

RESOLUTION NO. 1995- 17

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (I) AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENT NUMBER 1 TO INVESTMENT AGREEMENT AMENDING THE INVESTMENT AGREEMENT RELATING TO THE AUTHORITY'S MULTIPLE PROJECT REVENUE BONDS WITH RESPECT TO THE PERMITTED USES OF MONEYS WITHDRAWN FROM THE INVESTMENT AGREEMENT AND (II) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR PROPER

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 and directed to execute and deliver an Amendment Number 1 to Investment Agreement (the "Amendment"), dated as of July 1, 1995, by and among PNC Bank, N.A. (the successor to Pittsburgh National Bank), the Authority and Bank of America National Trust and Savings Association, as trustee (the "Trustee"), to the Investment Agreement, dated as of January 4, 1990, by and among the Authority, Pittsburgh National Bank and the Trustee, and each of the Secretary and any Assistant Secretary of the Authority is hereby authorized and directed to affix the seal of the Authority thereto. The Amendment shall be in substantially the form attached hereto, with such changes thereto as shall be approved by said President or Vice President upon consultation with the Authority's bond counsel (such approval and consultation to be conclusively evidenced by his execution and delivery thereof).

2. Each of the President, Vice President, Secretary and any Assistant Secretary of the Authority, and any other officer of the Authority, 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.

3. The Authorized Authority Representatives designated in Section 1(a) of the Authority's Resolution No. 1995-16 are hereby authorized and directed to invest moneys withdrawn from the Investment Agreement pursuant to Section 3 thereof for purposes of purchasing Government Obligations (as defined in the Bond Indenture, dated as of August 1, 1989, between the Authority and

the Trustee) in Government Obligations (as defined above) maturing not later than July 1, 2020.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 17th day of August, 1995.

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PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

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ASSISTANT SECRETARY  
Southern California Public  
Power Authority

**AMENDMENT NUMBER 1 TO INVESTMENT AGREEMENT**

**THIS AMENDMENT NUMBER 1 TO INVESTMENT AGREEMENT** (the "Amendment"), dated as of July 1, 1995, is entered into by and among PNC Bank, N.A., the successor to Pittsburgh National Bank (the "Investment Institution"), Southern California Public Power Authority (the "Authority"), and Bank of America National Trust and Savings Association, as trustee (the "Trustee").

**WHEREAS**, the Authority and the Trustee have heretofore entered into an Indenture of Trust, dated as of August 1, 1989 (as amended and supplemented, the "Bond Indenture"); and

**WHEREAS**, the Authority, the Investment Institution and the Trustee have heretofore entered into an Investment Agreement, dated as of January 4, 1990 (the "Investment Agreement"); and

**WHEREAS**, the Authority, the Investment Institution and the Trustee desire to amend the Investment Agreement to provide the Authority with the ability to withdraw moneys to purchase Government Obligations (as defined in the Bond Indenture), the earnings on and the principal amount of which would be used to pay a portion of the debt service on the Bonds (as defined in the Bond Indenture); and

**WHEREAS**, the Authority has determined that as a result of the purchase of the Government Obligations, the Authority will be precluded from using any of the Government Obligations (or proceeds thereof) to fund Authorized Projects (as defined in the Bond Indenture) because, for example, it will not be able to satisfy the requirements of Section 604(B) of the Bond Indenture (and in particular clause (e) of Section 604(B)(2) of the Bond Indenture); and

**WHEREAS**, each of the parties to this Amendment has determined, as to itself, that all acts and things have been done and performed which are necessary to make this Amendment a valid and binding amendment to the Investment Agreement;

**NOW THEREFORE**, in consideration of the premises, it is agreed by and among the Authority, the Investment Institution and the Trustee as follows:

**1. Authority for this Amendment.** This Amendment is entered into in accordance with Section 9(d) of the Investment Agreement.

**2. Amendment to Section 3 of the Investment Agreement.** The second sentence of the fifth paragraph of Section 3 is hereby amended to read, in its entirety, as follows:

No portion of any withdrawal shall be for the sole purpose of making alternative investment; provided, however, that withdrawals (in addition to those provided for above) are permitted for (i) investment in U.S. Treasury Special Zero Interest State and Local Government Series Securities in order to comply with the arbitrage requirements under Section 148 of the Internal Revenue Code of 1986, as amended, and (ii) the purchase of Government Obligations (as defined in the Bond Indenture) as provided in Section 502(B) of the Bond Indenture.

**3. Restriction on Use of Proceeds.** The Authority shall not use any of the Government Obligations purchased from the moneys withdrawn from the Investment Agreement, or the proceeds of the Government Obligations, to fund any Authorized Projects (as defined in the Bond Indenture). This Section 3 shall survive termination or expiration of the Investment Agreement.

**4. Effective Date.** This Amendment shall become effective as of the day and year first above written.

**5. Investment Agreement to Remain in Effect.** Except as amended by this Amendment, all of the terms and provisions of the Investment Agreement shall remain in full force and effect.

**6. Direction.** The Authority hereby directs the Trustee to execute this Amendment and to notify Moody's Investors Service and Standard & Poor's Ratings Group of this Amendment pursuant to Section 1308(A) of the Bond Indenture.

**7. Counterparts.** This Amendment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts shall together constitute one and the same instrument.