

RESOLUTION NO. 1995-20

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY AUTHORIZING (I) 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AGREEMENT RELATING TO THE AUTHORITY'S MULTIPLE PROJECT REVENUE BONDS WITH RESPECT TO THE PERMITTED USES OF MONEYS WITHDRAWN FROM THE INVESTMENT AGREEMENT, (II) THE PURCHASE OF PERMITTED INVESTMENT SECURITIES AND (III) THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED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 September 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 (the "Agreement"), 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. The Authority's Chief Financial Officer and the Authority's Director of Finance, after consulting with each of the Chairman of the Finance Committee, the Executive Director, the Authority's Financial Advisor and the Authority's Bond Counsel, are hereby authorized and directed to cause to be invested in permitted Investment Securities (as defined in the Bond Indenture, dated as of August 1, 1989, between the Authority and the Trustee), moneys withdrawn from the Agreement pursuant to Section 3 thereof for purposes of purchasing such Investment Securities. The Investment Securities shall mature not later than July 1, 2020 and shall be held to the credit of the Multiple Project Fund under the Bond Indenture.

3. 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 other 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.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 7th day of September, 1995.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



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 September 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 "Agreement"); and

WHEREAS, the Authority, the Investment Institution and the Trustee desire to amend the Agreement to provide for the withdrawal of moneys to purchase alternative investments, including Investment Securities and Substitute Investment Agreements (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 Investment Securities, the Authority will be precluded from using any of the Investment Securities (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 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 Agreement.

2. Amendment to Section 3 of the 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 (i) for 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) upon the mutual consent of all parties to this Agreement and on such day or days as all parties to this Agreement agree, for investment in Investment Securities (including Government Obligations) and Substitute Investment Agreements (as such terms are defined in the Bond Indenture) to the extent permitted by the Bond Indenture.

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

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

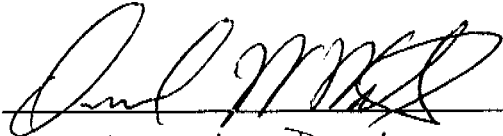
5. Agreement to Remain in Effect. Except as amended by this Amendment, all of the terms and provisions of the Agreement shall remain in full force and effect.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY**

By: 
Title: Executive Director

Attest:
By: 
Assistant Secretary

PNC BANK, N.A.

By: _____
Title: _____

Attest:
By: _____
Title: _____

**BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION, as Trustee**

By: _____
Title: _____

Attest:
By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY**

By: _____

Title: _____

Attest:

By: _____
Assistant Secretary

PNC BANK, N.A.

By: Randall C. King

Title: Senior Vice President

Attest:

By: [Signature]

Title: Chief Regional Counsel

**BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION, as Trustee**

By: _____

Title: _____

Attest:

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY**

By: _____

Title: _____

Attest:

By: _____
Assistant Secretary

PNC BANK, N.A.

By: _____

Title: _____

Attest:

By: _____

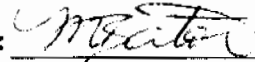
Title: _____

**BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION, as Trustee**

By: 

Title: Vice President

Attest:

By: 

Title: TRUST OFFICER