

BY-LAWS
OF THE
UTILITY DEBT SECURITIZATION AUTHORITY

Table of Contents

Page

ARTICLE I –

THE AUTHORITY

Section 1.1.	Name of Authority	1
Section 1.2.	Seal of the Authority	1
Section 1.3.	Offices of the Authority	1
Section 1.4.	Books and Records	1

ARTICLE II –

TRUSTEES

Section 2.1.	Number, Term, Appointment and Vacancies	1
Section 2.2.	Powers and Duties.....	1
Section 2.3.	No Compensation.....	1
Section 2.4.	Removal	1
Section 2.5.	Fiduciary Duty	1

ARTICLE III –

TRUSTEES’ MEETINGS

Section 3.1.	Place of Meetings.....	2
Section 3.2.	Meetings.....	2
Section 3.3.	Quorum	2
Section 3.4.	Adjournment of Meetings	2
Section 3.5.	Order of Business.....	2
Section 3.6.	Open Meetings	2
Section 3.7.	Notice of Telephone Participation	2
Section 3.8.	Certification of Resolutions	2

ARTICLE IV –

OFFICERS AND PERSONNEL

Section 4.1.	Officers	3
Section 4.2.	Chair.....	3
Section 4.3.	Vice-Chair.....	3
Section 4.4.	Chief Financial Officer	3
Section 4.5.	Secretary	3
Section 4.6.	Officers Holding Two or More Offices	4
Section 4.7.	Compensation of Officers	4
Section 4.8.	Additional Personnel.....	4

Table of Contents
(continued)

	<u>Page</u>
Section 4.9. Long Island Power Authority.....	4
Section 4.10. Outside Experts.....	4
Section 4.11. Execution of Documents and Authorization of Payments.....	4
Section 4.12. Attestation of Execution of Notes and Bonds.....	5
Section 4.13. Execution of Documents.....	5
Section 4.14. Custody of Seal.....	5

ARTICLE V –

COMMITTEES

Section 5.1. Committees	5
Section 5.2. Other Committees	5
Section 5.3. Finance and Audit Committee	5
Section 5.4. Governance Committee	6

ARTICLE VI –

FISCAL MANAGEMENT

Section 6.1. Fiscal Year	6
Section 6.2. Annual Budgets and Reports	6
Section 6.3. Disbursement of Funds	6

ARTICLE VII –

AMENDMENTS

Section 7.1. Amendment of By-Laws.....	6
--	---

ARTICLE VIII –

SUSPENSION OF BY-LAWS

Section 8.1. Suspension of By-Laws	7
--	---

ARTICLE IX –

INDEMNIFICATION OF TRUSTEES, OFFICERS AND EMPLOYEES

Section 9.1. Purpose and Definitions.....	7
Section 9.2. General Scope of Indemnification	8
Section 9.3. Representation of Persons Indemnified	8
Section 9.4. Advances of Expenses	8

Table of Contents
(continued)

	<u>Page</u>
Section 9.5. Indemnification on Final Disposition	9
Section 9.6. Insurance	9
Section 9.7. Applicability of this Article	9

ARTICLE X –

MISCELLANEOUS

Section 10.1. Activities Limited	10
Section 10.2. Severability	10
Section 10.3. Governing Law	10

BY-LAWS
OF THE
UTILITY DEBT SECURITIZATION AUTHORITY

ARTICLE I – THE AUTHORITY

Section 1.1. Name of Authority. The name of the Authority shall be the “Utility Debt Securitization Authority.”

Section 1.2. Seal of the Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its creation.

Section 1.3. Offices of the Authority. The principal office of the Authority shall be located in Uniondale, New York. The Authority may also have offices at such other place or places within the State of New York as it may from time to time designate by resolution.

Section 1.4. Books and Records. Except as otherwise directed by the Authority or as the operations of the Authority may require, all the books and records of the Authority shall be kept at the principal office of the Authority.

ARTICLE II – TRUSTEES

Section 2.1. Number, Term, Appointment and Vacancies. The number and term of Trustees and the appointment and process of filling vacancies shall be governed by Part B of Chapter 173 of the State of New York Laws of 2013, as it may be amended from time to time (hereinafter referred to as the “Act”). The Trustees shall not be trustees, directors, officers or employees of the Long Island Power Authority, the Long Island Lighting Company d/b/a LIPA or any successor owner of the transmission and distribution system assets.

Section 2.2. Powers and Duties. The powers and duties of the Trustees shall be governed by the Act. Such Trustees may engage in private employment, or in a profession or business. The Authority, its Trustees, Officers and employees shall be subject to the provisions of Sections 73 and 74 of the Public Officers Law.

Section 2.3. No Compensation. Trustees of the Authority shall serve without salary or other compensation but each Trustee shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of his or her official duties.

Section 2.4. Removal. In accordance with Section 4(4)(f) of the Act, the Governor may remove any Trustee for inefficiency, neglect of duty or misconduct in office after giving him or her a copy of the charges against him or her and an opportunity to be heard, in person or by counsel, in his or her defense, upon not less than ten (10) days notice.

Section 2.5. Fiduciary Duty. Each Trustee shall have a fiduciary duty to act in the best interests of the Authority, including its creditors and the owners of bonds issued by the

Authority, and such other duties as may be specified in the Act and these By-Laws or other agreements of the Authority.

ARTICLE III – TRUSTEES’ MEETINGS

Section 3.1. Place of Meetings. Meetings of the Trustees shall be held at the principal office of the Authority or at such other place as the Chair may from time to time designate

Section 3.2. Meetings. Meetings of the Trustees may be called by the Chair or upon the request of any two Trustees. The Secretary shall give notice of the time, place and purpose or purposes of each meeting by mail at least three (3) days before the meeting or in person or by telephone, email or facsimile at least two (2) days before the meeting to each Trustee. The notice required to be given under this section may be waived by the Trustee to whom such notice is required to be given. Attendance of a Trustee of the Authority at a meeting without objection shall constitute waiver of notice of the meeting.

Section 3.3. Quorum. A majority of the Trustees shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Authority. Any one or more Trustees may participate in a meeting of the Authority by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. The Authority may delegate to one or more of its Trustees, or Officers, agents and employees, such powers and duties as the Authority may deem proper.

Section 3.4. Adjournment of Meetings. A majority of Trustees may adjourn any meeting to another time and place. Notice of such adjourned time and place shall be given to each Trustee not present at such meeting or, if no announcement of such adjourned time and place was made at such meeting, at least three (3) days’ notice of the newly scheduled meeting must be given to all Trustees. No such adjournment shall be used to defeat a notice provision.

Section 3.5. Order of Business. At every meeting of the Authority, the order of business and all other matters or procedure may be determined by the person presiding at the meeting.

Section 3.6. Open Meetings. All meetings of the Trustees shall be conducted in compliance with the provisions of the Open Meetings Law, set forth in Article 7 of the Public Officers Law, as modified by the Act.

Section 3.7. Notice of Telephone Participation. Any required notice of the place of a meeting at which participation is by means of conference telephone or similar communication equipment shall be sufficient if it designates as the place of the meeting the place at which one or more of the participants in the meeting is located at the time the meeting is held.

Section 3.8. Certification of Resolutions. Each Officer of the Authority is authorized to certify, when required, the records, proceedings, documents and resolutions of the Authority and to affix the seal of the Authority to all contracts, documents and instruments to be executed by the Authority.

ARTICLE IV – OFFICERS AND EMPLOYEES

Section 4.1. Officers. The Trustees shall select a Chair, a Vice-Chair, a Chief Financial Officer and a Secretary any or all of whom may be from their own number. For the purposes of these By-Laws, and of any resolution of the Authority, the Chair, a Vice-Chair, Chief Financial Officer and Secretary may be referred to as “Officers”.

Section 4.2. Chair. The Chair shall preside at all meetings of the Trustees and shall exercise such duties and powers as hereinafter described and as customarily pertain to the office of Chair. In carrying out the policies as determined by the Trustees, the Chair shall be responsible for overseeing the discharge of the executive and administrative functions of the Authority and responsibility for oversight of the Authority’s strategic direction. Except as may be prescribed by the Trustees, the Chair shall have general supervision and control over the property, business and affairs of the Authority and over its several officers, employees and agents other than the Chair and any Vice-Chair who may have been designated by the Chair from among the Trustees. The Chair may sign, execute and deliver in the name of the Authority powers of attorney, contracts, agreements, leases, notes, checks, drafts, bonds, obligations and such documents other than those required by these By-Laws, law or resolution to be executed by some other Trustee, Officer or person. The Chair may also have such other duties and responsibilities as the Trustees may from time to time assign. The Chair may delegate to any other Trustee such of the Chair’s powers and functions in the general supervision of the business of the Authority as he or she may deem appropriate from time to time.

Section 4.3. Vice-Chair. The Vice Chair, who shall be a Trustee and shall be appointed by the Chair, shall in the absence or incapacity of the Chair, preside at meetings of the Trustees of the Authority and perform such other duties as shall have been delegated to the Chair.

Section 4.4. Chief Financial Officer. The Chief Financial Officer shall have general custody of all funds and securities of the Authority and have general supervision of the collection and disbursement of Authority funds and shall endorse on behalf of the Authority for collection checks, notes and other obligations, and shall deposit the same to the credit of the Authority in such bank or banks or depositories as the Trustees may designate, and shall perform such other duties as customarily pertain to such office and as may be assigned from time to time by the Chair, subject, however, at all times to the supervision and control of the Chair and subject further to any limitations which the Chair may from time to time prescribe.

Section 4.5. Secretary. The Secretary shall attend all meetings of the Trustees and act as Secretary thereof and record all votes and shall keep a record of the proceedings of the Trustees in a Minute Book to be kept for that purpose. The Secretary shall cause notice to be given of all meetings of the Trustees and shall be custodian of the records of the actions of the Trustees and shall keep in safe custody the seal of the Authority and shall have the authority to affix such seal to all documents and papers authorized to be executed by the Trustees or officers of the Authority requiring such seal to be affixed. The Secretary shall attest to the signatures of the Trustees and officers of the Authority and shall have the authority to cause copies to be made of all minutes, resolutions, records and documents of the Authority and to deliver certificates under seal to the effect that such copies are true and accurate and that all persons dealing with the

Authority may rely on same. The Secretary shall possess such powers and perform such other duties as customarily pertain to the office or may be from time to time assigned by the Chair, subject, however, at all times to the supervision, control of and any limitations prescribed by the Chair.

Section 4.6. Officers Holding Two or More Offices. Any two or more offices may be held by the same person, except as otherwise provided by law. No officer shall execute or verify any instrument in more than one capacity if such instrument be required by law or otherwise to be executed or verified by any two or more officers.

Section 4.7. Compensation of Officers. No officer of the Authority who is also serving as a trustee, director, member, public officer or employee of any public entity, including the Authority shall receive any additional compensation for services rendered to the Authority, other than reimbursement for actual and necessary expenses incurred in the performance of his or her official duties.

Section 4.8. Additional Personnel. The Chair may from time to time appoint additional persons, employees or officers as he or she may deem necessary to exercise the powers, duties and functions of the Authority as prescribed by law, including officers to serve as Treasurer, General Counsel or Assistant Secretary. For the purposes of these By-Laws and of any resolution of the Authority, unless otherwise provided by the Chair in a letter or certificate of appointment, any such Treasurer, General Counsel or Assistant Secretary may be referred to as "Officers". The selection, qualification, duties and compensation, if any, of such additional officers or employees shall be determined by the Chair, provided that the duties of any Assistant Secretary may include only those duties as may be assigned to the Secretary. The Chair shall report to the Trustees on the employment, qualification, duties and compensation, if any, of any such additional officers and employees.

Section 4.9. Long Island Power Authority. Any officer or employee of the Long Island Power Authority or the Long Island Lighting Company d/b/a LIPA may serve as an Officer or employee of the Authority.

Section 4.10. Outside Experts. Financial advisors, accountants, auditors, engineers, attorneys and other consultants may be retained on a contract basis or otherwise for rendering professional, technical, financial, legal or administrative services or advice by appointment of the Chair subject, except as may otherwise be provided in the Authority's procurement guidelines, to approval by resolution of the Trustees. Such outside experts shall perform their designated duties under the direct supervision of the Authority.

Section 4.11. Execution of Documents and Authorization of Payments. Except where otherwise specifically provided by resolution of the Authority for the purpose of executing any document other than notes or bonds of the Authority, each of the Officers shall be deemed an Authorized Signatory.

Any Officer shall have authority to make final certification and payment of all duly authenticated and authorized items of expenditures for payment from any Authority funds from whatever source derived, and, whenever the Chair is required to sign vouchers, requisitions and

other instruments made by the Authority, either the Chief Financial Officer or the Secretary shall approve the same for submission to the Chair for signature.

Except as otherwise provided by resolution of the Authority, any expenditure involving an estimated amount of one hundred thousand dollars (\$100,000) or more shall be authorized prior to its approval by no less than a majority of the Trustees; except that expenditures in excess of one hundred thousand dollars (\$100,000) related to the sale of the Authority's bonds and notes may be approved by any of the Chair or the Chief Financial Officer when the Trustees have adopted a bond or note resolution; and expenditures involving an estimated amount of less than one hundred thousand dollars (\$100,000) may be approved by any of the Chair or the Chief Financial Officer.

Section 4.12. Attestation of Execution of Notes and Bonds. For the purpose of attesting the execution of notes and bonds issued by the Authority, the Chair may designate any or all of the other Trustees, the Chief Financial Officer or the Secretary, as he or she may deem appropriate.

Section 4.13. Execution of Documents. An officer authorized to execute documents on behalf of the Authority may delegate that authority to any other Officer of the Authority, with the approval of the Chair. No additional approval is necessary if the delegating officer is the Chair.

Section 4.14. Custody of Seal. The Secretary shall keep the seal of the Authority in safe custody. Each officer of the Authority and any attorney in the regular employ of the Authority is empowered to affix the seal to all documents executed by the Authority.

ARTICLE V – COMMITTEES

Section 5.1. Committees. The Authority shall have a standing Finance and Audit Committee and a standing Governance Committee. So long as the Act provides that the Authority is to be governed by a Board of Trustees consisting of only three Trustees, all three Trustees shall sit on all standing committees. Members shall be appointed to or removed from the Authority's Committees by the Chair. The Chair of the Authority shall appoint the Chair of each Committee. The Chair of the Authority may appoint himself or herself as Chair of any or all Committees. The Chair shall file with the Secretary a letter evidencing such appointments or removals. A Committee, meeting in the absence of its Chair, may appoint a temporary Chair for such meeting. The Secretary of the Authority shall be the Secretary of the Committee unless a Committee designates otherwise. A majority (i.e. more than one-half) of all of the members of such committees shall constitute a quorum for the transaction of business or the exercise of any power or function of such committee.

Section 5.2. Other Committees. The Chair or the Trustees may appoint other committees which shall have and may exercise such powers as shall be authorized by the Chair or Trustees. For those Committees appointed by the Chair, notice of the purpose and scope of such committees will be provided to the Trustees.

Section 5.3. Finance and Audit Committee. The Finance and Audit Committee shall review and make recommendations to the Trustees as to the engagement of and compensation to be paid to the Authority's independent certified accountants and the Authority's general

accounting and internal control systems and policies and practices. The Finance and Audit Committee will have responsibility to directly oversee the performance of the audits performed by the Authority's independent accountants and to review the results of the annual internal control review and changes in accounting policies that may be required. The Finance and Audit Committee will present these results and changes with their recommendation to the Trustees. Any audit of the Authority by the State or any other agency which is conducted and results in the issuance of interim and/or formal reports shall also be reported to the Finance and Audit Committee for conveyance to the Trustees. The Finance and Audit Committee shall also review and make recommendations concerning the Authority's annual budget, the management and investment of all funds of the Authority, the Authority's financial and investment policies, and proposals for the issuance of debt by the Authority and make recommendations.

Section 5.4. Governance Committee. The purpose of the Governance Committee shall be to keep the Trustees informed of current best governance practices; to review corporate governance trends; to recommend updates to the Authority's corporate governance principles; to advise appointing authorities on the skills and experiences required of potential Authority members; to examine ethical and conflict of interest issues; to perform Trustee self-evaluations; and to recommend By-Laws which include rules and procedures for conduct of Trustee business.

ARTICLE VI – FISCAL MANAGEMENT

Section 6.1. Fiscal Year. The Trustees shall have the power to fix, and may from time to time change by resolution, the fiscal year of the Authority. Unless otherwise fixed by the Trustees, the calendar year shall be the fiscal year. The fiscal year of the Authority shall commence January 1 of each calendar year and conclude December 31 of the same calendar year.

Section 6.2. Annual Budgets and Reports. The Trustees shall annually adopt a budget for the Authority. As prescribed by Public Authorities Law Section 2800, the Authority shall submit and make available an annual report, within ninety days after the end of its fiscal year. Such annual report shall be approved by the Board of Trustees and certified in writing by the Chair and the Chief Financial Officer in accordance with Public Authorities Law Section 2800(3).

Section 6.3. Disbursement of Funds. The Trustees, except as otherwise provided in these By-Laws, may authorize any officer, person or other employee to execute any requisition, voucher, draft or check for the disbursement or transfer of funds of the Authority.

ARTICLE VII – AMENDMENTS

Section 7.1. Amendment of By-Laws. These By-Laws may be amended by resolution duly adopted at any meeting, provided that notice of intention to present such resolution shall be given at least two days in advance of the meeting at which the motion to adopt such resolution is made. Such notice may be given by any manner, including orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notice of motions to amend motions to amend the By-Laws need not be given.

ARTICLE VIII – SUSPENSION OF BY-LAWS

Section 8.1. Suspension of By-Laws. Any and all of the provisions of the By-Laws may be suspended by unanimous consent of the Trustees constituting a quorum present at any meeting of the Authority.

ARTICLE IX – INDEMNIFICATION OF TRUSTEES, OFFICERS AND EMPLOYEES

Section 9.1. Purpose and Definitions. The purpose of this Article is to provide for indemnification of Trustees, Officers and employees of the Authority so as to encourage the service of the most competent and civic-minded persons to effectuate the purposes of the Act. In this Article, the following terms shall have the meanings indicated below:

(1) “action or proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, defense, settlement and appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative;

(2) “party to an action or proceeding” means a person made, or threatened to be made, a defendant or respondent or otherwise a party in an action or proceeding, and includes a person called upon, voluntarily or by subpoena, to give testimony, produce documents or respond to interrogatories in connection with any action or proceeding;

(3) “Trustee” means each Trustee of the Authority appointed pursuant to the Act, including the Trustee designated as Chair;

(4) “Officer” means each officer of the Authority holding office pursuant to the Act and these By-Laws;

(5) “employee” means each employee of the Authority who is not also a Trustee or Officer;

(6) “Trustee,” “Officer” and “employee” of the Authority each includes persons who formerly served in such capacity and the estates of deceased persons who had served in such capacity, and the legal or personal representative of such persons;

(7) “applicable standard of conduct” means that the Trustee, Officer or employee seeking to be indemnified hereunder acted (or omitted to take action) in good faith for a purpose which he or she reasonably believed to be in the best interests of the Authority and, in criminal actions or proceedings, had reasonable cause to believe his or her action or inaction was lawful; and in no case shall any acts or omissions by the Trustee, Officer or employee which may be determined to constitute negligence, recklessness, or gross negligence be deemed violative of the applicable standard of conduct. Furthermore, the termination of any action or proceeding by judgment, settlement, conviction or upon plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such Trustee,

Officer or employee did not act in accordance with the applicable standard of conduct.

Section 9.2. General Scope of Indemnification. The Authority hereby confers the benefits of Section 18 of the New York Public Officers Law (“POL § 18”) on the Authority’s Trustees, Officers and employees and agrees to be held liable for the costs thereof. Further, the Authority shall, to the fullest extent permitted by law, including, but not limited to, POL § 18, indemnify and hold harmless any person who becomes a party to an action or proceeding by reason of the fact that he or she is or was a Trustee, officer or employee of the Authority against judgments, penalties, amounts paid in settlement and reasonable expenses, including attorney’s fees actually and necessarily incurred as a result thereof, unless the conduct of such Trustee, officer or employee in the matters at issue in such action or proceeding is found by a final judgment of a court of applicable jurisdiction, in the manner prescribed in the Article, not to have met the applicable standard of conduct. Neither the failure of the Authority (including its Trustees or counsel) to have made a determination that the person seeking indemnification or advancement of expenses is entitled to indemnification or advancement of expenses in the circumstances nor an actual determination by the Authority (including its Trustees or independent legal counsel) that the person seeking indemnification or advancement of expenses is not so entitled shall be a defense to an action or create a presumption that the person seeking indemnification or advancement of expenses is not so entitled.

Section 9.3. Representation of Persons Indemnified. Where not otherwise inconsistent with law, the Authority may, either by its own in-house counsel or by outside counsel of its choice, assume the representation of any person entitled to indemnification by the Authority who becomes a party to an action or proceeding, except in situations in which the Authority’s Chair or counsel determines that it is a conflict or otherwise inappropriate or inadvisable for such person to be represented by counsel chosen by the Authority. In the event that the Authority does not assume such representation, such person shall have the right to engage private counsel of his or her choice and the Authority shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article; provided however, that the Authority as a condition to such indemnification for the cost of private counsel may, and where the Attorney General has so required as a condition to indemnification by the State of New York shall, require appropriate groups of persons to be represented by the same counsel except when there is a conflict.

Section 9.4. Advances of Expenses. (a) Trustee, officer or employee who becomes a party to an action or proceeding may request that the Authority advance expenses pending the final disposition of such action or proceeding. Upon such request, the Authority shall promptly pay, from time to time in advance of the final disposition of the action or proceeding, reasonable expenses as described in Section 9.2 incurred by such Trustee, officer or employee in connection with such action or proceeding.

(b) The Authority shall require each person receiving amounts under paragraph (a) of this Section 9.4 to agree in writing that the same shall be repaid if the person receiving such advance is ultimately found not to be entitled to indemnification, or to the extent the expenses so advanced by the Authority exceed the indemnification to which he or she is ultimately found to be entitled.

Section 9.5. Indemnification on Final Disposition. (a) A person who has been wholly successful, on the merits or otherwise, in the defense of an action or proceeding shall be deemed to have met the applicable standard of conduct and shall be entitled to indemnification against reasonable expenses as described in Section 9.2, and the Authority shall make such indemnification without necessity for any authorization, findings or other action by the Trustees prior to such indemnification (b) A Trustee, officer or employee who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: (i) if there is a quorum of Trustees who are not parties to such action or proceeding, the Authority shall make a finding as to whether the requesting Trustee, officer or employee has met the applicable standard of conduct; or (ii) if such a quorum of Trustees is not obtainable with due diligence, the Authority shall obtain an opinion in writing of outside legal counsel as to whether such standard of conduct has been met by the requesting Trustee, officer or employee. If a quorum of Trustees makes such finding or outside legal counsel gives such opinion, the Authority shall authorize, and the Authority shall make, indemnification as provided in Section 9.2, upon a determination by the Trustees (or a person or body designated by the Trustees) that expenses sought be to indemnified were reasonable and actually and necessarily incurred as a result of the action or proceeding, and that any amounts paid in settlement (unless approved by the Trustees prior to such settlement) were reasonable in the circumstances.

Section 9.6. Insurance. The Authority may purchase and maintain insurance, at its expense, to protect itself and any Trustee, officer or employee of the Authority against any expense, liability or loss sought to be indemnified, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article.

Section 9.7. Applicability of this Article. (a) This Article is to be construed liberally in favor of each Trustee, officer or employee to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such Trustee, officer or employee.

(b) The provisions of this Article shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance.

(c) The provisions of this Article shall be in addition to and shall not supplant any indemnification by the State heretofore or hereafter conferred upon any Trustee, officer or employee by the Act, by applicable provisions of the Public Officers Law, or otherwise. The indemnification hereby granted by the Authority shall be in addition to and not in restriction or limitation of any other privilege or power which the Authority may lawfully exercise with respect to the indemnification or reimbursement of Trustees, Officers or employees.

(d) Unless and until this Article shall be amended, supplemented or repealed in accordance with Article IX, including, without limitation, paragraph (e) below, the provisions of this Article shall constitute a contract between the Authority and each Trustee, officer or employee for indemnification in accordance with the provisions of this Article, which contract shall survive the termination of the term of service of such Trustee, officer or employee. In the event that any Trustee, officer or employee shall be aggrieved by a determination of the

Authority or the Trustees or outside counsel made under this Article, or by a failure of the Authority or Trustees to act as provided herein, he or she shall be entitled to seek appropriate relief against the Authority in any court of competent jurisdiction within the State of New York in accordance with the standards for indemnification set forth herein.

(e) This Article shall be applicable to any claim for indemnification made after its adoption as a Bylaw of the Authority, whether the action or proceeding to which such claim relates commenced, or the matters at issue therein occurred, before or after the adoption of this Article. It is contemplated that no subsequent amendment, supplement or repeal of this Article which deprives a Trustee, officer or employee of any substantial right or benefit conferred herein will be made applicable with respect to any claim for indemnification arising out of conduct of such Trustee, officer or employee occurring or alleged to have occurred after the adoption of this Article and prior to such amendment, supplement or repeal.

(f) The provisions of this Article are severable, and if any section, provision, or clause of this Article or the application thereof to any person or circumstances is held unconstitutional or invalid in whole or in part by any court of competent jurisdiction, such holding of unconstitutionality or invalidity shall in no way affect or impair any other section, provision or clause of this Article or the application of any such provision to such person or circumstances or to any other person or circumstance; and the Authority shall nevertheless indemnify each Trustee, officer or employee to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated, or by any other applicable law.

ARTICLE X – MISCELLANEOUS

Section 10.1. Activities Limited. The activities of the Authority shall be limited to issuing and servicing restructuring bonds and related activities in accordance with the Act.

Section 10.2. Severability. In case any one or more of the provisions of these By-Laws shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of these By-Laws and the By-Laws shall be construed as if such illegal or invalid provisions had not been contained herein.

Section 10.3. Governing Law. These By-Laws shall be construed and enforced in accordance with the substantive laws of the State of New York.