

## **FOR CONSIDERATION**

July 26, 2017

**TO:** The Finance and Audit Committee of the Board of Trustees

**FROM:** Thomas Falcone

**REQUEST:** Recommendation for Authorizations Related to General Revenue Notes

---

### Requested Actions

*Recommendation for Board Approval of Selection of Banks pursuant to Request for Proposals.*

The Authority has various Letter of Credit (“LOC”) facilities supporting outstanding bonds expiring at the end of 2017.

The Authority issued a Request for Proposals for Letter of Credit Facilities, Direct Placement Floating Rate Notes and Revolving Credit Agreements (the “Bank Facilities RFP”) that was sent to 29 institutions in May 2017. Seven proposals were received. A selection committee consisting of three Authority staff, with the assistance of the Authority’s financial advisor, reviewed these proposals and concluded that the Authority should accept the LOC proposals in support of General Revenue Notes of (i) Citibank, N.A., \$100 million, (ii) Royal Bank of Canada (“RBC”), \$200 million, (iii) State Street Bank and Trust, \$100 million, and (iv) Barclays Bank PLC, \$100 million. The committee recommends that the facilities currently provided by TD Bank, N.A. (\$200 million) and U.S. Bank National Association (\$100 million) remain in effect.

The Authority will be entering into new agreements with such banks, which agreements shall be substantially similar to the agreements previously entered into by the Authority in relation to other letters of credit supporting its General Revenue Notes.

*Recommendation for Board Adoption of Amended and Restated Nineteenth Supplemental Resolution.*

The Twenty-Third Supplemental Bond Resolution adopted by the Authority on August 6, 2014 authorizes the issuance of General Revenue Notes with maturity dates of not more than five years and not less than 271 days after the respective dates of issuance thereof. At the time the Twenty-Third Supplemental Bond Resolution was adopted, the Authority’s General Bond Resolution specified that 271 days was the shortest permitted maturity for senior lien bonds or notes issued thereunder. The Authority has obtained consents from sufficient bondholders to amend the General Bond Resolution, consistent with the terms of the Twenty-Second Supplemental Resolution adopted by the Authority on August 6, 2014, so that senior lien bonds or notes can be issued under the General Bond Resolution with maturities of less than 271 days. We plan to submit the necessary documentation and notices under the General Bond Resolution to effectuate such amendment. Making this change will facilitate the issuance of General Revenue Notes on more favorable terms.

The Committee is requested to recommend that the full Board adopt an amended Twenty-Third Supplemental Bond Resolution (the “Amended Twenty-Third Supplemental Resolution”) which, upon the effectiveness of the amendment to the General Bond Resolution, would no longer require that the General Revenue Notes mature not less than 271 days from their date of issuance. The requirement that such Notes mature not later than five years from date of issuance would remain.

The Twenty-Third Supplemental Resolution will also make other miscellaneous changes to the existing Twenty-Third Supplemental Resolution, including reflecting the additional permitted use of General Revenue Note proceeds, adopted by the Board on May 18, 2016.

*Issuance of Additional Series of General Revenue Notes.*

The Authority has determined that it can issue commercial paper notes on more favorable terms if such notes are issued under the General Bond Resolution, rather than the Subordinated Bond Resolution. Accordingly, the Authority proposes to increase the principal amount of General Revenue Notes in lieu of issuing subordinated commercial paper notes pursuant to its Fourth Supplemental Subordinated Revenue Bond Resolution. In connection with such increase, the Authority proposes to convert the two existing commercial paper series issued under the subordinate lien into senior lien General Revenue Notes and enter into a Dealer Agreement with Barclays Bank PLC to serve as the dealer on the series of Notes where Barclays Bank PLC also provides the letter of credit. All of the dealers, including Barclays, were selected pursuant to a competitive procurement in 2015.

The issuance of additional series of General Revenues Notes and the amendment of the Twenty-Third Supplemental Resolution as described above will require the execution of new or amended offering memorandums or other disclosure documents, Issuing and Paying Agency Agreements, Dealer Agreements, and other instruments.

Recommendation

Based upon the foregoing, I recommend that the Trustees adopt the attached resolutions.

Attachments

- Exhibit A Resolution Approving the Selection of Certain Banks and the Execution and Delivery of Certain Agreements Providing For the Issuance of Letters of Credit to Secure Electric System General Revenue Notes, the Amendment of the Twenty-Third Supplemental Bond Resolution Relating to the Issuance of Electric System General Revenue Notes, and the Issuance of Additional Series of General Revenue Notes
- Exhibit B Amended Twenty-Third Supplemental Bond Resolution

**RESOLUTION RECOMMENDING APPROVAL BY THE BOARD OF TRUSTEES OF THE SELECTION OF CERTAIN BANKS AND THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS PROVIDING FOR THE ISSUANCE OF LETTERS OF CREDIT TO SECURE ELECTRIC SYSTEM GENERAL REVENUE NOTES, THE AMENDMENT OF THE TWENTY-THIRD SUPPLEMENTAL BOND RESOLUTION RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE NOTES, AND THE ISSUANCE OF ADDITIONAL SERIES OF GENERAL REVENUE NOTES**

---

WHEREAS, on May 13, 1998 Long Island Power Authority (the “Authority”) adopted its Electric System General Revenue Bond Resolution (the “General Resolution”), which authorizes bonds, notes or other evidences of indebtedness of the Authority as special obligations of the Authority for any lawful purpose of the Authority; and

WHEREAS, pursuant to the Authority’s Request for Proposals for Letter of Credit Facilities, Direct Placement Floating Rate Notes and Revolving Credit Agreements (the “Bank Facilities RFP”), the Authority has received proposals from a number of banks to enter into lines of credit, revolving credit agreements or other credit facilities or to issue letters of credit in support of the Authority’s bonds and notes and, based on such proposals, the staff selection committee has recommended that the Authority accept proposals (i) from Citibank, N.A. to provide a letter of credit to support \$100 million principal amount of General Revenue Notes, (ii) from Royal Bank of Canada to provide a letter of credit to support \$200 million principal amount of General Revenue Notes, (iii) from State Street Bank and Trust Company to provide a letter of credit to support \$100 million principal amount of General Revenue Notes, and (iv) from Barclays Bank PLC to provide a Letter of Credit to support \$100 million principal amount of General Revenue Notes (such proposals being referred to hereinafter as the “Selected Proposals” and the banks making such proposals are referred to hereinafter as the “Selected Banks”); and

WHEREAS, on August 6, 2014, the Authority adopted its Twenty-Third Supplemental Electric System General Revenue Bond Resolution (the “Twenty-Third Supplemental Resolution”) which authorizes the issuance of Electric System General Revenue Notes (“Revenue Notes) with maturity dates not more than five years and not less than 271 days after the respective dates of issuance thereof; and

WHEREAS, the Authority has obtained consents from sufficient bondholders to amend the General Bond Resolution, consistent with the terms of the Twenty-Second Supplemental Resolution adopted by the Authority on August 6, 2014, so that once such amendment is effectuated, senior lien bonds or notes can be issued under the General Bond Resolution with maturities of less than 271 days; and

WHEREAS, the Authority wishes to amend the Twenty-Third Supplemental Bond Resolution (as so amended, the “Amended Twenty-Third Supplemental Bond Resolution”) to permit Revenue Notes to mature less than 271 days from their date of issuance and to make certain other amendments thereto; and

WHEREAS, on August 6, 2014, the Authority adopted its Fourth Supplemental Subordinated Revenue Bond Resolution (the “Fourth Supplemental Subordinated Resolution”) which authorizes the issuance of Commercial Paper Notes (“Subordinated Notes”) as subordinated indebtedness under the Authority’s Electric System General Subordinated Revenue Bond Resolution; and

WHEREAS, the Authority anticipates that, following the issuance of Revenue Notes secured by the additional Letters of Credit described above, the Authority will no longer issue Subordinated Notes pursuant to the Fourth Supplemental Subordinated Resolution; and

WHEREAS, in connection with the issuance of Revenue Notes secured by the additional Letters of Credit described above, the Authority will require the services of one or more additional Broker-Dealers; and

WHEREAS, the Authority has determined to enter into Dealer Agreement with Barclays Bank PLC in order to provide Broker-Dealer services in connection with the issuance of Revenue Notes;

NOW, THEREFORE, BE IT RESOLVED THAT THE FINANCE AND AUDIT COMMITTEE RECOMMENDS THAT THE BOARD APPROVE RESOLUTIONS IN SUBSTANTIALLY THE FOLLOWING FORMS:

1. The Trustees hereby approve the Selected Banks and the Chief Executive Officer, Chief Financial Officer, Managing Director of Finance, General Counsel and Secretary and Controller (the “Authorized Officers”) are, and each of them hereby is, authorized to enter into reimbursement or other agreements with the Selected Banks in connection with the Revenue Notes, which agreements shall be substantially similar to such agreements previously entered into by the Authority in relation to other letters of credit supporting Revenue Notes, with such changes and additions to and omissions from such prior agreements as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval.

2. The Amended Twenty-Third Supplemental Bond Resolution, in the form presented to this meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Authorized Officers are each hereby authorized to deliver such Amended Twenty-Third Supplemental Bond Resolution to The Bank of New York Mellon, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Authorized Officers, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby

3. Each Authorized Officer is hereby authorized and directed to enter into a Dealer Agreement with Barclays Bank PLC, such Dealer Agreement to be substantially in the form of the agreements previously entered into in connection with the Revenue Notes.

4. Each Authorized Officer is hereby authorized and directed to execute and deliver any and all documents, including but not limited to the execution and delivery of one or more offering memorandums or other disclosure documents, Issuing and Paying Agency

Agreements, Dealer Agreements, and other instruments and to do and cause to be done any and all acts necessary or proper in order to issue series of Revenue Notes from time-to-time pursuant to the terms of the Twenty-Third Supplemental General Resolution, as amended, and this resolution.

5. This resolution shall take effect immediately.

**LONG ISLAND POWER AUTHORITY**

---

**TWENTY-THIRD SUPPLEMENTAL ELECTRIC SYSTEM**

**GENERAL REVENUE BOND RESOLUTION**

**authorizing**

**ELECTRIC SYSTEM GENERAL REVENUE NOTES**

---

**Adopted August 6, 2014, as amended on July \_\_, 2017**

---

---

**TABLE OF CONTENTS**

Page

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

Section 1.01. Supplemental Resolution; Authority.....1  
Section 1.02. Definitions.....1

**ARTICLE II**

**AUTHORIZATION OF REVENUE NOTES**

Section 2.01. Authorization of Issuance of Revenue Notes.....5  
Section 2.02. Purposes of Revenue Notes .....5  
Section 2.03. Terms Applicable to Revenue Notes .....5  
Section 2.04. Execution and Authentication of Revenue Notes .....6  
Section 2.05. Transfer of Revenue Notes .....7  
Section 2.06. Book-Entry-Only System of Revenue Note Registration.....8  
Section 2.07. Non-Presented Revenue Notes .....9  
Section 2.08. Forms of Revenue Notes.....10  
Section 2.09. Revenue Notes Mutilated, Lost, Destroyed or Stolen.....10

**ARTICLE III**

**ISSUANCE AND SALE OF REVENUE NOTES**

Section 3.01. Issuance and Sale of Revenue Notes .....11  
Section 3.02. Application of Revenue Note Proceeds .....12  
Section 3.03. Authorization of Sale and Distribution of Offering Memorandum .....12  
Section 3.04. Certain Findings and Determinations .....13

**ARTICLE IV**

**NOTE CREDIT FACILITY AND PARITY  
REIMBURSEMENT OBLIGATIONS**

Section 4.01. Special Provisions Relating to Note Credit Facilities.....15

**ARTICLE V**

**DEALER AGREEMENTS; ISSUING AND PAYING AGENCY AGREEMENT;  
RESPONSIBILITIES OF ISSUING AND PAYING AGENT**

Section 5.01. Dealer Agreements; Dealers .....17  
Section 5.02. Issuing and Paying Agent .....17

Section 5.03. Responsibilities of the Issuing and Paying Agent With Respect to Note Credit Facility .....	17
--	----

ARTICLE VI

COVENANTS

Section 6.01. Rate Covenants .....	19
Section 6.02. Tax Covenants .....	19
Section 6.03. Agreement of the State.....	19
Section 6.04. Miscellaneous Additional Covenants .....	20

ARTICLE VII

MISCELLANEOUS

Section 7.01. Additional Events of Default .....	21
Section 7.02. Termination of Revenue Notes Program .....	21
Section 7.03. Supplemental Resolutions.....	21
Section 7.04. Authorized Representative.....	21
Section 7.05. Severability of Invalid Provisions.....	21
Section 7.06. Payment and Performance on Business Days.....	21
Section 7.07. Effective Date .....	22

## TWENTY-THIRD SUPPLEMENTAL SUBORDINATED RESOLUTION

BE IT RESOLVED by the Trustees of the Long Island Power Authority as follows:

### ARTICLE I

#### DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Supplemental Resolution; Authority. This resolution (“Supplemental Resolution”) is supplemental to, and is adopted in accordance with Articles II and VIII of, a resolution adopted by the Authority on May 13, 1998, entitled “Electric System General Revenue Bond Resolution,” as heretofore supplemented (“General Resolution”), and is adopted pursuant to the provisions of the Act.

Section 1.02. Definitions. (a) All terms which are defined in Section 101 of the General Resolution (including by cross-reference to Section 101 of the Resolution) shall have the same meanings for purposes of this Supplemental Resolution, unless otherwise defined herein.

(b) In this Supplemental Resolution, the following terms shall have the following meanings unless the context otherwise requires:

(1) “**2014 Subordinated Commercial Paper Notes**” shall mean the Authority’s Commercial Paper Notes, Series CP 2014 authorized by the Fourth Supplemental Subordinated Resolution authorizing Commercial Paper Notes, Series CP 2014 adopted by the Authority on August 6, 2014;

(2) “**Amendment Effective Date**” shall mean, with respect to any series of Revenue Notes, the date on which the Authority elects to first issue Revenue Notes of such series with a maturity of less than 271 days, which date shall be evidenced by delivery of a written notice signed by an Authorized Representative to the Trustee and shall be a date on or after the date on which the amendments to the Resolution set forth in clause (a) of Section 307 of the Twenty-Second Supplemental Electric System General Revenue Bond Resolution adopted on August 6, 2014 take effect.

(3) “**Business Day**” shall have the meaning given to such term in the Note Credit Facility or the agreement providing for the delivery of such Note Credit Facility;

(4) “**Certificate of Determination**” means a certificate of an Authorized Representative of the Authority fixing terms, conditions and other details of the Revenue Notes (or any Series thereof) in accordance with Article II hereof;

(5) “**Code**” shall mean the Internal Revenue Code of 1986, as amended, or any successor thereto;

(6) “**Dealer**” means any of the dealers appointed pursuant to Section 5.01 hereof or any additional dealer or any successor entity or entities thereto which may be

appointed as a Dealer hereunder by the Authority (all such dealers collectively, the “Dealers”);

(7) “**Dealer Agreement**” means any dealer agreement authorized by Section 5.01 hereof, as the same may be amended or supplemented from time to time, or any other dealer agreement which the Authority determines to be in replacement thereof as may be entered into by the Authority from time to time with respect to the Revenue Notes (collectively, the “Dealer Agreements”);

(8) “**Draw**” means any drawing by the Authority or Issuing and Paying Agent on a Note Credit Facility; “Drawn” means at any time any Draw theretofore made; and “Drawable” means at any time any Draw that thereafter may be made;

(9) “**Existing Commercial Paper Notes**” means the Commercial Paper Notes, Series CP-1 through CP-3 issued from time to time under the Third Supplemental Subordinated Resolution and the applicable reimbursement agreements of the Authority entered thereunder;

(10) “**Holder,**” or “**Noteholder**” or any similar term, when used with reference to a Revenue Note, means any person who is in possession of any Revenue Note drawn, issued or endorsed to such person or to the order of such person or to bearer or in blank; provided, however, that “Holder” when used with reference to Revenue Notes issued through a Securities Depository and evidenced by a Master Note, shall mean the registered owner of such Master Note as shown on the books of the Issuing and Paying Agent kept pursuant to Section 2.06 hereof;

(11) “**Issuance Request**” shall have the meaning set forth in Section 3.01(c) hereof;

(12) “**Issuing and Paying Agency Agreement**” means the Issuing and Paying Agency Agreement authorized hereunder between the Authority and the Issuing and Paying Agent, as the same may be amended and supplemented from time to time, or any other issuing and paying agency agreement which the Authority determines to be in replacement thereof as may be entered into by the Authority from time to time with respect to Revenue Notes;

(13) “**Issuing and Paying Agent**” means The Bank of New York Mellon, the Trustee, Registrar and Paying Agent under the Subordinated Resolution, or any other institution, appointed by the Authority pursuant to Section 5.02 hereof to serve as Issuing and Paying Agent in accordance with the Issuing and Paying Agency Agreement, or any successor thereto pursuant to this Supplemental Resolution and the Issuing and Paying Agency Agreement;

(14) “**Master Note**” means any Commercial Paper Master Note Depository Trust Company form, or comparable form, by and between the Authority and the Issuing and Paying Agent evidencing the issuance of Revenue Notes by the Authority from time to time;

(15) “**Note Credit Facility**” means, with respect to the Revenue Notes of any Series, a Credit Facility supporting such series of Revenue Notes;

(16) “**Note Credit Facility Amount**” means at any time the maximum amount that may be Drawn upon under a Note Credit Facility;

(17) “**Note Credit Facility Provider**” means the provider or, collectively, providers of a Note Credit Facility;

(18) “**Offering Memorandum**” or “**Offering Memoranda**” means the offering memorandum, offering memoranda or other disclosure document prepared in connection with the issuance and sale of any Revenue Notes by the Authority and any supplements or additions to such document or documents as may be necessary from time to time in connection with the issuance and sale of Revenue Notes;

(19) “**Purchase Price**” means the price at which Revenue Notes subject to mandatory tender for purchase are to be purchased as provided in the Certificate of Determination;

(20) “**Reimbursement Agreement**” means an agreement providing for the delivery of a Note Credit Facility and reimbursement of any Draw thereunder;

(21) “**Revenue Notes**” means the Electric System General Revenue Notes issued from time to time under this Supplemental Resolution;

(22) “**Revolving Credit Agreement**” means the Credit Agreement entered into as of March 1, 2013, by and among Authority, the several financial institutions from time to time party thereto as Lenders and Toronto Dominion (Texas) LLC, as Administrative Agent, as such agreement may be amended from time to time, or any revolving credit agreement or agreements designated to be a successor thereto by the Authority’s Chief Executive Officer, Chief Financial Officer, Treasurer or any other Authorized Representative;

(23) “**Revolving Credit Available Amount**” means the principal amount outstanding or available to be borrowed under the Revolving Credit Agreement;

(24) “**Securities Depository**” means The Depository Trust Company, or any other Holder of a Revenue Note acting as a central securities depository for the Revenue Notes or a portion of the Revenue Notes, as authorized pursuant to Section 2.06 of this Supplemental Resolution, and its successors and assigns, or if any Securities Depository resigns from its function as depository of the Revenue Notes, any other securities depository which agrees to follow the procedures required to be followed by the Securities Depository hereunder in connection with the Revenue Notes or such portion of the Revenue Notes, and which is selected by the Authority;

(25) “**Termination Date**” means the date on which a Note Credit Facility expires in accordance with the terms thereof; and

(26) **“Third Supplemental Subordinated Resolution”** means the Third Supplemental Subordinated Resolution authorizing the Existing Commercial Paper Notes and all certificates of determination delivered thereunder.

(c) In this Supplemental Resolution, unless a different meaning clearly appears from the context:

(1) The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, “hereinafter”, and any similar terms, refer to this Supplemental Resolution, and the term “hereafter” means after the date of adoption of this Supplemental Resolution;

(2) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number include the plural number and vice versa, and words importing persons include firms, associations and corporations; and

(3) Any headings preceding the texts of the several Articles and Sections of this Supplemental Resolution, and any table of contents shall be solely for convenience of reference and shall not constitute a part of this Supplemental Resolution, nor shall they affect its meaning, construction or effect.

## ARTICLE II

### AUTHORIZATION OF REVENUE NOTES

Section 2.01. Authorization of Issuance of Revenue Notes. There is hereby authorized to be issued for the purposes set forth in Section 2.02 hereof a Series of Bonds which shall be designated as “Electric System General Revenue Notes, Series 201\_” and which shall be entitled to the benefits, protection and security of the General Resolution. The aggregate principal amount of the Revenue Notes shall be determined by an Authorized Representative, subject to the terms of Section 3.01 hereof. Subject to Section 7.03 hereof, the aggregate principal amount of all (i) Revenue Notes, (ii) Existing Commercial Paper Notes and (iii) 2014 Subordinated Commercial Paper Notes outstanding at any time, together with the Revolving Credit Available Amount, shall not exceed \$1,000,000,000. For purposes of the foregoing sentence, no Revenue Note, Existing Commercial Paper Note or 2014 Subordinated Commercial Paper Note shall be deemed to be outstanding on its date of maturity to the extent that the proceeds of one or more Revenue Notes, Existing Commercial Paper Notes or 2014 Subordinated Commercial Paper Notes or proceeds of a borrowing under the Revolving Credit Agreement are available to be used to pay such Revenue Note, Existing Commercial Paper Note or 2014 Subordinated Commercial Paper Note on such day. In addition, no Revenue Note, Existing Commercial Paper Note or 2014 Subordinated Commercial Paper Note shall be deemed outstanding hereunder if sufficient funds for the payment of such Commercial Paper Note, Existing Commercial Paper Note or 2014 Subordinated Commercial Paper Note are held by the issuing and paying agent for the payment of such Holders of such Commercial Paper Note, Existing Commercial Paper Note or 2014 Subordinated Commercial Paper Note on the maturity date thereof. The Revenue Notes shall otherwise be subject to the terms, conditions and limitations provided or referred to herein, in the General Resolution, in the Issuing and Paying Agency Agreement and in the Act. The Authority may create additional series or designate and redesignate the Revenue Notes in such a manner as may be determined by an Authorized Representative. On and after such date as may be specified in a Certificate of Determination, no additional Existing Commercial Paper Notes shall be issued.

Section 2.02. Purposes of Revenue Notes. The purposes for which the Revenue Notes are to be issued include such of the following as shall be specified by the applicable Certificate of Determination: (i) to pay or reimburse the Authority or Subsidiary for Costs of System Improvements, (ii) to pay or reimburse the Authority or Subsidiary for Operating Expenses, (iii) to pay or to reimburse the Authority or Subsidiary for any amounts due under any Financial Contract entered into in connection with the Revenue Notes, (iv) to refund Revenue Notes or repay any amount drawn under a Note Credit Facility to pay Revenue Notes, (v) to refund borrowings under the Revolving Credit Agreement, (vi) to refund 2014 Subordinated Commercial Paper Notes or to repay any amount drawn under a credit facility to pay 2014 Subordinated Commercial Paper Notes, (vii) to pay fees and expenses incurred in conjunction with each of the foregoing and the issuance of the Revenue Notes, (viii) refunding or redeeming outstanding bonds and notes of the Authority, and ~~(viii)~~(ix) such other purposes as may be specified by subsequent Authority resolution. The proceeds of the sale of Revenue Notes shall be deposited and applied in accordance with a Certificate of Determination and Section 3.02 hereof.

Section 2.03. Terms Applicable to Revenue Notes. (a) Subject to the conditions and limitations contained herein, Revenue Notes (i) shall be dated the date of their delivery from

time to time hereunder, (ii) shall mature on such dates, bear interest at such rates and be payable at such times as shall be determined by an Authorized Representative; provided that (A) prior to the Amendment Effective Date, the term of any Revenue Note of the related series shall not be less than 271 days or more than five years from the date of its issue, and, following the Amendment Effective Date, the term of any Revenue Note of the related series shall not be more than five years from the date of its issue or such shorter maximum term as may be specified in the applicable Certificate of Determination and (B) no Revenue Note shall bear interest at a rate in excess of fifteen percent (15%) per annum, (iii) shall be issued in (A) bearer form or (B) registered form as issued through the book-entry system of a Securities Depository, as shall be determined by an Authorized Representative, (iv) shall be issued in the denomination of \$100,000 or any integral multiple thereof as determined by an Authorized Representative, (v) shall be numbered consecutively from 1 upwards in order of their issuance, prefixed by the applicable designation to identify the appropriate series (e.g., 2014-A-1) and may bear such other or alternative identification as an Authorized Representative may deem appropriate and (vi) shall be subject to redemption prior to maturity to the extent so determined by an Authorized Representative.

(b) Prior to the Amendment Effective Date, each Revenue Note of a series shall be subject to mandatory tender by the Holders thereof on a date or dates (collectively, the “Mandatory Tender Date”) selected by the Authority at the time of its issuance. The Mandatory Tender Date shall be no earlier than one day and no greater than 270 days from the date of issuance of the applicable Revenue Note and shall not be later than a date which is two Business Days prior to the Termination Date of the Note Credit Facility, if any, relating to such Revenue Note in effect at the time that such Revenue Note is issued. Any mandatory tender shall be subject to the terms and limitations set forth in the applicable Certificate of Determination and Note Credit Facility. The Purchase Price due on any Mandatory Tender Date shall be payable solely from the proceeds of Revenue Notes, 2014 Subordinated Commercial Paper Notes, borrowings under the Revolving Credit Agreement, other borrowing of the Authority or amounts drawn on a Note Credit Facility, as shall be set forth in the applicable Certificate of Determination.

(c) Both principal and interest on Revenue Notes and the Purchase Price of any Revenue Notes payable on the Mandatory Tender Date shall be payable in any coin or currency of the United States of America which shall then be legal tender for the payment of public and private debts. Except in the case of book-entry-only Revenue Notes, principal of and interest on Revenue Notes shall be payable upon presentation and surrender thereof at the Principal Office of the Issuing and Paying Agent in New York, New York.

(d) Interest on Revenue Notes shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed to the dates on which Revenue Notes mature or are subject to mandatory tender or shall be calculated on the basis of a 360 day year of either twelve 30 day months or for the actual number of days elapsed to the dates on which Revenue Notes mature or are subject to mandatory tender all as shall be specified in the applicable Certificate of Determination.

Section 2.04. Execution and Authentication of Revenue Notes. Each Authorized Representative hereby is authorized and directed to execute by his or her manual or facsimile signature the Revenue Notes in the name of the Authority, and the corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon. In case any such

Authorized Representative who shall have signed the Master Note issued through a Securities Depository or any Revenue Notes not issued through a Securities Depository shall cease to be such Authorized Representative before the Master Note shall have been executed by the Issuing and Paying Agent or the Revenue Notes shall have been authenticated by the Issuing and Paying Agent, the Revenue Notes may nevertheless be issued as though the person who signed such notes had not ceased to be such Authorized Representative.

In the event the Revenue Notes are issued through a Securities Depository, the Issuing and Paying Agent is hereby authorized (1) to execute by manual signature the Master Note and deliver the same to a Securities Depository or any agent designated by a Securities Depository upon the order of an Authorized Representative and (2) to proceed with the issuance of additional obligations under the Master Note in such amounts, at such times and pursuant to such terms as the Authority's Chief Executive Officer, Chief Financial Officer, General Manager, Controller or any other Authorized Representative shall specify in accordance with the terms of the Issuing and Paying Agency Agreement and the applicable Dealer Agreement. Such directions may be given only by written instruction to the Issuing and Paying Agent, either in hard copy or via Electronic Means (as such term is defined in the applicable Issuing and Paying Agency Agreement), in accordance with the terms of the Issuing and Paying Agency Agreement.

In the event the Revenue Notes are not issued through a Securities Depository, the Issuing and Paying Agent is hereby authorized to authenticate by manual or facsimile signature the Revenue Notes and deliver the same to the purchasers upon the order of an Authorized Representative, in such amounts, at such times, and in either bearer or registered form, in each case as the Issuing and Paying Agent shall be directed by Authority's Chief Executive Officer, Chief Financial Officer, General Manager, Controller or any other Authorized Representative in accordance with the terms of the Issuing and Paying Agency Agreement and the applicable Dealer Agreement. Such directions may be given only by written instruction to the Issuing and Paying Agent, either in hard copy or via Electronic Means, in accordance with the terms of the Issuing and Paying Agency Agreement.

#### Section 2.05. Transfer of Revenue Notes.

(1) Bearer Notes. In the case of bearer Revenue Notes, the Authority and the Issuing and Paying Agent may treat the Holder of any Revenue Note as the absolute owner of such Revenue Note for the purpose of receiving payment thereof and for all other purposes, and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice or knowledge to the contrary.

(2) Registered Notes. (a) In the case of registered Revenue Notes, each Revenue Note shall be transferable only upon the books of the Issuing and Paying Agent, which shall be kept for that purpose at the Principal Office of the Issuing and Payment Agent designated in the Issuing and Paying Agency Agreement, by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Payment Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the transfer of any such Revenue Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Revenue Note of the same aggregate principal amount and maturity as the surrendered Revenue Note.

(b) The Authority and the Issuing and Paying Agent may deem and treat the person in whose name any Revenue Note shall be registered upon the books of the Issuing and Paying Agent as the absolute owner of such Revenue Note, whether such Revenue Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Revenue Note and for all other purposes, and all such payments so made to any such registered owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Revenue Note to the extent of the sum or sums so paid, and neither the Authority nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

(3) Master Note. The ownership and transfer of any Master Note shall be registered on books of the Issuing and Paying Agent, which shall be kept for that purpose at the Principal Office of the Issuing and Paying Agent. Any Master Note shall be transferable by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his or her duly authorized attorney. Upon the registration of transfer of a Master Note, the Issuing and Paying Agent shall issue in the name of the transferee a new Master Note, evidencing the Authority's obligations with respect to the same book-entry Revenue Notes as the instrument surrendered.

#### Section 2.06. Book-Entry-Only System of Revenue Note Registration.

(1) Notwithstanding any other provision of the General Resolution or this Supplemental Resolution, the Authority may employ a book-entry-only system of note registration with respect to all or any of the registered Revenue Notes, all as more fully set forth in subsections 2 and 3 of this Section 2.06. Any provisions of the General Resolution or this Supplemental Resolution inconsistent with book-entry-only Revenue Notes shall not be applicable to such book-entry-only Revenue Notes.

(2) Except as an Authorized Representative may specify by delivery of a certificate to the Trustee, a book-entry-only system of Revenue Note registration shall be employed by the Authority. The Depository Trust Company shall act as the initial Securities Depository for the Revenue Notes. Each Authorized Representative is hereby authorized to execute and deliver on behalf of the Authority a Master Note, letter of representation or other agreements, documents or instruments in connection with the implementation or operation of such a book-entry-only system and may prescribe changes to the form of Revenue Note to the extent necessary or convenient to make such Revenue Note or Notes eligible for deposit under such a book-entry-only system. The provisions of any letter of representation or other agreement with a Securities Depository shall be deemed to be incorporated in this Resolution and, in accordance with subsection 1 of this Section 2.06, any provision of this Resolution inconsistent with such letter or agreement shall not apply to Revenue Notes thereafter issued in book-entry-only form.

(3) The Authority and the Issuing and Paying Agent may treat as, and deem the nominee or Securities Depository to be, the absolute owner of each Revenue Note issued as a book-entry-only Revenue Note for the purpose of payment of the principal of and interest on such Revenue Note, for other matters with respect to such Revenue Note, for the purpose of registering transfers with respect to such Revenue Note and for all other purposes whatsoever.

(4) With respect to all book-entry Revenue Notes, neither the Authority nor the Issuing and Paying Agent shall have any responsibility or obligation to any Securities Depository participant or indirect participant, or any nominee of any thereof, any person claiming a beneficial ownership interest in book entry Revenue Notes under or through the Securities Depository or any Securities Depository participant or indirect participant or any other person which is not shown on the books of the Issuing and Paying Agent as being the Holder of a Master Note, with respect to: (1) sending transaction statements; (2) maintaining, supervising or reviewing, or the accuracy of, any records maintained by the Securities Depository or any Securities Depository participant or other nominees of such beneficial owners; (3) payment or the timeliness of payment by the Securities Depository to any Securities Depository participant, or by any Securities Depository participant or other nominees of beneficial owners to any beneficial owners, of any amount in respect of the principal of or interest on book entry Revenue Notes; (4) delivery or timely delivery by the Securities Depository to any Securities Depository participant, or by any Securities Depository participant or other nominees of beneficial owners to any beneficial owners, of any notice which is permitted or required to be given to Holders under this Resolution; or (5) any action taken by the Securities Depository or its nominee as Holder of book entry Revenue Notes.

(5) The Securities Depository may determine not to continue to act as securities depository for the Revenue Notes, and the Authority may determine to discontinue the book-entry only issuance of the Revenue Notes through the Securities Depository and in such case shall deliver a certificate to the Issuing and Paying Agent and the affected Dealer to that effect. In either case, if the Authority determines to replace the Securities Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of one or more new, separate, fully registered Master Notes, registered in the name of such successor or substitute qualified securities depository or its nominee, or make such other arrangements acceptable to the Authority, the Issuing and Paying Agent and the replacement Securities Depository as are not inconsistent with the terms of this Supplemental Resolution. If the Authority fails to identify another securities depository to replace the Securities Depository, the Authority may amend this Supplemental Resolution pursuant to Section 7.03 and shall deliver to the Issuing and Paying Agent for safekeeping, completion, authentication and delivery in accordance with the provisions of this Resolution, as so amended, and of the Issuing and Paying Agency Agreement, Revenue Notes executed on behalf of the Authority, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Revenue Note instrument shall be held in safekeeping by the Issuing and Paying Agent until authenticated and issued in accordance with the provisions of this Supplemental Resolution and of the Issuing and Paying Agency Agreement.

Section 2.07. Non-Presented Revenue Notes. Any monies held by the Issuing and Paying Agent for the Holders of matured Revenue Notes which shall remain unclaimed by such Holders for six months after the date on which such Revenue Notes shall have matured, shall be paid to the Authority upon the request of the Authority to the Issuing and Paying Agent, in accordance with the Issuing and Paying Agency Agreement. Upon such payment to the Authority, the Authority shall hold such monies in trust for the Holders of such matured Revenue Notes, and such Holders shall look only to the Authority for the payment of such Revenue Notes, provided that such monies may be transferred to a bank or trust company for the purpose and with the effect provided for in Section 7.02 hereof and may be applied in accordance with applicable provisions of law.

Section 2.08. Forms of Revenue Notes. (a) Each separate Master Note evidencing a separate series of Revenue Note entered into between the Authority and the Issuing and Paying Agent and the endorsement for authentication to appear thereon, shall be substantially in the form prescribed by an Authorized Representative in a Certificate of Determination with such appropriate series designations, insertions, omissions, substitutions and other variations as are permitted or required by this Supplemental Resolution, and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures, or CUSIP) and such legends and endorsements thereon as may, consistent herewith, be approved by an Authorized Representative.

(b) Revenue Notes issued directly by the Authority shall be in substantially the form prescribed by an Authorized Representative in a Certificate of Determination, with such appropriate series designations, insertions, omissions, substitutions and other variations as are permitted or required by this Supplemental Resolution, and may have such letters, numbers or other marks of identifications (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures, or CUSIP) and such legends and endorsements thereon as may, consistent herewith, be approved by an Authorized Representative.

(c) No Master Note or other form of Revenue Note shall be valid or obligatory for any purpose until manually countersigned for authentication by the Issuing and Paying Agent.

Section 2.09. Revenue Notes Mutilated, Lost, Destroyed or Stolen. If any Revenue Note shall become mutilated, the Authority, at the expense of the Holder of said Revenue Note, shall execute and deliver a new Revenue Note of like tenor, series and number in exchange and substitution for the Revenue Note so mutilated, but only upon surrender to the Authority of the Revenue Note so mutilated. If any Revenue Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Authority and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the owner, shall execute and the Issuing and Paying Agent shall countersign and deliver a new Revenue Note of like tenor, series and number in lieu of and in substitution for the Revenue Note so lost, destroyed or stolen. Neither the Authority nor the Issuing and Paying Agent shall be required to treat both the original Revenue Note and any duplicate Revenue Note as being outstanding for the purpose of determining the amount of Revenue Notes which may be issued hereunder, but both the original and the duplicate Revenue Note shall be treated as one and the same.

## ARTICLE III

### ISSUANCE AND SALE OF REVENUE NOTES

Section 3.01. Issuance and Sale of Revenue Notes. (a) The Revenue Notes shall be issued by the Issuing and Paying Agent in accordance with Issuance Requests to be given pursuant to subsection (c) of this Section.

(b) The issuance of the Revenue Notes is subject to the following conditions and limitations:

(i) The principal amount of Revenue Notes outstanding at any time shall not exceed the amount specified in Section 2.01 hereof, as the same may be amended pursuant to Section 7.03 hereof.

(ii) Subject to the conditions of Section 2.03(a), each Revenue Note shall mature no later than five years from its date of issuance.

(iii) Each Revenue Note shall be sold at such purchase price as shall be determined by an Authorized Representative.

(iv) The Mandatory Tender Date, if any, for Revenue Notes issued before the Amendment Effective Date, or the maturity date for Revenue Notes issued after the Amendment Effective Date, which shall be a date no later than the second Business Day prior to the Termination Date of the related Note Credit Facility.

(v) The date and term on which such Revenue Notes are subject to redemption, if applicable.

(vi) Each Revenue Note may be issued as either Federally taxable or Federally tax-exempt obligations as shall be set forth in the applicable Certificate of Determination, and Section 6.02 hereof shall not apply to any Revenue Note bearing interest subject to Federal income taxation.

(vii) Such additional conditions and limitations, if any, as are set forth in a Certificate of Determination.

(c) Prior to the issuance by the Issuing and Paying Agent of any Revenue Note, an Authorized Representative shall instruct the Issuing and Paying Agent or, in the case of book-entry Revenue Notes, instruct the Issuing and Paying Agent to deliver appropriate issuance instructions to the Securities Depository, or in each case shall acknowledge or confirm the same (whether an instruction, acknowledgment or confirmation, herein referred to as an "Issuance Request"). Each Issuance Request shall contain information with respect to, and approve on behalf of the Authority:

(i) the aggregate principal amount of Revenue Notes then to be issued for each series,

- (ii) the rate or rates of interest, if any, on such Revenue Notes,
- (iii) the issue date or dates and maturity date or dates of such Revenue Notes,
- (iv) the Mandatory Tender Date, if any, for such Revenue Notes,
- (v) in the case of book-entry Revenue Notes, each Securities Depository direct participant to which such book-entry Revenue Note is to be credited on the books of the Securities Depository, and the principal amount (which shall be in authorized denomination) of Revenue Notes to be credited to each such participant, unless such information is furnished to the Issuing and Paying Agent by the appropriate Dealer, and
- (vi) such other matters, if any, as are required by a Certificate of Determination.

Instructions and confirmations shall be given and/or confirmed by an Authorized Representative as provided in the Issuing and Paying Agency Agreement. Such directions may be given only by written instruction to the Issuing and Paying Agent, either in hard copy or via Electronic Means, in accordance with the terms of the Issuing and Paying Agency Agreement.

Section 3.02. Application of Revenue Note Proceeds. At the direction of an Authorized Representative, the proceeds of Revenue Notes shall be (1) transferred to the Construction Fund, the Operating Fund or such other Authority fund or account deemed appropriate by the Authority for the purpose of paying or reimbursing Costs of System Improvements or Operating Expenses or paying any amounts due under any Financial Contract entered into in connection with the Revenue Notes, (2) transferred to the Subordinated Indebtedness Fund or such other fund as may be deemed appropriate by the Authority for the purpose of refunding 2014 Subordinated Commercial Paper Notes or Existing Commercial Paper Notes or paying principal of and interest on 2014 Subordinated Commercial Paper Notes or Existing Commercial Paper Notes at maturity, (3) transferred to the Debt Service Fund or such other fund as may be deemed appropriate by the Authority for the purpose of refunding the Revenue Notes, repaying amounts borrowed under the Revolving Credit Agreement or paying principal of and interest on the Revenue Notes at maturity, (4) paid to the issuer of a Note Credit Facility to repay any amount drawn under the Note Credit Facility to pay Revenue Notes, (5) paid to the issuer of a credit facility to pay any amount drawn under such facility to pay 2014 Subordinated Commercial Paper Notes or Existing Commercial Paper Notes or (6) applied to pay costs incurred in connection with the issuance of Revenue Notes. The proceeds of Revenue Notes may also be used for any other purposes subsequently authorized by the Authority's Trustees. The Authorized Representatives are hereby authorized to create such funds, accounts and sub-accounts as necessary for the administration of the Authority's commercial paper program.

Section 3.03. Authorization of Sale and Distribution of Offering Memorandum.

(a) The Revenue Notes shall be sold to the purchasers thereof in accordance with the terms and conditions of this Supplemental Resolution, the Issuing and Paying Agency Agreement, if any, and the applicable Dealer Agreement, if any, and the Issuing and Paying Agent is hereby directed and authorized to deliver the Revenue Notes to a Securities Depository or the purchasers thereof upon the direction of an Authorized Representative, in accordance with the

terms of this Supplemental Resolution, the applicable Dealer Agreement, if any, and the Issuing and Paying Agency Agreement, if any.

(b) Any Authorized Representative is hereby authorized to issue an Offering Memorandum or other offering statement containing such information concerning the Revenue Notes or any series thereof, the Authority and its financial condition and such other information as such Authorized Representative, upon the advice of counsel to the Authority, shall approve and to revise, supplement and update the same from time to time. The Authority hereby authorizes the use of any such Offering Memorandum in connection with the sale of the Revenue Notes and the delivery thereof to any Dealer or purchaser of Revenue Notes.

Section 3.04. Certain Findings and Determinations. The Authority hereby finds and determines:

(a) The General Resolution has not been amended, supplemented, or repealed since the adoption thereof except by the resolution of the Authority entitled “First Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 1998A” adopted May 13, 1998, by the resolution of the Authority entitled “Second Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 1998B” adopted October 20, 1998, by the resolution of the Authority entitled “Third Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2000A” adopted February 29, 2000, by the resolution of the Authority entitled “Fourth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2001A” adopted March 1, 2001, by the resolution of the Authority entitled “Fifth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2001B through 2001P” adopted May 1, 2001, by the resolution of the Authority entitled “Sixth Supplemental Resolution authorizing Electric System General Revenue Bonds, Series 2003A” adopted February 27, 2003, as amended March 27, 2003, by the resolution of the Authority entitled “Seventh Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted March 27, 2003, by the resolution of the Authority entitled “Eighth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted May 26, 2004, by the resolution of the Authority entitled “Ninth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted March 24, 2005, by the resolution of the Authority entitled “Tenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted April 27, 2006, by the resolution of the Authority entitled “Eleventh Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted October 18, 2006, by the resolution of the Authority entitled “Twelfth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted February 26, 2008, by the resolution of the Authority entitled “Thirteenth Supplemental Resolution authorizing Additional Interest Rate Modes and Modifications to the Operational Provisions and Characteristics of Existing Interest Rate Modes of Outstanding Electric System General Revenue Bonds” adopted February 26, 2008, by the resolution of the Authority entitled “Fourteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted October 23, 2008, by the resolution of the Authority entitled “Fifteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted April 23, 2009, by the resolution of the Authority entitled “Sixteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 17, 2009, and by the resolution of the Authority entitled “Seventeenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted September 27, 2010, by the resolution of the Authority entitled

“Eighteenth Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted December 15, 2011, by the resolutions of the Authority entitled “Nineteenth Supplemental Resolution authorizing Electric System General Revenue Bonds,” “Twentieth Supplemental Resolution authorizing Electric System General Revenue Bonds,” “Twenty-First Supplemental Resolution authorizing Electric System General Revenue Bonds,” each adopted December 13, 2012 and by the resolution of the Authority entitled “Twenty-Second Supplemental Resolution authorizing Electric System General Revenue Bonds” adopted the date hereof and the certificates of determination delivered pursuant to such resolutions. This Supplemental Resolution supplements the General Resolution, constitutes and is a “Supplemental Resolution” within the meaning of such quoted term as defined and used in the General Resolution, and is adopted under and pursuant to the General Resolution.

(b) The Revenue Notes of each Series constitute and are “Bonds” within the meaning of the quoted word as defined and used in the General Resolution.

(c) The Trust Estate is not encumbered by any lien or charge thereon or pledge thereof which is prior to or of equal rank with the lien and charge thereon and pledge thereof created by the General Resolution.

(d) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 1001 of the General Resolution, nor does there exist any condition which, after the giving of notice or the passage of time, or both, would constitute such an “Event of Default.”

## ARTICLE IV

### NOTE CREDIT FACILITY AND PARITY REIMBURSEMENT OBLIGATIONS

Section 4.01. Special Provisions Relating to Note Credit Facilities. (a) Except as may be authorized by subsequent Authority resolution, all Revenue Notes shall be supported by a Note Credit Facility. Each Authorized Representative is hereby authorized to negotiate with one or more financial institutions with respect to one or more Note Credit Facilities and to enter into an agreement with any such financial institution providing for the delivery of a Note Credit Facility on such terms and conditions as such Authorized Representative shall determine to be desirable and appropriate.

(b) The Certificate of Determination specifying the terms of any Revenue Note shall specify the extent to which such Revenue Note shall be supported by a Note Credit Facility. As shall be more particularly set forth in a Certificate of Determination, to the extent that a Revenue Note is supported by a Note Credit Facility, the Authority agrees and covenants that it will maintain a right under such Note Credit Facility to draw funds to pay the principal of and interest on such Revenue Note and all other Revenue Notes supported thereby in an aggregate amount at least equal to (i) the principal amount of outstanding Revenue Notes supported thereby and (ii) the interest accrued and to accrue on all outstanding Revenue Notes supported thereby.

(c) To the extent that at the time of the issuance of Revenue Notes a Note Credit Facility is in full force and effect, the Authority covenants that it will Draw or require the Issuing and Paying Agent to Draw on the Note Credit Facility and apply the proceeds of such Draws, or cause such proceeds to be applied to pay the principal of and interest on all outstanding Revenue Notes supported by a Note Credit Facility as and when the same become due and payable.

(d) To the extent that a Note Credit Facility is in full force and effect and a related Reimbursement Agreement between the Authority and the Note Credit Facility Provider of such Note Credit Facility so provides, the obligations of the Authority to make payments thereunder shall constitute a Parity Reimbursement Obligation within the meaning of the General Resolution, shall be deemed to be part of the Series to which the Note Credit Facility which gave rise to such Parity Reimbursement Obligation relates and shall be secured by a pledge of and lien on the Trust Estate created by Section 501 of the General Resolution.

(e) The Authority shall not substitute a Note Credit Facility or consent to any assignment by and release of a bank under any Reimbursement Agreement with respect to any Revenue Notes that such Note Credit Facility supports prior to the maturity of such Revenue Notes. The Authority shall not cause more than one Note Credit Facility to be in effect at any particular time, unless the Authority redesignates the Revenue Notes pursuant to Section 2.01 hereof in order to distinguish among Revenue Notes that are supported by different Note Credit Facilities. In the event that more than one Note Credit Facility is in effect at any particular time, the Authority shall apply or request the Issuing and Paying Agent to apply proceeds of a Draw of any such Note Credit Facility solely to the payment of principal of and interest on Revenue Notes that are supported by such Note Credit Facility.

(f) The Authority shall give prior written notice to each rating agency then rating the Revenue Notes and to each Holder of any Revenue Notes of any (i) substitute Note Credit Facility or any consent to any assignment by and release of a bank under any Reimbursement Agreement, (ii) any amendments to the General Resolution or this Supplemental Resolution, any Reimbursement Agreement or the Issuing and Paying Agency Agreement, (iii) any defeasance of the Revenue Notes, (iv) any resignation or removal of existing and appointment of a successor Dealer and Issuing and Paying Agent and (v) any extension of the Termination Date.

(g) The Authority shall give notice to the Issuing and Paying Agent of any substitution or assignment to which subsection (f) of this Section applies, at least six (6) Business Days prior to the effectiveness of any such substitution, and within one Business (1) Day after actual knowledge to the Authority of the effectiveness of any such assignment. The Authority shall give or cause the Issuing and Paying Agent to give notice of any such substitution or assignment to each Holder by first class mail at least five (5) Business Days prior to the effectiveness of any such substitution, and within two Business Days after actual knowledge to the Authority of (but not necessarily earlier than five (5) Business Days prior to) the effectiveness of any such assignment.

## ARTICLE V

### **DEALER AGREEMENTS; ISSUING AND PAYING AGENCY AGREEMENT; RESPONSIBILITIES OF ISSUING AND PAYING AGENT**

Section 5.01. Dealer Agreements; Dealers. Any Authorized Representative is hereby authorized to execute and deliver one or more Dealer Agreements in such form as such Authorized Representative shall approve, such execution and delivery to be conclusive evidence of such approval. Any Authorized Representative is hereby authorized to appoint one or more of the following as Dealers for the Revenue Notes: Barclays Capital, Inc.; BMO Capital Markets; Merrill Lynch, Pierce, Fenner & Smith; Citigroup Global Markets Inc.; Goldman, Sachs & Co.; Jefferies & Company, Inc.; JPMorgan Securities LLC; Morgan Stanley & Co., LLC; Samuel A. Ramirez & Co., Inc.; RBC Capital Markets, LLC; Siebert Bradford Shank & Co., LLC; TD Securities(USA) LLC; and Wells Fargo Bank, N.A.

Section 5.02. Issuing and Paying Agent. The Bank of New York Mellon in its capacity as Trustee, Registrar and Paying Agent shall act as Issuing and Paying Agent for the Revenue Notes. The Issuing and Paying Agent may resign or be discharged of the duties and obligations created by this Twenty-Third Supplemental Resolution in accordance with the Issuing and Paying Agency Agreement; provided, however, that any such removal or resignation shall not be effective prior to the earlier of (i) the appointment of a successor Issuing and Paying Agent and the delivery of the Note Credit Facility to such successor Issuing and Paying Agent or (ii) the maturity of all Outstanding Revenue Notes. Any Authorized Representative is hereby authorized to appoint any successor Issuing and Paying Agent and enter into an Issuing and Paying Agency Agreement with the Bank of New York Mellon and any successor Issuing and Paying Agent in such form as such Authorized Representative shall approve with such execution and delivery to be conclusive evidence of such approval. Any Issuing and Paying Agent appointed under the provisions of this Section shall be a bank or trust company that is qualified to act as Trustee pursuant to Section 1107(c) of the General Resolution.

Section 5.03. Responsibilities of the Issuing and Paying Agent With Respect to Note Credit Facility. (a) To the extent that a Revenue Note is secured by a Note Credit Facility, not later than the time specified therein for the submission of demands for payments thereunder on or prior to any day on which any principal or Purchase Price of and interest on outstanding Revenue Notes is due and payable, the Issuing and Paying Agent shall submit a demand for payment under the Note Credit Facility in the manner provided therein. The Issuing and Paying Agent shall apply such proceeds to the payment of the principal or Purchase Price of and interest on Revenue Notes becoming due and payable.

(b) The Issuing and Paying Agent shall timely prepare and present to the Note Credit Facility Provider all certificates, notices and other documents required by the terms of the Issuing and Paying Agency Agreement and the related Reimbursement Agreement to effect Draws under the Note Credit Facility.

(c) The Issuing and Paying Agent shall not Draw upon the Note Credit Facility with respect to any payment of principal of any Revenue Note which is, to the knowledge of the Issuing and Paying Agent, registered in the name of the Authority or held for its account. The

Authority shall promptly notify the Issuing and Paying Agent in writing of any Revenue Notes so held.

(d) The Issuing and Paying Agent shall have such additional duties and obligations relating to the Note Credit Facility as may be set forth in the Issuing and Paying Agency Agreement.

## ARTICLE VI

### COVENANTS

Section 6.01. Rate Covenants. The Authority shall comply with the rate covenant of Section 701 of the General Resolution as long as any Revenue Notes are Outstanding. The Authority further agrees, but solely for the benefit of the issuer of any Credit Facility or Note Credit Facility, that the Authority shall comply with any additional rate covenant set forth in any related Reimbursement Agreement, which additional rate covenant is incorporated herein by this reference as if set forth herein in full.

Section 6.02. Tax Covenants. (a) The Authority shall not take or omit to take any action which would cause interest on any Revenue Note to be included in the gross income of any Holder thereof for Federal income tax purposes by reason of subsection (b) of Section 103 of the Code as in effect of the date of issuance of each note. Without limiting the generality of the foregoing, no part of the proceeds of any Revenue Notes or any other funds of the Authority shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Revenue Note to be an “arbitrage bond” as defined in section 148 of the Code as in effect of the date of issuance of each note and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said section.

(b) There is hereby delegated to each Authorized Representative of the Authority the power to execute and deliver for and on behalf of the Authority an Arbitrage and Use of Proceeds Certificate with respect to the Revenue Notes in furtherance of the covenant in paragraph (a).

(c) The Authority, or the Trustee at the request of an Authorized Representative of the Authority, shall establish in connection with the issuance of the Revenue Notes of any Series such accounts or subaccounts within any of the funds or accounts created pursuant to the Subordinated Resolution, and pay to the Authority from funds held therein, such amounts for payment to the United States or for deposit to a separate account in anticipation of such possible payment, as may be necessary or desirable for the purpose of permitting compliance with the provisions of Section 148 of the Code.

(d) Notwithstanding any other provision of the Supplemental Resolution to the contrary, upon the Authority’s failure to observe, or refusal to comply with, the covenant in paragraph (a) above, the Owners, or the Trustee acting on their behalf, shall be entitled only to the right of specific performance of such covenant, and shall not be entitled to any of the other rights and remedies provided under Article X of the General Resolution.

(e) This Section 6.02 shall not apply to any Revenue Notes identified in the applicable Certificate of Determination as bearing interest subject to Federal income taxation.

Section 6.03. Agreement of the State. In accordance with Section 1020-o of the Act, the Authority, as agent for the State, hereby agrees with the holders of obligations issued hereunder that the State will not limit or alter the rights vested in the Authority by the Act until such obligations together with the interest thereon are fully met and discharged, provided that

nothing herein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the Owners of such obligations of the Authority.

Section 6.04. Miscellaneous Additional Covenants. The Authority hereby particularly covenants and agrees with the Holders of the Revenue Notes, and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose as follows:

(a) The Authority shall duly and punctually pay or cause to be paid the principal of and interest on Revenue Notes, at the date and place and in the manner mentioned in the Revenue Notes, according to the true intent and meaning thereof.

(b) Upon each date of issuance of the Revenue Notes, all conditions, acts and things required by the Constitution or statutes of the State or this Supplemental Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Revenue Notes shall exist, have happened and have been performed and such Revenue Notes, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by said Constitution or statutes.

(c) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of this Supplemental Resolution in accordance with the terms of such provisions.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Additional Events of Default. Each Revenue Note shall be subject to acceleration of principal or interest solely in accordance with the related Certificate of Determination.

Section 7.02. Termination of Revenue Notes Program. If, as verified by independent determination of the Issuing and Paying Agent, all of the Revenue Notes shall no longer be outstanding, and if all Parity Reimbursement Obligations and all other sums payable under a related Reimbursement Agreement shall have been paid in full, and if the Authority shall have advised the Issuing and Paying Agent that no additional Revenue Notes are to be issued, authenticated and delivered under this Supplemental Resolution, all balances remaining in the funds and accounts established pursuant hereto shall be transferred to such other funds and/or accounts as an Authorized Representative may determine.

Section 7.03. Supplemental Resolutions. Notwithstanding anything in the Subordinated Resolution to the contrary, the Authority may modify or amend this Supplemental Resolution at any time by a supplemental resolution, without notice to or the consent of any Holder, (i) to increase the aggregate principal amount of Revenue Notes that may be outstanding hereunder at any time, (ii) in order to provide for and accommodate Alternate Credit Facilities or Alternate Note Credit Facilities for any Series of Revenue Notes, (iii) to make such provisions as shall not materially and adversely affect the interests of the Holders of the Revenue Notes then outstanding or (iv) to take effect after such Holders' Revenue Notes are no longer outstanding. The determination of the Authority as to whether any modification or amendment materially and adversely affects the interests of the Holders shall be binding and conclusive on the Holders.

Section 7.04. Authorized Representative. The Authorized Representatives are each hereby authorized to deliver and execute in the name and on behalf of the Authority any certificate, opinion, record, approval, agreement, amendment to an agreement, or other document required by or authorized pursuant to this Supplemental Resolution or which they may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Revenue Notes and otherwise to effectuate the purposes of this Supplemental Resolution.

Section 7.05. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions or portions thereof contained herein shall be held by a court of competent jurisdiction contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Revenue Notes issued hereunder.

Section 7.06. Payment and Performance on Business Days. Whenever under the terms of this Supplemental Resolution or the Revenue Notes, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Revenue Notes

shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Revenue Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date of performance or payment, and, with respect to any payment, without additional interest accruing after the originally scheduled date of payment.

Section 7.07. Effective Date. This Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by an Authorized Representative of the Authority.