

RESOLUTION NO. 2011-014

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (I) AUTHORIZING THE EXECUTION AND DELIVERY OF AN ALTERNATIVE AGREEMENT IN REPLACEMENT OF THE EXISTING INVESTMENT AGREEMENT DATED AS OF OCTOBER 11, 2007, AND (II) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE (GAS PROJECT REVENUE BONDS PROJECT NO. 1)

WHEREAS, on October 11, 2007 the Southern California Public Power Authority (the "Authority") issued its Gas Project Revenue Bonds (Project No. 1) ("the Bonds"); and

WHEREAS, in connection with the issuance of the Bonds, the Authority's Trustee, U.S. Bank National Association (the "Trustee"), and AIG Matched Funding Corp. ("AIGMFC") entered into an Investment Agreement, dated as of October 11, 2007 (the "Investment Agreement"), pursuant to which certain proceeds of the Bonds were invested; and

WHEREAS, the Investment Agreement was guaranteed by American International Group, Inc. ("AIG"), which is the parent of AIGMFC; and

WHEREAS, AIG was recently downgraded below the level provided by the Investment Agreement, requiring AIGMFC to take a remedial action required by Section 3.2 of the Investment Agreement; and

WHEREAS, AIGMFC currently expects to assign the Investment Agreement to a party which is acceptable under the documents relating to the Bonds (the "Replacement Agreement"); and

WHEREAS, the President, Vice President or Executive Director of the Authority will direct the Trustee, if so required by the Trustee, to enter into the Replacement Agreement; and

WHEREAS, in the event the Replacement Agreement, for any reason, is not executed and delivered, then the Authority expects the Trustee to execute an investment agreement, a repurchase agreement, a collateralized agreement, a non-collateralized agreement, a guaranteed investment contract or other agreement acceptable under the documents relating to the Bonds (the "Alternative Agreement");


NOW THEREFORE BE IT RESOLVED BY the Board of Directors of the Southern California Public Power Authority as follows:

1. In the event the Replacement Agreement is not executed and delivered, the Trustee is hereby authorized to execute and deliver (and pursuant to which the Authority may be a party if required by the AIGMFC, AIG or the Trustee) an Alternative Agreement. In the event that the Authority is a party to such Alternative Agreement, each of the President, Vice President or Executive Director is hereby authorized to execute and deliver the Alternative Agreement and to take any and all actions which such person deems necessary or advisable in connection with Alternative Agreement.

2. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements and to approve any and all 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. Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director 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.

3. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 17th day of March, 2011.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority