligations of, or obligations unconditionally guaranteed by, the United States of America purchased on the open market) in such principal amounts, maturing at such time(s) and bearing such rate(s) of interest as shall be necessary to pay when due the redemption price(s) 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, if any of said obligations are to be so purchased.

In connection with the refunding of the Refunded Bonds, the Authority hereby finds and determines, which determination has been made in consultation with the City of Anaheim, that, (i) as a result of the implementation of the congressionally-mandated sequestration process of the Budget Control Act of 2011, the 2010 Series B Subsidy Payments that the Authority has received and is to receive from the United States Treasury with respect to the 2010 Series B Bonds have been, and are currently scheduled to continue to be reduced, thereby increasing the debt service costs of the 2010 Series B Bonds, and as a result thereof, an "Extraordinary Event" has occurred with respect to such 2010 Series B Bonds pursuant to the Fourth Supplemental Indenture of Trust relating to the 2010 Series B Bonds, and (ii) it is appropriate to refund the Refunded Bonds.

4. Each of the President, Vice President and Executive Director of the Authority is hereby authorized to determine, in connection with the execution and delivery of the Sixth Supplemental Indenture and the sale of the 2017 Series A Bonds, and in consultation with the representative of the City of Anaheim on the Authority's Finance Committee, the following:

- (i) the aggregate principal amount of 2017 Series A Bonds, which shall not exceed \$250,000,000;
- (ii) the initial interest rate and method for determining the interest rate or rates of the 2017 Series A Bonds;
- (iii) the maximum interest rate of the 2017 Series A Bonds;
- (iv) the maturity date or dates for the 2017 Series A Bonds, with the final maturity being no later than July 1, 2040;
- (v) the principal amount of each maturity of the 2017 Series A Bonds and sinking fund installments (if any) for any term 2017 Series A Bonds;
- (vi) the purchase price of the 2017 Series A Bonds;
- (vii) the interest payment dates for the 2017 Series A Bonds;
- (viii) the terms and conditions for delivery of the 2017 Series A Bonds;
- (ix) the redemption terms (including the terms of any special mandatory redemption) and prices of the 2017 Series A Bonds;
- (x) the terms of any optional or mandatory tenders for purchase of the 2017 Series A Bonds and purchase prices therefor;
- (xi) the application of the proceeds of the 2017 Series A Bonds and any other available moneys;
- (xii) any transfers required or permitted from any funds or accounts created under the Indenture in connection with the refunding of the Refunded Bonds;

(xiii) the 2010 Series B Bonds to be refunded by the 2017 Series A Bonds, if less than all (which bonds shall constitute the Refunded Bonds under the Sixth Supplemental Indenture);

(xiv) the initial escrow securities to be purchased, if any are to be purchased, for the 2017 Series A Bonds Refunding Escrow Fund under and as defined in the Sixth Supplemental Indenture;

(xv) the date or dates on which the Refunded Bonds shall be redeemed;

(xvi) the person or entity (which may include Merrill Lynch, Pierce, Fenner & Smith Incorporated or any other appropriate affiliate of the Purchaser) to act as Designated Investment Banker (as defined in the Indenture) in connection with the calculation by Public Financial Management, Inc., the Authority's municipal advisor, of the extraordinary optional redemption price to be paid for the Refunded Bonds; and

(xvii) such other matters as may be determined by the Finance Committee.

5. The representative of the City of Anaheim on the Authority's Finance Committee is hereby authorized to approve the fees and disbursements of Public Financial Management, Inc. as the municipal advisor to the Authority in connection with the sale and issuance of the 2017 Series A Bonds, which fee shall not exceed \$75,000.

6. U.S. Bank National Association is hereby appointed as the Trustee and Paying Agent under the Indenture. Each of the President, Vice President and Executive Director of the Authority is hereby authorized to appoint from time to time any additional fiduciaries, depositaries or agents in connection with the 2017 Series A Bonds or any portion thereof and to execute and deliver any and all agreements, documents and instruments necessary or advisable in connection with such appointment of U.S. Bank National Association and with any other such appointment.

7. Each of the Sixth Supplemental Indenture and the Continuing Covenant Agreement is hereby designated as a Project Agreement under the Indenture and the Power Sales Agreement (as defined in the Indenture).

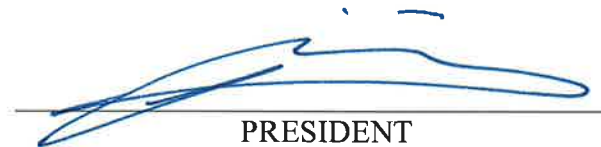
8. Each of the President, Vice President, Executive Director, Secretary, any Assistant Secretary of the Authority and any representative of the Department of Water and Power of The City of Los Angeles, as agent of the Authority, is hereby authorized to cause the Trustee to transfer moneys as contemplated by the Sixth Supplemental Indenture (including, but not limited to, the transfer of released moneys, if any, in the 2010 Series B Debt Service Account and 2010 Series B Debt Service Reserve Account relating to the Refunded Bonds).

9. The Executive Director of the Authority, 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 Indenture for the purpose of taking any and all required or permitted actions in connection with the issuance and delivery of the 2017 Series A Bonds.

10. Each of the President, Vice President, Executive Director, Secretary and any Assistant Secretary and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, amendments, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, (i) executing and delivering, or approving, as applicable, any investment agreement or agreements relating to the investment of 2017 Series A Bonds proceeds, (ii) providing for the giving of written directions and notices, and the securing any necessary third party consents or approvals, as required by the Sixth Supplemental Indenture, the Indenture or any other documents relating to the Refunded Bonds or the 2017 Series A Bonds and (iii) making such changes to the agreements, documents and instruments referred to in this Resolution, and such other changes as shall be requested by any other party, if such changes are determined by any such officer or the Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Executive Director, Secretary, Assistant Secretary or other officer shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

11. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 19th day of January, 2017.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

