

RESOLUTION NO. 2004-4

RESOLUTION RELATING TO THE MEAD-PHOENIX PROJECT: (I) AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING 1994 SERIES A MEAD-PHOENIX PROJECT REVENUE BONDS; (II) AUTHORIZING THE EXECUTION AND DELIVERY OF (A) AN INDENTURE OF TRUST AUTHORIZING THE ISSUANCE OF MEAD-PHOENIX PROJECT REVENUE BONDS, 2004 SERIES A, (B) AN AUCTION AGENCY AGREEMENT, (C) A PURCHASE CONTRACT, (D) AN INTEREST RATE SWAP AGREEMENT AND RELATED DOCUMENTS, (E) AN ESCROW AGREEMENT, AND (F) ONE OR MORE INSURANCE AGREEMENTS; (III) AUTHORIZING THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; (IV) AUTHORIZING CERTAIN RELATED ACTIONS; AND (V) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE

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 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 relating to the Bonds (as defined below) from the Authority to U.S. Bank National Association, as trustee (the "Trustee"), in substantially the form on file with the Authority, with such changes, insertions and omissions (subject to Paragraph 13 hereof) as shall be approved by said President or Vice President to provide the terms for the Authority's Mead-Phoenix Project Revenue Bonds, 2004 Series A (the "Bonds") (such approval to be conclusively evidenced by his execution and delivery thereof). Each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority to said Indenture of Trust. The Indenture of Trust relating to the Bonds, as executed and delivered, is hereinafter referred to as the "Indenture." The 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 Bonds is hereby authorized, subject to the provisions of this Resolution and the Indenture. The Bonds shall be dated, shall mature on the date and in the year or years and shall bear interest all as provided in the Indenture. The form of the Bonds and the provisions for signatures, authentication, payment, registration, redemption, denominations, sinking fund (if any), numbers and other terms thereof shall be as set forth in the Indenture.

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 (as defined in the Indenture) shall be obligated to pay the principal or Redemption Price (as defined in the Indenture) 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 shall not constitute 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 shall not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

The President and Vice President and each Secretary and any Assistant Secretary of the Authority are hereby authorized pursuant to this Resolution to execute and deliver any amendment to the Indenture at or prior to the execution and delivery of the Bonds provided that (i) the Finance Committee (as defined below) and the President, Vice President or Executive Director determine that the amendment is necessary or appropriate and (ii) the amendment will not materially adversely affect the rights of the owners of the Bonds or the Refunded Bonds (as defined in the Indenture).

2. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized and directed to execute and deliver an Auction Agency Agreement relating to the Bonds (the "Auction Agency Agreement"), in substantially the form on file with the Authority, with such changes, insertions and omissions (subject to Paragraph 13 hereof) as shall be approved by said President or Vice President to provide for, among other things, determining the variable interest rate on the Bonds (such approval to be conclusively evidenced by his execution and delivery thereof). The Auction Agency Agreement is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

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 (a) if the 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 Bonds and (b) the negotiated sale of the Bonds is necessary.

Each of the President and Vice President of the Authority is hereby authorized (i) to execute and deliver a purchase contract for the Bonds, between the Authority and UBS Financial Services Inc. (the "Underwriter") and (ii) to negotiate the underwriter's discount or fee relating to the Bonds. The purchase price at which the Bonds are to be sold to the Underwriter and the related underwriter's discount or fee shall each be determined in accordance with this Resolution. Payment for the Bonds shall be pursuant to the terms and conditions set forth in the purchase contract executed pursuant to this Resolution.

4. Each of the President and Vice President of the Authority is hereby authorized to approve a Preliminary Official Statement relating to the 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 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 such Rule 15c2-12 subject to completion of those items permitted by said Rule.

5. Each of the President and Vice President of the Authority is 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 of Directors hereby approves the use of the Official Statement in connection with the offering and sale of the Bonds. The Board of Directors hereby further approves the use of any supplement or amendment to such 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 such Official Statement and any such amendment or supplement to be delivered to the Underwriter. The Underwriter is authorized to distribute the Official Statement to the purchasers of the Bonds.

6. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized and directed to execute and deliver an Escrow Agreement with respect to the Refunded Bonds, between the Authority and U.S. Bank National Association, as escrow agent, in substantially the form on file with the Authority, with such changes, insertions and omissions (subject to Paragraph 13 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his execution and delivery thereof). Each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority to said Escrow Agreement. The Escrow Agreement, as executed and delivered, is hereinafter referred to as the "Escrow Agreement." The Escrow Agreement is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

7. The refunding of the Refunded Bonds as provided for in the Indenture and the Escrow Agreement 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) U.S. Government obligations (including non-callable State and Local Government Series obligations of the United States of America issued by the Bureau of Public Debt and obligations of the United States of America purchased on the open market) in such 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 advisable to effectuate the purchase of said obligations.

8. Each of the President and Vice President of the Authority is hereby authorized to execute and deliver an International Swaps and Derivatives Association, Inc. Master Agreement, a related Schedule, a related Credit Support Annex and a related Confirmation, between the Authority and UBS AG, or an affiliate thereof or other entity acceptable to the President or Vice President, in substantially the form on file with the Authority, with such changes, insertions and omissions (subject to Paragraph 13 hereof) as shall be approved by said President or Vice

President (such approval to be conclusively evidenced by his execution and delivery thereof). Said Master Agreement, Schedule, Credit Support Annex and Confirmation, in the forms in which executed and delivered, are hereinafter referred to collectively as the "Swap Agreement." The Swap Agreement is hereby approved, notwithstanding anything to the contrary in the Authority's swap guidelines. The Swap Agreement, which is to be executed and delivered prior to the issuance of the Bonds, is hereby made a part of this Resolution as though set forth in full herein and the same is hereby approved.

9. Pursuant to Section 5922(a) of the Government Code of the State of California, the Board of Directors hereby finds and determines that (i) it is appropriate to enter into the Swap Agreement and related financing arrangements (including terms, conditions and covenants relating to the Swap Agreement and the financing arrangements in the Indenture) and (ii) the Swap Agreement and such related financing arrangements are designed to reduce the amount or duration of rate risk and to result in a lower cost of borrowing when used in combination with the issuance of the Bonds.

10. Each of the President and Vice President of the Authority is hereby authorized to determine, in connection with the execution and delivery of the Swap Agreement, whether to obtain insurance for all or any portion of the Authority's obligations under the Swap Agreement ("Swap Insurance") and, if it is determined that Swap Insurance shall be obtained, the particular provider or providers with whom the Authority shall contract for such Swap Insurance.

11. Each of the President and Vice President of the Authority is hereby authorized and directed to execute and deliver an insurance agreement or other similar agreement between the Authority and the provider of any Swap Insurance, 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). Said insurance agreement, in the form in which executed and delivered, is hereinafter referred to as the "Insurance Agreement."

12. (a) Each of the President and Vice President of the Authority is hereby authorized to determine, in connection with the issuance and delivery of the Bonds, whether to obtain municipal bond insurance for all or any portion of the Bonds ("Bond Insurance") and, if it is determined that Bond Insurance shall be obtained, the particular provider or providers with whom the Authority shall contract for such Bond Insurance.

(b) The Board of Directors hereby determines that a debt service reserve account surety bond shall be obtained in connection with the issuance of the Bonds, provided the premium for such debt service reserve account surety bond shall not exceed 3.00% of the face amount of such debt service reserve account surety bond. Each of the President and Vice President of the Authority is hereby authorized to determine the particular provider of the debt service reserve account surety bond with whom the Authority shall contract for such debt service reserve account surety bond.

13. (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 Indenture, the Auction Agency Agreement, the Escrow Agreement and the Swap Agreement and the sale of the Bonds, and in consultation with and approval by the Finance Committee, the following:

- (i) the aggregate principal amount of the Bonds, which shall not exceed \$45,000,000;
- (ii) the initial interest rate of the Bonds;
- (iii) the maximum interest rate under the Indenture;
- (iv) the maturity date or dates for the Bonds, the latest of which shall be no later than July 1, 2020;
- (v) the principal amount in each maturity and any sinking fund installments for any term Bonds;
- (vi) the purchase price of the Bonds;
- (vii) the first interest payment date for the Bonds;
- (viii) the terms and conditions for delivery of the Bonds;
- (ix) the purchase price at which the Bonds are to be sold to the Underwriter and the related underwriter's discount or fee;
- (x) the bonds of the Authority to be refunded by the Bonds (which bonds shall constitute the Refunded Bonds under the Indenture);
- (xi) the initial escrow securities to be purchased and deposited in the Escrow Fund under the Escrow Agreement;
- (xii) the redemption terms and prices of the Bonds;
- (xiii) the application of the proceeds of the Bonds and the amount received from the counterparty under the Swap Agreement;
- (xiv) any transfers required or permitted from any funds or accounts created under (i) the Indenture of Trust by and between the Authority and the Trustee (as successor trustee), dated as of January 1, 1994, relating to the Refunded Bonds (the "1994 Indenture") or (ii) the Indenture of Trust by and between the Authority and the Trustee (as successor trustee), dated as of August 1, 1989, relating to the Authority's Multiple Project Revenue Bonds (the "1989 Indenture");
- (xv) whether or not to acquire Swap Insurance in connection with the execution and delivery of the Swap Agreement, such determination to be made in accordance with Paragraph 10 of this Resolution, provided the premium for such insurance shall not exceed 0.45% of the payments insured, calculated as provided in the swap insurance commitment agreement (or similar agreement) between the Authority and the provider of any such Swap Insurance;
- (xvi) whether or not to acquire Bond Insurance in connection with the issuance of the Bonds, such determination to be made in accordance with Paragraph 12 of this Resolution, provided the premium for such insurance shall not exceed 0.45% of the payments

insured, calculated as provided in the bond insurance commitment agreement (or similar agreement) between the Authority and the provider of any such Bond Insurance;

(xvii) the rate index and rate or rates payable under the Swap Agreement;

and

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

(b) The terms approved pursuant to paragraph (a) of this Paragraph 13 are expected to produce for the Authority present value savings from the refunding of the Refunded Bonds.

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

14. 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 Bonds or any portion thereof, 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 Underwriter, and any such action previously taken is hereby ratified, confirmed and approved.

15. Each of the President, Vice President and Executive Director of the Authority is hereby authorized to execute and deliver a financial advisory services agreement relating to the Swap Agreement and the sale and issuance of the Bonds between the Authority and Public Financial Management, Inc., in substantially the form attached hereto.

16. Each of the President and Vice President of the Authority is hereby authorized to appoint from time to time any additional fiduciaries, depositories or agents (including paying agents) in connection with the Bonds or any portion thereof and to execute and deliver any and all documents and instruments necessary or proper in connection with each such appointment.


17. Each of 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 is hereby authorized to cause the Trustee to transfer moneys as contemplated by the Indenture, the 1994 Indenture or the 1989 Indenture (including, but not limited to, the transfer of released moneys in the debt service account relating to the Refunded Bonds and the transfer of any moneys that would constitute an equity contribution with respect to the transactions contemplated by this Resolution).

18. 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, the 1994 Indenture and the 1989 Indenture for the purpose of taking any and all required or permitted action in connection with the issuance and delivery of the Bonds.

19. 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 (including, but not limited to, (i) any swap insurance commitment agreement with any provider of Swap Insurance selected in accordance with Paragraph 10 of this Resolution, (ii) any bond insurance commitment agreement with any provider of Bond Insurance selected in accordance with Paragraph 12(a) of this Resolution, (iii) any guaranty agreement with any provider of a debt service reserve account surety bond selected in accordance with Paragraph 12(b) of this Resolution and (iv) any Credit Support Annex or similar document relating to the Swap Agreement) 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.


20. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 19th day of February, 2004.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



SECRETARY
Southern California Public
Power Authority