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AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF MARCH 1, 2022

among

LONG ISLAND POWER AUTHORITY,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

Relating to

Electric System General Revenue Notes, Series 2019A

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Lead Arranger, Book Runner, and Syndication Agent

Contract No. C-000942

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AMENDED AND RESTATED CREDIT AGREEMENT

This Amended and Restated Credit Agreement is entered into as of March 1, 2022_ (this “*Credit Agreement*”), by and among Long Island Power Authority, a corporate municipal instrumentality of the State of New York (the “*Borrower*” or the “*Authority*”), the several financial institutions from time to time party to this Agreement, as Lenders and JPMorgan Chase Bank, National Association, as Administrative Agent, as provided herein.

WITNESSETH:

WHEREAS, the Borrower has previously entered into a Credit Agreement dated as of February 1, 2019 (the “*Original Agreement*”) by and among the Borrower the several financial institutions from time to time party to this Agreement, as Lenders and JPMorgan Chase Bank, National Association, as Administrative Agent;

WHEREAS, the Borrower desires to extend the Stated Expiration Date of the Original Agreement and to make certain other changes and the Authority and the Bank desire to amend and restate the Original Agreement in connection with such extension;

WHEREAS, Section 11.3 of the prior Agreement provides that it may be amended in writing by the parties, subject to approval by the New York Attorney General and New York State Comptroller;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION.

Section 1.1. Definitions. The following terms when used herein shall have the following meanings:

“*Act*” means the Long Island Power Authority Act, constituting Title 1-A of Article 5 (§1020 et. seq.) of the Public Authorities Law of the State, as amended.

“*Adjusted Daily Simple SOFR*” means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%; provided that if the Adjusted Daily Simple SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“*Adjusted Term SOFR Rate*” means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“*Administrative Agent*” means JPMorgan Chase Bank, National Association, in its capacity as Administrative Agent hereunder, and any successor in such capacity pursuant to Section 10.6.

“*Administrative Agent Bank Note*” has the meaning set forth in Section 2.8 hereof.

“*Administrative Questionnaire*” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“*Affiliate*” means any other Person Controlling or Controlled by or under common Control with the Borrower.

“*Agreement*” means this Credit Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

“*Amended General Resolution*” means that certain Electric System General Revenue Bond Resolution adopted by the Borrower on May 13, 1998, as amended and restated July 22, 2020, in the form attached as Exhibit G hereto, and including such future amendments, modifications, restatements or supplements permitted pursuant to its terms and the terms hereof, and with respect to any amendments, modifications, restatements or supplements prior to the Amended General Resolution Effective Date as approved in writing by the Bank.

“*Amended General Resolution Effective Date*” means the date on which the Amended General Resolution is effective pursuant to its terms and the terms of the General Resolution and all necessary consents of Bondholders have been received; *provided, however*, that for purposes of this Agreement, the Amended General Resolution Effective Date shall not be deemed to have occurred if any amendments, modifications or changes have been made to the version of the Amended General Resolution attached hereto as Exhibit G or if any of the conditions set forth in Section 11.23 hereof have not been satisfied.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

“*Applicable Margin*” means, for any day, as to the Facility Fees payable hereunder or as to any Loan, as the case may be, the applicable percentages per annum determined by reference to the Debt Ratings applicable on such day as set forth below under the respective columns titled “Facility Fee Rate”, “Term Benchmark and RFR Loans” and “Base Rate Loans”:

APPLICABLE MARGIN				
PRICING LEVEL	DEBT RATINGS MOODY’S/S&P/FITCH	FACILITY FEE RATE	TERM BENCHMARK AND RFR LOANS	BASE RATE LOANS
Level 1	A2/A/A or above		0.70%	0.00%
Level 2	A3/A-/A- or above		0.80%	0.00%
Level 3	Baa1/BBB+/BBB+		1.00%	0.00%
Level 4	Baa2/BBB/BBB		1.20%	0.15%
Level 5	Baa3/BBB-/BBB-		1.40%	0.35%

Initially, commencing on the Closing Date the Applicable Margin shall be determined based upon Pricing Level 1. For purposes of the foregoing, (x) at any time that Debt Ratings are available from each of Moody’s, S&P and Fitch and there is a split among such Debt Ratings, then (i) if any two of such Debt Ratings are in the same level, such level shall apply or (ii) if each of such Debt Ratings is in a different level, the level that is the middle level shall apply and (y) at any time that Debt Ratings are available only from any two of Moody’s, S&P and Fitch and there is a split in such Debt Ratings, then the higher of such Debt Ratings shall apply, unless there is a split in Debt Ratings of more than one level, in which case the level that is one level higher than the lower Debt Rating shall apply. Each change in the Applicable Margin resulting from a publicly announced change in the Debt Rating after the Closing Date shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s, S&P or Fitch shall change, or if any such Rating Agency shall cease to be in the business of rating municipal debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such Rating Agency and, pending the effectiveness of any such amendment, for purposes of determining the Applicable Margin, the Debt Rating of the affected Rating Agency shall be deemed to be the Debt Rating of such Rating Agency as most recently in effect prior to such change or cessation. Upon the occurrence and during the continuance of any Event of Default, the Applicable Margin shall immediately and without notice increase by an additional 2.00% per annum from the Applicable Margin otherwise in effect.

“*Approved Fund*” means any Fund that is administered or managed by (a) a Lender, (b) a Bank Affiliate of a Lender or (c) an entity or a Bank Affiliate of an entity that administers or manages a Lender.

“*Assignment and Assumption*” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.2(b) hereof), and accepted by the Administrative Agent, in substantially the form of Exhibit D attached hereto or any other form approved by the Administrative Agent.

“Authority Budget” has the meaning set forth in the General Resolution.

“Authorized Representative” means in the case of both the Borrower and the LIPA Subsidiary, their respective Chairman, Chief Executive Officer, Chief Financial Officer, Controller or Chief Operating Officer and any other officer, general partner or managing member or similar official thereof with responsibility for the administration of the obligations of such person in respect of this Agreement, in each case, whose signature and incumbency shall have been certified to the Administrative Agent on or after the Closing Date pursuant to an incumbency certificate of the type contemplated by Section 7.2 hereof.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 4.3.

“Balloon Debt” shall mean Debt, 25% or more of the original principal of which matures during any consecutive twelve (12) month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or mandatory prepayment prior to such twelve (12) month period; provided that in no event shall the term “Balloon Debt” include Debt that would otherwise be classified hereunder as *“Put Debt.”*

“Bank Affiliate” means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; *provided that*, in any event for purposes of this definition, any Person that owns, directly or indirectly, 10% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation or 5% or more of the partnership or other ownership interest of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

“Bank Agreement” has the meaning set forth in Section 8.22 hereof.

“Bank Documents” means (a) this Agreement, (b) the Bank Notes, and (c) all certificates, opinions, financing statements and other documents or instruments made or delivered in accordance with any of the foregoing agreements, each as amended from time to time in accordance with their respective terms and with this Agreement.

“Bank Note” and *“Bank Notes”* have the meanings set forth in Section 2.8 hereof.

“*Bank Rate*” means, for any day, the rate per annum equal to the greater of (a) the Base Rate *plus* 2.0% and (b) 7.0%.

“*Base Rate*” means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 0.50% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Base Rate is being used as an alternate rate of interest pursuant to Section 4.3 hereof (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 4.3(b) hereof), then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Base Rate as determined pursuant to the foregoing would be less than zero (0%), such rate shall be deemed to be zero (0%) for purposes of this Agreement.

“*Base Rate Loan*” means a Loan bearing interest at a rate specified in Section 2.2(a) hereof.

“*Benchmark*” means, initially, with respect to any (i) RFR Loan, the Daily Simple SOFR or (ii) Term Benchmark Loan, the Term SOFR Rate; provided that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the Daily Simple SOFR or Term SOFR Rate, as applicable, or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 4.3(b) hereof.

“*Benchmark Replacement*” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) the Adjusted Daily Simple SOFR;
- (2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of

such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Unavailability Period*” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.3 hereof and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 4.3 hereof.

“*Bondholders*” has the meaning set forth in the General Resolution.

“*Bonds*” means and includes all “Bonds” as defined in the General Resolution.

“*Borrower*” has the meaning set forth in the introductory paragraph of this Agreement.

“*Borrower Documents*” means (a) the General Resolution, (b) the Supplemental Resolution, (c) the Certificate of Determination, (d) the Financing Agreement, and (e) each of the other Bank Documents to the extent the Borrower is a party thereto.

“*Borrowing*” means the total of Loans of a single type advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders on a single date and, in the case of Term Benchmark Loans, for a single Interest Period. Borrowings of Loans are made and maintained ratably from each of the Lenders according to their respective Percentages. A Borrowing is “*advanced*” on the day Lenders advance funds comprising such Borrowing to the Borrower, is “*continued*” on the date a new Interest Period for the same type of Loans commences for such Borrowing, and is “*converted*” when such Borrowing is changed from one type of Loans to the other, all as determined pursuant to Section 2.4 hereof.

“*Business Day*” means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago, Illinois; *provided* that, in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan, any such day that is only a U.S. Government Securities Business Day.

“*Capitalized Interest*” has the meaning set forth in the General Resolution.

“*Capital Lease*” has the meaning set forth in the General Resolution.

“*Certificate of Determination*” means the Amended and Restated Certificate of Determination, dated the Closing Date, executed by the Authority and pertaining to this Agreement and the Bank Notes.

“*Change in Law*” has the meaning given to such term in Section 4.4 hereof.

“*Closing Date*” means March 15, 2022, or such earlier or later date (but not later than March 20, 2022) otherwise agreed to by the parties, provided that on such date all conditions

described in Section 7.2 hereof are satisfied or waived in a manner acceptable to the Administrative Agent in its discretion.

“*CME Term SOFR Administrator*” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“*Commitment*” means, as to any Lender, the obligation of such Lender to make Loans hereunder in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.1 attached hereto and made a part hereof, as the same may be reduced or modified at any time or from time to time pursuant to the terms hereof.

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

“*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “*Controlling*” and “*Controlled*” have meanings correlative thereto.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

“*Corresponding Tenor*” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“*Credit Event*” means the advancing of any Loan.

“*Credit Facility*” has the meaning set forth in the General Resolution.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Rate Day*”), a rate per annum equal SOFR for the day (such day “*SOFR Determination Date*”) that is five (5) U.S. Government Securities Business Day prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

“*Debt*” of any Person means (without duplication), all liabilities, obligations and indebtedness of such Person (i) for borrowed money, (ii) evidenced by bonds, indentures, notes, or other similar instruments (other than instruments endorsed by such Person for collection or deposit in the ordinary course of business), (iii) to pay the deferred purchase price of property or services, except trade accounts payable in the ordinary course of business, (iv) as lessee under leases that shall have been or should be, in accordance with GAAP, recorded as capital leases, (v) under reimbursement agreements or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of letters of credit (to the extent undrawn) opened to provide for the payment of goods or services purchased or other obligations incurred in the ordinary course of business), (vi) under direct guaranties and indemnities in respect of, and to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, or to assure an obligee against failure to make payment in respect of, liabilities, obligations or indebtedness of others of the kinds referred to in clauses (i) through (v) above, in each case to the extent reasonably quantifiable, and (vii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA; *provided, however*, that “*Debt*” shall not include indebtedness related to Separately Financed Projects.

“*Debt Ratings*” means the long-term unenhanced, unsecured debt ratings assigned by the Rating Agencies to any Senior Lien Debt of the Borrower.

“*Debt Service*” means, for any period, without duplication, the sum of the amounts required for such period to pay the principal of, to fund any sinking fund requirements for, and to pay interest (except to the extent such interest is to be paid from Capitalized Interest) on Bonds or Subordinated Indebtedness.

The following assumptions shall apply in determining Debt Service:

(i) *Balloon Debt*. Balloon Debt shall be deemed (a) to amortize in equal amount installments over a term of twenty (20) years, and (b) to bear interest on the unpaid principal balance in the manner assumed for Variable Rate Debt.

(ii) *Put Debt*. Put Debt shall be deemed (A) to mature over a term (commencing on such Put Date) equal to twenty (20) years less the number of years (counting fractions of any year as a whole year) to elapse between the date such Put Debt is incurred and such Put Date, (B) to bear interest on the unpaid principal balance in the manner assumed for Variable Rate Debt and (C) to be payable as to principal and interest in equal amount installments.

(iii) *Variable Rate Debt*. In determining the amount of interest payable on Variable Rate Debt for any future period (the “*Determination Period*”), such interest shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the greatest of (A) the rate or rates which were assumed by the Borrower in the Authority Budget for such Determination Period to be borne by Variable Rate Debt during such Determination Period, (B) the average of the rate of interest which was in effect on the last day of each of the six consecutive full calendar months (or if such Variable Rate Debt shall have been outstanding less than six months, the lesser number of full calendar

months for which such Variable Rate Debt shall have been outstanding) immediately preceding the calendar month in which such calculation is made, and (C) an interest rate calculated by multiplying 1.15 times the weighted average of the rate or rates borne by such Variable Rate Debt for each day during the thirty day period immediately preceding the date of calculation; *provided, however*, that if the Borrower has in connection with any Variable Rate Debt entered into a Financial Contract which provides that the Borrower is to pay to the Qualified Counterparty an amount determined based upon a fixed rate of interest on the outstanding principal amount of such Variable Rate Debt or that the Qualified Counterparty is to pay to the Borrower an amount determined based upon the amount by which the rate at which such Variable Rate Debt bears interest exceeds a stated rate of interest on all or any portion of such Variable Rate Debt, it will be assumed that such Variable Rate Debt bears interest at the fixed rate of interest to be paid by the Borrower or the rate in excess of which the Qualified Counterparty is to make payment to the Borrower in accordance with such agreement.

“Debt Service Component” has the meaning set forth in the General Resolution.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default Rate” means the applicable interest rate specified in Section 2.7 hereof.

“Defaulting Lender” means any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in

such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Borrower and each Lender.

“Designated Administrative Agent Account” means the account designated in writing to the Administrative Agent by the Borrower as the Designated Administrative Agent Account (or such other account as the Administrative Agent and the Borrower may otherwise agree).

“Designated Disbursement Account” means the account of the Borrower maintained with the Administrative Agent or its Bank Affiliate and designated in writing to the Administrative Agent as the Borrower’s Designated Disbursement Account (or such other account as the Borrower and the Administrative Agent may otherwise agree).

“Downgrade” means each rating category reduction of the Debt Rating by any Rating Agency; for example, a rating reduction by any Rating Agency from “A-” (or its equivalent) to “BBB” (or its equivalent) would constitute two rating category reductions for purposes of this definition.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.2(b)(iii), (v) and (vi) hereof (subject to such consents, if any, as may be required under Section 11.2(b)(iii) hereof).

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, including but not limited to RCRA and CERCLA (as defined in Section 6.19 hereto), relating in any way to the (i) environment, (ii) preservation or reclamation of natural resources, (iii) the management, Release or threatened Release of any Hazardous Material or (iv) health and safety matters.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Eurodollar” has the meaning assigned to such term in the Original Agreement.

“*Event of Default*” means any event or condition identified as such in Section 9.1 hereof.

“*Excess Interest*” has the meaning set forth in Section 11.14 hereof.

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.10 hereof) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 4.1 hereof, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 4.1(g) hereof, and (d) any U.S. federal withholding Taxes imposed under FATCA.

“*Facility Fees*” has the meaning set forth in Section 3.1 hereof.

“*FATCA*” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code

“*Federal Funds Effective Rate*” means, for any day, the rate calculated by the NY FRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate, *provided* that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“*Final Maturity Date*” means the date which is two hundred seventy-two (272) days following the Stated Expiration Date.

“*Financial Contract*” has the meaning set forth in the General Resolution.

“*Financing Agreement*” means the Financing Agreement dated as of May 1, 1998, between the Borrower and the LIPA Subsidiary, as amended and supplemented from time to time in accordance with the terms hereof and thereof.

“*Financing Agreement Note*” means the “Note” as defined in the Financing Agreement.

“*Fiscal Year*” means the fiscal year used by the Borrower, which, as of the date hereof, is for the period from and including January 1 to and including December 31.

“*Fitch*” means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Borrower and Required Lenders (which shall not be under any liability by reason of such approval).

“*Floor*” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR shall be zero (0%).

“*Foreign Lender*” means a Lender that is not a U.S. Person.

“*Fund*” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“*GAAP*” means generally accepted accounting principles in the United States as in effect from time to time, applied on a basis consistent with those used in preparation of the audit report referred to in Section 6.21 hereof.

“*General Resolution*” means the Electric System General Revenue Bond Resolution adopted by the Borrower on May 13, 1998, as heretofore supplemented and amended, including, without limitation as supplemented by of the Borrower entitled “Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution authorizing Electric System General Revenue Notes, in a principal amount of up to \$500,000,000 outstanding at any time” adopted October 29, 2021, and each of the certificates of determination delivered pursuant to such resolution and as may be further amended and supplemented from time to time in accordance with the terms hereof and thereof. Except as otherwise provided herein, from and after the Amended General Resolution Effective Date, any and all references to the General Resolution will be deemed references to the Amended General Resolution, and each of the certificates of determination delivered pursuant to such resolution and as may be further amended and supplemented from time to time in accordance with the terms hereof and thereof.

“*Governmental Authority*” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, branch, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Governmental Body*” shall mean the United States of America or any state or political subdivision thereof, any other nation or political subdivision thereof or any agency, department, commission, board, bureau or instrumentality of any of them which exercises jurisdiction over the Borrower or any of its Subsidiaries or any of their assets or the conduct of the business of the Borrower or any of its Subsidiaries in any such jurisdiction.

“*Governmental Requirements*” shall mean any law, ordinance, order, rule or regulation by a Governmental Body.

“*Hazardous Materials*” means: (a) any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste,” or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

“*Increased Costs*” has the meaning set forth in Section 4.4 hereof.

“*Incremental Commitment*” has the meaning set forth in Section 2.13(a) hereof.

“*Incremental Commitment Effective Date*” has the meaning set forth in Section 2.13(b) hereof.

“*Incremental Lender*” has the meaning set forth in Section 2.13(a) hereof.

“*Indemnified Taxes*” means (a) all Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“*Interest*” means collectively, the aggregate of (a) interest due on all Loans, (b) all amounts described in Section 3.1(b) hereof and (c) Excess Interest.

“*Interest Election Request*” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.4 hereof, which shall be in a form satisfactory to, or provided by, the Administrative Agent.

“*Interest Payment Date*” means (a) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the maturity date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that

is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the maturity date, and (c) with respect to any Base Rate Loan, the last Business Day of every calendar quarter and on the maturity date.

“Interest Period” means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment), as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 4.3(e) hereof shall be available for specification in such Exhibit A (Notice of Borrowing) or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“IRS” means the United States Internal Revenue Service.

“Joinder Agreement” means a joinder or similar agreement entered into by any Person (including any Lender) under Section 2.13 hereof pursuant to which such Person shall provide an Incremental Commitment, hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

“Legal Action” has the meaning set forth in Section 6.3 hereof.

“Legal Requirements” applicable to any Person means (a) all decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates, treaties, conventions, laws, licenses, governmental approvals, judgments, consent decrees or other requirements of any court or other Governmental Authority in any way applicable to or affecting such property, such transaction or such Person or its business operations, or assets, (b) all such Person’s bylaws (or code or regulations) and articles of incorporation or partnership, limited partnership, joint venture, trust or other form of business association agreement, and (c) all other written contractual obligations of any nature applicable to or affecting such property or such Person.

“Lender Bank Note” has the meaning set forth in Section 2.8 hereof.

“Lenders” means and includes the Persons listed on Schedule 2.1 and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Lending Office” has the meaning set forth in Section 4.7 hereof.

“Lien” means any mortgage, deed of trust, lien, security interest, assignment, pledge, charge, hypothecation or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale or other title retention arrangement.

“LIPA Subsidiary” means the Long Island Lighting Company d/b/a LIPA, as successor to LIPA Acquisition Corp.

“Liquidity Facility” has the meaning set forth in the General Resolution.

“Loan” has the meaning set forth in Section 2.1 hereof and, as so defined, includes a Base Rate Loan, an RFR Loan, a Term Benchmark Loan or a Stepped-Up Rate Loan, each of which is a “type” of Loan hereunder.

“Loan Documents” means the Bank Documents, the Borrower Documents, the Subsidiary Documents and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“Loan Redemption Premium” has the meaning set forth in Section 4.5 hereof.

“Material Adverse Effect” means (a) any material adverse effect on the properties, assets, condition (financial or otherwise), results of operations or business prospects of the Borrower and the LIPA Subsidiary taken as a whole, and (b) with respect to the obligations of the Borrower or the LIPA Subsidiary under the Loan Documents, a material adverse effect upon the Borrower’s or the LIPA Subsidiary’s ability to perform its obligations hereunder or thereunder.

“Maximum Rate” means the maximum non-usurious lawful rate of interest permitted by applicable law.

“Mitigation Installment” has the meaning set forth in Section 4.7 hereof.

“Moody’s” means Moody’s Investors Service, Inc. a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Borrower and approved by the Required Lenders (which shall not be under any liability by reason of such approval).

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative

Agent from a federal funds broker of recognized standing selected by it; *provided, further*, that if any of the aforesaid rates as so determined is less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

“*NYFRB’s Website*” means the website of NYFRB at <http://www.newyorkfed.org>, or any successor source.

“*Non-Consenting Lender*” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 11.3 hereof and (b) has been approved by the Required Lenders.

“*Non-Defaulting Lender*” means, at any time, each Lender that is not a Defaulting Lender at such time.

“*Obligations*” means all obligations of the Borrower to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the Borrower arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“*Operating Expenses*” has the meaning set forth in the General Resolution.

“*Operating Agreements*” means (i) the Operations Services Agreement and (ii) the Amended and Restated Power Supply Agreement between the LIPA Subsidiary and National Grid Generation LLC, dated as of October 2, 2012.

“*Operations Services Agreement*” shall mean the Amended and Restated Operations Services Agreement between the LIPA Subsidiary and PSEG Long Island LLC, dated as of December 31, 2013, as amended and supplemented.

“*Original Closing Date*” means March 20, 2019.

“*Original General Resolution*” means the means the Electric System General Revenue Bond Resolution adopted by the Borrower on May 13, 1998, as heretofore supplemented and amended, including, without limitation as supplemented by the Borrower entitled “Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution authorizing Electric System General Revenue Notes, in a principal amount of up to \$500,000,000 outstanding at any time” adopted October 29, 2021, and each of the certificates of determination delivered pursuant to such resolution.

“*Other Connection Taxes*” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“*Other Taxes*” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.10 hereof).

“*Outstanding*” has the meaning set forth in the General Resolution.

“*Overnight Bank Funding Rate*” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“*Parity Contract Obligations*” has the meaning set forth in the General Resolution.

“*Parity Obligations*” has the meaning set forth in the General Resolution.

“*Participant*” has the meaning set forth in clause (d) of Section 11.2 hereof.

“*Participant Register*” has the meaning set forth in clause (d) of Section 11.2 hereof.

“*PBGC*” means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

“*Percentage*” means, for each Lender, the percentage of the total Commitments represented by such Lender’s Commitment or, if the Commitments have been terminated or expired, the percentage of the total Loans then outstanding held by such Lender.

“*Permitted Discretion*” means a determination made in good faith and in the exercise of reasonable (from the perspective of a lender) business judgment.

“*Permissible Investments*” means any of the Investment Securities defined in the General Resolution, if and to the extent (i) such Investment Securities constitute legal investments for the funds held under the Resolution, and (ii) such Investment Securities conform to the policies set forth in any investment guidelines adopted by the Authority and in effect at the time of the making of such investment.

“*Permitted Subordinate Debt*” means Debt of the Borrower payable from or secured by a lien on Revenues that is subordinate to the payments provided for in, and the respective liens created by, the General Resolution and the Subordinate Resolution.

“*Person*” means any natural Person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“*PILOT*” means any payments in lieu of taxes due and owing by the Borrower or the LIPA Subsidiary in accordance with Section 1020-q of the Act or other applicable law.

“*Potential Default*” shall mean any event or condition which, with the lapse of time, or giving of notice, or both, would constitute an Event of Default.

“*Prepayment Notice*” means a written notice by the Borrower to prepay Loans which shall be substantially in the form of Exhibit F hereto (or such other form as may be approved by the Administrative Agent).

“*Prime Rate*” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“*Principal Installment*” has the meaning set forth in the General Resolution.

“*Principal Office*” has the meaning set forth in the General Resolution.

“*Prior Agreement*” shall have the meaning given such term in the recitals hereof.

“*Privatization*” means (i) any sale, transfer, lease (including, without limitation, any long-term lease or sale/lease and leaseback) or other disposition (whether in a single transaction or a series of transactions) of all or any substantial part of the System, the Property or other assets of the Borrower or the LIPA Subsidiary to any private entity or private concern, that results in the Borrower no longer owning or controlling the operation of the System, (ii) any sale or other disposition of, or encumbrance or grant of a security interest in, any common or preferred stock or other evidence of the Borrower’s equity interest in any of its Subsidiaries, that results in the Borrower and the LIPA Subsidiary no longer owning or effectively controlling the ownership and operation of the System, or (iii) the Borrower or the LIPA Subsidiary transferring, ceding or losing control (whether by force of law, by contract or otherwise) of the ability to manage, determine or control the operations and management of the System or a substantial part (as defined in Section 8.29 hereof) of its Property and the services relating thereto (as in effect on the Original Closing Date); *provided that*, contracting with a third party service provider for management and operation services of the same type contracted for in the Operating Agreements shall not be deemed to be the transferring, ceding or loss of control of the ability of the Borrower or the LIPA Subsidiary to manage, determine or control the operations and management of the System or any substantial part of its Property and the services relating thereto so long as (x) such contract shall not provide such third party service provider or any Person other than the Borrower and the LIPA Subsidiary with any legal, equitable, tax, beneficial or other ownership or leasehold interest in the System or in any other Property of the Borrower or the LIPA Subsidiary or in any Revenues and (y) all additions to the System and other Property of the Borrower or the LIPA Subsidiary purchased or constructed

in conjunction or for the use with any part of the System or other Property of the Borrower or the LIPA Subsidiary remains and shall be the property of the Borrower or the LIPA Subsidiary. A Privatization shall be deemed to occur on the date the relevant action or event takes effect and not on the date of any contract or law providing for such action or event to become effective on a future date; *provided further that*, Privatization shall not include (i) the optional capital additions permitted by the Service Provider (as such term is defined in the Operations Services Agreement) pursuant to Section 4.2(a)(7) of the Operations Services Agreement and (ii) capital additions made pursuant to Utility 2.0 plan required by Section 4.2(a)(5) of the Operations Services Agreement.

“*Property*” means, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person, whether now owned or hereafter acquired, whether or not included in the most recent balance sheet of such Person and its subsidiaries under GAAP.

“*Put Debt*” shall mean Debt that is (i) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (ii) payable or required to be purchased or repurchased from the owner thereof by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity, other than pursuant to any tax call, extraordinary mandatory redemption or prepayment, optional redemption or prepayment, mandatory sinking fund payments or other similar form of amortization.

“*Qualified Counterparty*” has the meaning set forth in the General Resolution.

“*Rate Consultant*” has the meaning set forth in the General Resolution.

“*Rate Stabilization Fund*” has the meaning set forth in the General Resolution.

“*Rate Stabilization Fund Requirement*” has the meaning set forth in Section 8.14 hereof.

“*Rating Agencies*” means Moody’s, S&P and Fitch.

“*Recipient*” means (a) the Administrative Agent and (b) any Lender, as applicable.

“*Redemption Price*” has the meaning set forth in the General Resolution.

“*Reduction Fee*” has the meaning set forth in Section 3.1(d) hereof.

“*Reference Time*” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting, (2) if such Benchmark is Daily Simple SOFR, then four Business Days prior to such setting or (3) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

“*Related Parties*” means, with respect to any Person, such Person’s Bank Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Bank Affiliates.

“*Release*” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, or dumping of any substance into the environment.

“*Relevant Governmental Body*” means, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

“*Relevant Rate*” means (i) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (ii) with respect to any RFR Borrowing, the Adjusted Daily Simple SOFR, as applicable.

“*Required Deposits*” has the meaning set forth in the General Resolution.

“*Required Lenders*” means, at any time, Lenders holding more than 50% of the Percentages. The outstanding Loans of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“*Requirement of Law*” means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority (including Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“*Revenues*” has the meaning set forth in the General Resolution.

“*RFR Borrowing*” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“*RFR Loan*” means a Loan that bears interest at a rate based on the Adjusted Daily Simple SOFR.

“*S&P*” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, except that if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Borrower and approved by the Required Lenders (which shall not be under any liability by reason of such approval).

“*Sanctioned Country*” means, at any time, a country, region or territory which is the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, and Syria).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“*Sanctions*” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“*Senior Lien Debt*” means all Bonds, Parity Obligations and all other Debt issued or incurred by or on behalf of the Borrower secured by a senior lien on Revenues.

“*Separately Financed Projects*” has the meaning set forth in the General Resolution.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“*SOFR Administrator*” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“*SOFR Administrator’s Website*” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“*SOFR Determination Date*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*SOFR Rate Day*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*State*” means the State of New York.

“*Stated Expiration Date*” means March 15, 2027, or such later date as extended pursuant to Section 2.12 hereof.

“*Stepped-Up Rate*” has the meaning set forth in Section 2.2(d) hereof.

“*Stepped-Up Rate Loan*” means a Loan bearing interest at a rate specified in Section 2.2(d) hereof.

“*Subordinate Resolution*” means the Electric System General Subordinated Revenue Bond Resolution, adopted by the Borrower on May 20, 1998, as amended and supplemented from time to time in accordance with the terms hereof and thereof.

“*Subordinated Indebtedness*” has the meaning set forth in the General Resolution.

“*Subsidiary*” means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person. Unless otherwise expressly provided herein, all references herein to a “Subsidiary” or “Subsidiaries” shall mean a Subsidiary or Subsidiaries of the Borrower.

“*Subsidiary Documents*” means (a) the Financing Agreement, (b) the Financing Agreement Note and (c) any other Loan Document to which the LIPA Subsidiary is a party relating to this transaction.

“*Subsidiary Unsecured Debt*” means any Debt issued or incurred by or on behalf of the LIPA Subsidiary which is an unsecured obligation of the LIPA Subsidiary.

“*Supplemental Resolution*” means the resolution entitled Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution authorizing Electric System General Revenue Notes, adopted by the Borrower on October 29, 2021, as amended and supplemented from time to time in accordance with the terms hereof and thereof, including without limitation the Certificate of Determination.

“*Supply Contracts*” has the meaning set forth in the General Resolution.

“*System*” has the meaning set forth in the General Resolution.

“*System Agreements*” has the meaning set forth in the General Resolution.

“*Tax Installments*” has the meaning set forth in Section 4.1 hereof.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Term Benchmark*” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

“*Term Benchmark Borrowing*” means, as to any Borrowing, the Term Benchmark Loans comprising such Borrowing.

“*Term Benchmark Loan*” means a Loan that bears interest at a rate based on the Adjusted Term SOFR Rate.

“*Term SOFR Determination Day*” has the meaning assigned to it under the definition of Term SOFR Reference Rate.

“*Term SOFR Rate*” means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“*Term SOFR Reference Rate*” means, for any day and time (such day, the “*Term SOFR Determination Day*”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “*Term SOFR Reference Rate*” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

“*Termination Date*” means the Stated Expiration Date, or such earlier date on which the Commitments are terminated in whole pursuant to Section 2.9, 9.2 or 9.3 hereof, or such later date as extended pursuant to Section 2.12 hereof.

“*Termination Fee*” has the meaning set forth in Section 3.1(d) hereof.

“*Third-Party Lender*” means any entity that, at the time of the proposed assignment pursuant to Section 11.2(b)(1)(iii) hereof, has a short term rating or a long term rating equivalent to or better than the lowest short term rating or long term rating then assigned by any Rating Agency to any Lender already party to this Agreement.

“*Total Commitments*” means the aggregate principal amount of Commitments of all the Lenders hereunder as of any date of determination.

“*Transactions*” means the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the Borrowing of Loans and other credit extensions, the use of the proceeds thereof.

“*Trust Estate*” has the meaning set forth in the General Resolution.

“*Trustee*” has the meaning set forth in the General Resolution.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*U.S. Dollars*” and “\$” each means the lawful currency of the United States of America.

“*U.S. Government Securities Business Day*” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“*U.S. Person*” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“*U.S. Tax Compliance Certificate*” has the meaning set forth in subsection (g) of Section 4.1 hereof.

“*Variable Rate Debt*” shall mean Debt (which may also be Balloon Debt or Put Debt) the terms of which require or permit interest thereon for the period of time for which calculated to be borne at a varying or adjustable rate per annum or a formula rate.

“*Withholding Agent*” means the Borrower and the Administrative Agent.

Section 1.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be

construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to time of day herein are references to New York, New York, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

Section 1.3. Change in Accounting Principles. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.21 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Borrower or the Required Lenders may by notice to the Lenders and the Borrower, respectively, require that the Lenders and the Borrower negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Borrower and its Subsidiaries shall be the same as if such change had not been made. No delay by the Borrower or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Borrower shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

Section 1.4. Interest Rates; Benchmark Notification. The interest rate on a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 4.3(b) hereof provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs,

losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 2. THE CREDIT.

Section 2.1. Commitments. Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually a “*Loan*” and collectively for all the Lenders the “*Loans*”) in U.S. Dollars to the Borrower from time to time on a revolving basis up to the amount of such Lender’s Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Loans at any time outstanding shall not exceed the Commitments in effect at such time. Each Borrowing of Loans shall be made ratably by the Lenders in proportion to their respective Percentages. As provided in Section 2.4(a) hereof, the Borrower may elect that each Borrowing of Loans be either Base Rate Loans or Term Benchmark Loans. As provided in Section 2.2 hereof, from and after the Stated Expiration Date all Loans shall be Stepped-Up Rate Loans. Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

Section 2.2. Applicable Interest Rates. (a) *Base Rate Loans.* For the period commencing on the Original Closing Date to but not including the Closing Date, the Base Rate Loan shall bear interest in accordance with the terms and provisions specified in the Original Agreement. From and including the Closing Date and thereafter, each Base Rate Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 360 days and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, or created by conversion from a Term Benchmark Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin (identified under the column “Base Rate Loans”) *plus* the Base Rate from time to time in effect, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(b) *RFR Loans.* Each RFR Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, or created by conversion from a Base Rate Loan or a Term Benchmark Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin (identified under the column “Term Benchmark and RFR Loans”) *plus* the Adjusted Daily Simple SOFR, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(c) *Term Benchmark Loans.* Each Term Benchmark Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or continued, or created by conversion from a Base Rate Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin (identified under the column “Term Benchmark and RFR Loans”) *plus* the Adjusted Term SOFR Rate for the Interest Period in effect for such Term Benchmark Loan,

payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(d) *Stepped-Up Rate Loans.* Commencing on the Stated Expiration Date, the principal amount of all Loans outstanding on and after the Stated Expiration Date and other amounts outstanding hereunder shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to the applicable “*Stepped-Up Rate*” set forth in the following table:

PERIOD	STEPPED-UP RATE
Stated Expiration Date through Day 30 following the Stated Expiration Date	Bank Rate
Day 31 through Day 90 following the Stated Expiration Date	Bank Rate <i>plus</i> 1.0%
Day 91 through Day 270 following the Stated Expiration Date	Bank Rate <i>plus</i> 2.0%

Interest on each such Stepped-Up Rate Loan shall be computed on the basis of a year of 360 days and actual days elapsed and payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(e) *Adjustments to Interest Rates for Increased Costs and Other Amounts.* (i) Notwithstanding the foregoing, if at any time any Lender is owed any Tax Installments pursuant to Section 4.1 hereof, such Lender may request that in lieu of such Tax Installment being paid separately that the rate of interest on its Loans be adjusted to reflect the aggregate amount of such Tax Installment. To that end, such Lender may adjust the interest rate applicable to its outstanding Loans (by increasing the applicable Applicable Margin or directly increasing the applicable interest rate) in order to receive payment of such Tax Installments in the form of interest on the Loans; *provided, however,* that the aggregate increase in interest on the Loans as result of treating the Tax Installment as interest on the Loans shall not exceed the aggregate of Tax Installments which would have otherwise been due and payable hereunder. A certificate of such Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender for such Tax Installments, and converting such Tax Installments to increases in the Applicable Margin or the interest rate on Loans, delivered to the Borrower shall be conclusive absent manifest error.

(ii) Notwithstanding the foregoing, if at any time a Lender imposes any Increased Costs on the Borrower pursuant to Section 4.4. hereof, such Lender may request that in lieu of such Increased Costs being paid separately that the rate of interest on its Loans be adjusted to reflect the aggregate amount of such Increased Costs. To that end, such Lender may adjust the interest rate applicable to its outstanding Loans (by increasing the applicable Applicable Margin or directly increasing the applicable interest rate) in order to receive payment of such Increased Costs in the form of interest on the Loans; *provided, however,* that the aggregate increase in interest on the Loans as result of treating the Increased Costs as interest on the Loans shall not exceed the aggregate of Increased Costs

which would have otherwise been due and payable hereunder. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, for such Increased Costs, and converting such Increased Costs to increases in the Applicable Margin or the interest rate on Loans, delivered to the Borrower shall be conclusive absent manifest error.

(iii) Notwithstanding the foregoing, if at any time any Lender is owed any Mitigation Installments pursuant to Section 4.7 hereof, such Lender may request that in lieu of such Mitigation Installment being paid separately that the rate of interest on its Loans be adjusted to reflect the aggregate amount of such Mitigation Installment. To that end, such Lender may adjust the interest rate applicable to its outstanding Loans (by increasing the applicable Applicable Margin or directly increasing the applicable interest rate) in order to receive payment of such Mitigation Installments in the form of interest on the Loans; *provided, however*, that the aggregate increase in interest on the Loans as a result of treating the Mitigation Installment as interest on the Loans shall not exceed the aggregate of Mitigation Installment which would have otherwise been due and payable hereunder. A certificate of such Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender for such Mitigation Installments, and converting such Mitigation Installments to increases in the Applicable Margin or the interest rate on Loans, delivered to the Borrower shall be conclusive absent manifest error.

(e) *Rate Determinations.* The Administrative Agent shall determine each interest rate applicable to the Loans hereunder, and its determination thereof shall be conclusive and binding except in the case of manifest error.

(f) *Existing Loans.* For the period commencing on the Original Closing Date to but not including the Closing Date, the Eurodollar Loans (as defined in the Original Agreement) shall bear interest in accordance with the terms and provisions specified in the Original Agreement.

Section 2.3. Minimum Borrowing Amounts. Each Borrowing of Base Rate Loans hereunder shall be in an amount not less than \$1,000,000. Each Borrowing of Term Benchmark Loans advanced, continued or converted hereunder shall be in an amount equal to \$5,000,000 or such greater amount which is an integral multiple of \$1,000,000. Without the Administrative Agent's consent, there shall not be more than ten (10) Borrowings of Term Benchmark Loans outstanding hereunder at any one time.

Section 2.4. Manner of Borrowing Loans and Designating Applicable Interest Rates.
(a) *Notice to the Administrative Agent.* The Borrower shall give notice to the Administrative Agent by no later than 10:00 a.m. (New York time): (i) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing and (ii) at least one (1) Business Day before the date the Borrower requests the Lenders to advance a Borrowing of Base Rate Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice of a new Borrowing. Thereafter, subject to the terms and conditions hereof, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to the minimum amount requirement for each outstanding Borrowing set forth in Section 2.3 hereof, a portion thereof, as follows: (i) if

such Borrowing is of Term Benchmark Loans, on the last day of the Interest Period applicable thereto, the Borrower may continue part or all of such Borrowing as Term Benchmark Loans or convert part or all of such Borrowing into Base Rate Loans or (ii) if such Borrowing is of Base Rate Loans, on any Business Day, the Borrower may convert all or part of such Borrowing into Term Benchmark Loans for an Interest Period or Interest Periods specified by the Borrower. The Borrower shall give all such notices requesting the advance, continuation or conversion of a Borrowing to the Administrative Agent by facsimile, email or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given), substantially in the form attached hereto as Exhibit A (Notice of Borrowing) or Exhibit B (Notice of Continuation/Conversion), as applicable, or in such other form acceptable to the Administrative Agent. Notice of the continuation of a Borrowing of Term Benchmark Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of Base Rate Loans into Term Benchmark Loans for an Interest Period or Interest Periods specified by the Borrower must be given by no later than 10:00 a.m. (New York time) at least three (3) Business Days before the date of the requested continuation or conversion. All such notices concerning the advance, continuation or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued or converted, the type of Loans to comprise such new, continued or converted Borrowing and, if such Borrowing is to be comprised of Term Benchmark Loans, the Interest Period applicable thereto. Upon notice to the Borrower by the Administrative Agent or the Required Lenders (or, in the case of an Event of Default under Section 9.1(c), (d) or (n) hereof with respect to the Borrower, without notice), no Borrowing of Term Benchmark Loans shall be advanced, continued, or created by conversion if any Potential Default or Event of Default then exists. The Borrower agrees that the Administrative Agent may rely on any such telephonic, telecopy, facsimile, email or other telecommunication notice given by any person the Administrative Agent in good faith believes is an Authorized Representative without the necessity of independent investigation.

(b) *Notice to the Lenders.* The Administrative Agent shall give prompt facsimile, email or other telecommunication notice to each Lender of any notice from the Borrower received pursuant to Section 2.4(a) hereof and, if such notice requests the Lenders to make Term Benchmark Loans, the Administrative Agent shall give notice to the Borrower and each Lender by like means of the interest rate applicable thereto promptly after the Administrative Agent has made such determination.

(c) *Borrower's Failure to Notify.* If the Borrower fails to give notice pursuant to Section 2.4(a) hereof of the continuation or conversion of any outstanding principal amount of a Borrowing of Term Benchmark Loans before the last day of its then current Interest Period within the period required by Section 2.4(a) hereof and such Borrowing is not prepaid in accordance with Section 2.6(a) hereof, such Borrowing shall automatically be converted into a Borrowing of Base Rate Loans.

(d) *Disbursement of Loans.* Not later than 12:00 noon (New York time) on the date of any requested advance of a new Borrowing, subject to the conditions precedent set forth in Section 7 hereof, each Lender shall make available its Loan comprising part of such Borrowing in funds immediately available at the principal office of the Administrative Agent in New York,

New York (or at such other location as the Administrative Agent shall designate). The Administrative Agent shall make the proceeds of each new Borrowing available to the Borrower at the Administrative Agent's principal office in New York, New York (or at such other location as the Administrative Agent shall designate), by depositing or wire transferring such proceeds to the credit of the Borrower's Designated Disbursement Account or as the Borrower and the Administrative Agent may otherwise agree.

(e) *Administrative Agent Reliance on Lender Funding.* Unless the Administrative Agent shall have been notified by a Lender prior to (or, in the case of a Borrowing of Base Rate Loans, by 12:00 noon (New York time) on) the date on which such Lender is scheduled to make payment to the Administrative Agent of the proceeds of a Loan (which notice shall be effective upon receipt) that such Lender does not intend to make such payment, the Administrative Agent may assume that such Lender has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Borrower the proceeds of the Loan to be made by such Lender and, if any Lender has not in fact made such payment to the Administrative Agent, such Lender shall, on demand, pay to the Administrative Agent the amount made available to the Borrower attributable to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was made available to the Borrower and ending on (but excluding) the date such Lender pays such amount to the Administrative Agent at a rate per annum equal to: (i) from the date the related advance was made by the Administrative Agent to the date two (2) Business Days after payment by such Lender is due hereunder, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day. If such amount is not received from such Lender by the Administrative Agent immediately upon demand, the Borrower will, on demand, repay to the Administrative Agent the proceeds of the Loan attributable to such Lender with interest thereon at a rate per annum equal to the interest rate applicable to the relevant Loan, but without such payment being considered a payment or prepayment of a Loan under Section 4.5 hereof so that the Borrower will have no liability under such Section with respect to such payment. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 2.5. Maturity of Loans. Each Loan made by a Lender, both for principal and interest not sooner paid, shall mature and be due and payable in full by the Borrower on the earlier to occur of: (i) the Final Maturity Date and (ii) the date on which the Commitments are terminated in whole pursuant to Section 2.9, 9.2 or 9.3 hereof. If the Borrower shall fail to pay any Loan as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate.

Section 2.6. Prepayments. (a) The Borrower may prepay any Loan in whole or in part (but, if in part, then: (i) if such Borrowing is of Base Rate Loans, in an amount not less than \$1,000,000, (ii) if such Borrowing is of Term Benchmark Loans, in an amount not less than \$5,000,000, and (iii) in each case, in an amount such that the minimum amount required for a Borrowing pursuant to Section 2.3 hereof remains outstanding) upon written notice delivered by

the Borrower to the Administrative Agent by 10:00 a.m. (New York time) at least one (1) Business Day in advance in the case of any prepayment of a Borrowing of Term Benchmark Loans and notice delivered by the Borrower to the Administrative Agent no later than 10:00 a.m. (New York time) on the date of prepayment in the case of a Borrowing of Base Rate Loans (or, in any case, such shorter period of time then agreed to by the Administrative Agent), such prepayment to be made by the payment of the principal amount to be prepaid and, in the case of any Term Benchmark Loans, accrued interest thereon to the date fixed for prepayment *plus* any amounts due the Lenders under Section 4.5 hereof. Each such notice pursuant to this Section 2.6 shall be in the form of a written Prepayment Notice, appropriately completed and signed by an Authorized Representative of the Borrower, or may be given by telephone to the Administrative Agent (if immediately confirmed by a written Prepayment Notice consistent with such telephonic notice).

(b) Any amount of Loans paid or prepaid before the Termination Date may, subject to the terms and conditions of this Agreement, be borrowed, repaid and borrowed again.

Section 2.7. Default Rate. Notwithstanding anything to the contrary contained herein, while any Event of Default exists or after acceleration, the Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all outstanding Loans and other amounts outstanding at a rate per annum equal to:

(a) for any Base Rate Loan and RFR Loan, (i) prior to the Stated Expiration Date, the sum of 2.0% *plus* the Applicable Margin (identified under the column “Base Rate Loans”) *plus* the Base Rate from time to time in effect and (ii) from and after the Stated Expiration Date, as described in subsection (b) of this Section;

(b) for any Term Benchmark Loan, the sum of 2.0% plus the rate of interest in effect thereon at the time of such Event of Default until the end of the Interest Period applicable thereto and, thereafter, (i) prior to the Stated Expiration Date, at a rate per annum equal to the sum of 2.0% plus the Applicable Margin (identified under the column “Term Benchmark and RFR Loans”) for Base Rate Loans plus the Base Rate from time to time in effect and (ii) from and after the Stated Expiration Date, as described in subsection (c) of this Section;

(c) for any Stepped-Up Rate Loan, the sum of the Stepped-Up Rate from time to time in effect *plus* 2.0%; and

(d) for any other amount owing hereunder not covered by clauses (a) or (b) above, the sum of 2.0% *plus* the Applicable Margin (identified under the column “Base Rate Loans”) *plus* the Base Rate from time to time in effect;

provided, however, that in the absence of acceleration pursuant to Section 9.2 or 9.3 hereof, any adjustments pursuant to this Section shall be made at the election of the Administrative Agent, acting at the request or with the consent of the Required Lenders, with written notice to the Borrower (which election may be retroactively effective to the date of such Event of Default). While any Event of Default exists or after acceleration, interest shall be paid on demand of the Administrative Agent at the request or with the consent of the Required Lenders.

Section 2.8. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof and the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to subsections (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(d) All obligations of the Borrower to pay principal of and Interest on the Loans, and Loan Redemption Premium, shall be evidenced by the Borrower's promissory note payable to the order of the Administrative Agent on behalf of the Lenders in a principal amount equal to the aggregate Commitments of the Lenders (less the aggregate principal amount of any Lender Bank Notes outstanding), such note to be executed by the Borrower and delivered by the Borrower to the Administrative Agent on behalf of the Lenders on the Closing Date in the form of Exhibit C-1 attached hereto with appropriate insertions (the "*Administrative Agent Bank Note*"). The Borrower shall pay principal of and interest on the Administrative Agent Bank Note on the dates and at the rates provided for in Sections 2.2, 2.5 and 2.6 hereof. The Administrative Agent Bank Note evidences and secures the payment of all Loans, Interest and Loan Redemption Premium (less the aggregate principal of Loans, Interest and Loan Redemption Premium evidenced by outstanding Lender Bank Notes) at the times, in the amounts and in the manner provided in this Agreement. Upon the request of a Lender, the Borrower shall execute and the Trustee shall authenticate and deliver to such Lender an individual promissory note payable to such Lender or its registered assigns in the form of Exhibit C-2 attached hereto with appropriate insertions (a "*Lender Bank Note*", and together with the Administrative Agent Bank Note and all other Lender Bank Notes issued hereunder, referred to individually herein as a "*Bank Note*" and collectively herein as the "*Bank Notes*") in a principal amount equal to such Lender's Commitment. The Borrower shall pay principal of and interest on each Lender Bank Note on the dates and at the rates provided for in Sections 2.2, 2.5 and 2.6 hereof. Each Lender Bank Note shall evidence and secure the payment of the Lender's Percentage of each Loan from time to time outstanding, the Interest owed to such Lender in accordance with the Lender's respective Percentage and any Loan Redemption Premium owed to such Lender at the times, in the amounts and in the manner provided in this Agreement. In the event that a Lender requests that the Borrower execute and the Trustee authenticate and deliver to such Lender a Lender Bank Note, the Administrative Agent Bank Note shall be deemed to be reduced by the amount of the Commitment of the Lender requesting such Lender Bank Note so long as such Lender Bank Note remains in effect, and the Trustee shall note the same upon the books of the Authority kept for that purpose at the Principal Office of the Trustee. Any such Lender or assignee may subsequently return any such Lender Bank Note to the

Trustee for cancellation and request that its respective Percentage of Loans and all Interest and all Loan Redemption Premium owed to it once again be evidenced and secured by the Administrative Agent Bank Note registered to and held by the Administrative Agent on behalf of the Lenders. In the event that a Lender or assignee subsequently returns any such Lender Bank Note to the Trustee for cancellation and requests that its respective Percentage of Loans and all Interest and all Loan Redemption Premium owed to it once again be evidenced and secured by the Administrative Agent Bank Note registered to and held by the Administrative Agent on behalf of the Lenders, the Trustee shall note the same on the books of the Authority kept for that purpose at the Principal Office of the Trustee; *provided* that the failure to make or any error in making any such notation shall not limit, extinguish or in any way modify the obligation of the Borrower to repay Loans or Obligations. The Bank Notes shall be issuable to the Administrative Agent and to the Lenders in the form of registered "Electric System General Revenue Notes, Series 2019A" of the Authority without coupons in the denominations of \$1,000 or any integral multiple thereof. A Bank Note shall be transferable, as provided in the Resolution and this Agreement, solely to the successors of the Administrative Agent, and the Lenders, as applicable, only upon the books of the Authority kept for that purpose at the Principal Office of the Trustee by the owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Bank Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the owner or his duly authorized attorney, and thereupon a new registered Bank Note, in the same aggregate principal amount, Series and maturity date shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed.

Section 2.9. Commitment Terminations. (a) *Optional Terminations.* The Borrower shall have the right at any time and from time to time, upon five (5) Business Days prior written notice to the Administrative Agent (or such shorter period of time agreed to by the Administrative Agent), to terminate the Commitments without premium or penalty and in whole or in part, any partial termination to be (i) in an amount not less than \$10,000,000 and (ii) allocated ratably among the Lenders in proportion to their respective Percentages, *provided* that the Commitments may not be reduced to an amount less than the sum of the aggregate principal amount of Loans then outstanding. The Administrative Agent shall give prompt notice to each Lender of any such termination of the Commitments.

(b) Any termination of the Commitments pursuant to this Section may not be reinstated.

(c) All Loans made by a Lender, both for principal and interest not sooner paid, shall mature and be due and payable in full by the Borrower on the date of termination of the Commitments in whole pursuant to this Section. If the Borrower shall fail to pay any Loan on the date of termination of the Commitments in whole pursuant to this Section, all such unpaid amounts shall bear interest for each day from and including the date of termination of the Commitments in whole pursuant to this Section until paid in full at the applicable Default Rate.

Section 2.10. Replacement of Lenders. If any Lender requests compensation under Section 4.4 hereof, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.1 hereof and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 4.7 hereof, or if any Lender is a Defaulting Lender or a

Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.2 hereof), all of its interests, rights (other than its existing rights to payments pursuant to Section 4.1 hereof or Section 4.4 hereof) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.2 hereof;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 4.5 hereof as if the Loans owing to it were prepaid rather than assigned) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 4.4 hereof or payments required to be made pursuant to Section 4.1 hereof, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.11. Defaulting Lenders. (a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.7 hereof shall be applied at such time or times as may be determined by the Administrative

Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Potential Default, Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released *pro rata* in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Potential Default, Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 7.1 hereof were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders *pro rata* in accordance with their Percentages. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.* Each Defaulting Lender shall be entitled to receive a Facility Fee for any period during which that Lender is a Defaulting Lender only to the extent allocable to the outstanding principal amount of the Loans funded by it.

(b) *Defaulting Lender Cure.* If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held *pro rata* by the Lenders in accordance with their respective Percentages, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 2.12. Extension of Stated Expiration Date. After obtaining any requisite third-party approvals, the Borrower may, by written notice to the Administrative Agent (and the Administrative Agent shall promptly notify the Lenders of the same) not earlier than 60 days prior

to the first anniversary of the Closing Date but no later than 30 days prior to such first anniversary of the Closing Date, request a one-time an extension of the current Stated Expiration Date for one additional one-year period, and the Administrative Agent and the Lenders will make reasonable efforts to respond to such one-time request within sixty (60) days after receipt of all information necessary, in the Administrative Agent's and the Lenders' reasonable judgment, to permit the Administrative Agent and the Lenders to make an informed credit decision. In the event the Administrative Agent and the Lenders fail to definitively respond to such request within such period of time, the Administrative Agent and the Lenders shall be deemed to have refused to grant the extension requested. The Administrative Agent and the Lenders may, in their sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless Lenders holding more than 50% of the Commitments hereunder then in effect shall have consented thereto in writing. The consent of the Lenders, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Administrative Agent and the Lenders. No Lender shall be under any obligation to approve a Stated Expiration Date extension request, and all Loans of each Non-Consenting Lender shall be subject to the then-existing Stated Expiration Date, provided that, so long as Lenders holding more than 50% of the Commitments hereunder then in effect have approved such extension, the Borrower shall have the right to replace the Commitment of any Non-Consenting Lender from existing Lenders and/or other financial institutions reasonably acceptable to the Administrative Agent.

Section 2.13. Increases in Commitments. (a) *Request for Increase.* Provided there exists no Potential Default or Event of Default, upon notice to the Administrative Agent, the Borrower may from time to time request an increase in the Commitments (each such increase, an "*Incremental Commitment*") by an aggregate amount not exceeding \$100,000,000; provided that (i) any such request for an increase shall be in a minimum amount of the lesser of (x) \$25,000,000 (or such lesser amount as may be approved by the Administrative Agent) and in integral multiples of \$5,000,000 in excess thereof and (y) the entire remaining amount of increases available under this Section and (ii) the Borrower shall make no more than a total of three (3) requests for increases of Commitments under this Section.

An Incremental Commitment may be provided by any existing Lender or other Person, in each case, that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an "*Incremental Lender*"); provided that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Administrative Agent. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment, or to provide a Commitment, pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(b) *Terms of Incremental Commitments.* The Administrative Agent and the Borrower shall determine the effective date for such increase pursuant to this Section (an "*Incremental Commitment Effective Date*") and, if applicable, the final allocation of such increase among the Persons providing such increase; *provided that* such date shall be a Business Day at least ten Business Days after delivery of the request for such increase (unless otherwise approved by the Administrative Agent) and at least 30 days prior to the Termination Date then in effect.

In order to effect such increase, the Borrower, the applicable Incremental Lender(s) and the Administrative Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements, each in form and substance satisfactory to the Borrower and the Administrative Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s).

Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment (and not a separate facility hereunder), each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and the Loans made by it on such Incremental Commitment Effective Date pursuant to paragraph (d) of this Section 2.13 shall be Loans, for all purposes of this Agreement.

(c) *Conditions to Effectiveness.* Each increase in the Commitments pursuant to this Section shall be subject to the satisfaction of the following conditions precedent:

(i) no Potential Default or Event of Default shall exist on the applicable Incremental Commitment Effective Date before or after giving effect to such increase;

(ii) the Borrower shall have received necessary approvals of the Incremental Commitment from the State Comptroller and the Public Authorities Control Board;

(iii) the representations and warranties of the Borrower set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified as to materiality, in all respects) on and as of such Incremental Commitment Effective Date as if made on and as of such date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date);

(iv) the Administrative Agent shall have received one or more Joinder Agreements contemplated above, providing for Incremental Commitments in the amount of such increase;

(v) the Administrative Agent shall have received a certificate of an Authorized Representative of the Borrower dated as of such Incremental Commitment Effective Date (A) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such increase, and (B) certifying that the conditions of this Section with respect to such increase have been satisfied; and

(vi) the Administrative Agent shall have received such legal opinions and other documents reasonably requested by the Administrative Agent in connection therewith.

As of such Incremental Commitment Effective Date, upon the Administrative Agent's receipt of the documents required by this paragraph (c), the Administrative Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt

notice of the increase in the Commitments to the Borrower and the Lenders (including each Incremental Lender).

(d) *Adjustments.* On each Incremental Commitment Effective Date, if there are Loans then outstanding, the Borrower shall prepay such Loans (and pay any additional amounts required pursuant to Section 4.5 hereof in connection therewith), and borrow Loans from the Incremental Lender(s), as shall be necessary in order that, after giving effect to such prepayments and borrowings, all Loans will be held ratably by the Lenders (including the Incremental Lender(s)) in accordance with their respective Commitments after giving effect to the applicable Incremental Commitment(s).

SECTION 3. FEES.

Section 3.1. Fees. (a) *Facility Fees.* For the period commencing on the Original Closing Date to but not including the Closing Date, the Borrower agrees to pay to the Administrative Agent a commitment fee for the account of each Lender in accordance with the terms and provisions specified in the Original Agreement. For the period commencing on the Closing Date and thereafter, the Borrower shall pay to the Administrative Agent for the ratable account of the Lenders in accordance with their respective Percentages a non-refundable facility fee (the "*Facility Fees*") in an amount equal to the product of the rate per annum equal to the Applicable Margin (identified under the column titled "*Facility Fee Rate*") (computed on the basis of a year of 360 days and the actual number of days elapsed) multiplied by the aggregate Total Commitments, whether or not in use. The Facility Fee shall be payable quarterly in arrears on the last Business Day of each March, June, September, and December in each year (commencing on the first such date occurring after the Closing Date), with any outstanding Facility Fee paid on the Termination Date; *provided* that if after the termination of the Commitments any Loan remains outstanding, the Facility Fee shall continue to accrue on the daily amount of the Loans outstanding and be payable on such later date on which all Loans and Obligations outstanding hereunder are paid in full.

(b) *Interest.* At any time Loans are outstanding, the Borrower hereby agrees that the pro rata portion of Facility Fees shall constitute Interest hereunder in an amount equal to the product of (i) the Facility Fee Rate in effect and (ii) a fraction (A) the numerator of which equals the aggregate principal amount of Loans outstanding and (B) the denominator of which is the aggregate amount of Total Commitments. To the extent that any Facility Fee does not constitute Interest hereunder, such Facility Fee shall be payable by the Borrower as Operating Expenses.

(c) *Termination and Reduction Fee.* (i) Notwithstanding the foregoing and anything set forth herein or in this Credit Agreement to the contrary, the Borrower hereby agrees to pay to the Lender a non-refundable termination fee (a "*Termination Fee*") in connection with any termination or replacement of this Credit Agreement by the Borrower prior to the eighteen (18) month anniversary of the Closing Date in an amount equal to the product of (A) the Facility Fee rate in effect on the date of such termination or replacement, (B) the Total Commitment in effect as of the date of termination or replacement (prior to giving effect to such termination or replacement) and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including the eighteen (18) month

anniversary of the Closing Date and the denominator of which is 360, payable on the date of such termination or replacement.

(ii) Notwithstanding the foregoing and anything set forth herein or in this Credit Agreement to the contrary, the Borrower hereby agrees to pay to the Lenders, in connection with each and every permanent reduction of the Total Commitment below the Total Commitment in effect on the Closing Date by the Borrower prior to the eighteen (18) month anniversary of the Closing Date, a non-refundable reduction fee (a "*Reduction Fee*") in an amount equal to the product of (A) the Facility Fee rate with respect to the Facility Fees in effect on the date of such permanent reduction (prior to giving effect to such reduction), (B) the amount by which the Total Commitment is being permanently reduced, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the eighteen (18) month anniversary of the Closing Date and the denominator of which is 360, payable on the date of such permanent reduction.

SECTION 4. TAXES; CHANGE IN CIRCUMSTANCES, INCREASED COSTS, AND FUNDING INDEMNITY.

Section 4.1. Taxes.

(a) Any and all payments by the Authority hereunder shall be made in accordance with Section 5 hereof and shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto, and all liabilities with respect thereto, excluding, in the case of the Administrative Agent or any Lender, (i) taxes imposed on its income and any withholdings in connection therewith, and franchise taxes imposed on it, by any jurisdiction under the laws of which the Administrative Agent or any Lender is organized or any political subdivision thereof and taxes imposed on its income, and franchise taxes imposed on it, by any jurisdiction or any political subdivision thereof, and (ii) taxes imposed by Section 1471 through Section 1474 of the Internal Revenue Code of 1986, as amended (including any official interpretations thereof, regulations promulgated thereunder, and any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with) (collectively "*FATCA*") on any "*withholdable payment*" payable to the Administrative Agent or any Lender as a result of the failure of such Person to satisfy the applicable requirements as set forth in FATCA (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If the Authority shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Administrative Agent or any Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 4.1) the Administrative Agent or any Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Authority agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Reimbursement Agreement (hereinafter referred to as “*Other Taxes*”).

(c) The Authority shall indemnify the Administrative Agent and the Lenders for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 4.1) paid by the Administrative Agent or any Lender and any liability (including penalties, interest and expenses, other than those penalties, interest or expenses arising from the gross negligence or willful misconduct of the Administrative Agent or such Lender) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date the Administrative Agent or such Lender makes written demand therefor. The Administrative Agent or such Lender shall notify the Authority in writing reasonably promptly after determining that Taxes or Other Taxes may be payable hereunder. From time to time hereafter, upon the request of the Administrative Agent or such Lender, the Authority will deliver such additional receipts, certificates or documents for the purposes of evidencing the Authority’s payment of Taxes and Other Taxes.

(d) If the Authority makes any additional payment to the Administrative Agent or any Lender pursuant to this Section 4.1 in respect of any Taxes or Other Taxes, and the Administrative Agent or such Lender determines that it has received (i) a refund of such Taxes or Other Taxes or (ii) a credit against or relief or remission for, or a reduction in the amount of, any tax or other governmental charge solely as a result of any deduction or credit for any Taxes or Other Taxes with respect to which it has received payments under this Section 4.1, the Administrative Agent or such Lender shall, to the extent that it can do so without prejudice to the retention of such refund, credit, relief, remission or reduction, pay to the Authority such amount as the Bank shall have determined to be attributable to the deduction or withholding of such Taxes or Other Taxes (not to exceed the amount the Administrative Agent or such Lender previously received from the Authority pursuant to this Section 4.1), without interest. If the Administrative Agent or such Lender later determines that it was not entitled to such refund, credit, relief, remission or reduction to the full extent of any payment made pursuant to the first sentence of this Section 5.13(d), the Authority shall upon demand of the Administrative Agent or such Lender promptly repay the amount of such overpayment. Any determination made by the Administrative Agent or such Lender pursuant to this Section 4.1(d) shall in the absence of bad faith or manifest error be conclusive, and nothing in this Section 4.1(d) shall be construed as requiring the Administrative Agent or such Lender to conduct its business or to arrange or alter in any respect its tax or financial affairs so that it is entitled to receive such a refund, credit or reduction or as allowing any person to inspect any records, including tax returns, of the Administrative Agent or such Lender.

(e) Without prejudice to the survival of any other agreement of the Authority hereunder, the obligation of the Authority under this Section shall survive the termination of this Agreement and the repayment of all amounts owing to the Administrative Agent and Lenders hereunder and under the other Documents; provided, that the Administrative Agent and the Lenders shall not be entitled to demand any payment under this Section 4.1 more than one year

following the last day of the fiscal year of the Administrative Agent or such Lender during which the liability in respect of such Taxes or Other Taxes was incurred; *provided, further, however*, that the foregoing proviso shall in no way limit the right of the Administrative Agent or such Lender to demand or receive any payment under this Section 4.1 to the extent that such payment relates to the retroactive application of any Taxes or Other Taxes if such demand is made within one year after the implementation of such Taxes or Other Taxes.

Section 4.2. Change of Law. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law makes it unlawful for any Lender to make or continue to maintain any Term Benchmark Loans or to perform its obligations as contemplated hereby, such Lender shall promptly give notice thereof to the Borrower and such Lender's obligations to make or maintain Term Benchmark Loans under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain Term Benchmark Loans. The Borrower shall prepay on demand the outstanding principal amount of any such affected Term Benchmark Loans, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; *provided, however*, subject to all of the terms and conditions of this Agreement, the Borrower may then elect to borrow the principal amount of the affected Term Benchmark Loans from such Lender by means of Base Rate Loans from such Lender, which Base Rate Loans shall not be made ratably by the Lenders but only from such affected Lender.

Section 4.3. Alternate Rate of Interest. (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 4.3, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR, Daily Simple SOFR; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.4 hereof or a new Exhibit A (Notice of Borrowing) in accordance with the terms of Section 2.4 hereof, any Interest Election

Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing and any Exhibit A (Notice of Borrowing) that requests a Term Benchmark Revolving Borrowing shall instead be deemed to be an Interest Election Request or an Exhibit A (Notice of Borrowing), as applicable, for (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 4.3(a)(i) or (ii) above or (y) an Base Rate Borrowing if the Adjusted Daily Simple SOFR also is the subject of Section 4.3(a)(i) or (ii) above. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 4.3(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.4 or a new Exhibit A (Notice of Borrowing) in accordance with the terms of Section 2.4, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 4.3(a)(i) or (ii) above or (y) a Base Rate Loan if the Adjusted Daily Simple SOFR also is the subject of Section 4.3(a)(i) or (ii) above, on such day.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark

Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 4.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 4.3.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor

(f) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing into a request for a Borrowing of or conversion to (A) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an Base Rate Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 4.3, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) a

Base Rate Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day.

Section 4.4. Increased Costs.

(a) If the Administrative Agent, any Lender or any Participant shall have reasonably determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in the interpretation or administration thereof by any court, central bank or other administrative or Governmental Authority (in each case, whether or not having the force of law) in each case occurring after the Original Closing Date, or compliance by the Administrative Agent, any Lender or any Participant with any request or directive of any such court, central bank or other administrative or Governmental Authority (whether or not having the force of law) (each a “*Change in Law*”), shall (A) change the basis of taxation of payments to the Administrative Agent, any Lender or any Participant of any amounts payable hereunder or under the Administrative Agent Bank Note or any Lender Bank Note (other than a change in the rate of tax based on the overall net income of the Administrative Agent, the Lenders or such Participant), (B) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against issuing Loans, or assets held by or deposits with or for the account of, the Administrative Agent, the Lenders or any Participant, or (C) impose on the Administrative Agent, the Lenders or any Participant any other condition regarding this Agreement or the Administrative Agent Bank Note or any Lender Bank Note, and the result of any event referred to in clause (A), (B) or (C) above shall be to increase the cost to the Administrative Agent, the Lenders or any such Participant of issuing Loans, or to reduce the amount of any sum received or receivable by the Administrative Agent, the Lenders or any such Participant hereunder or under the Bank Notes, then, if and to the extent permitted by law the Authority shall pay to the Administrative Agent, the Lenders or such Participant at such time and in such amount as is set forth in paragraph (d) of this Section, such additional amount or amounts as will compensate the Administrative Agent, the Lenders or such Participant for such increased costs or reductions in amount.

(b) If the Administrative Agent, any Lender or any Participant shall have determined that the applicability of any Change in Law by any court, central bank or other administrative or Governmental Authority, or compliance by the Administrative agent, the Lenders or any Participant, any corporation controlling the Administrative Agent, any Lender, any Participant or any corporation controlling the Administrative Agent, any Lender or any Participant with any directive of or guidance from any central bank or other authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Administrative Agent, any Lender or any Participant, any corporation controlling the Administrative Agent, any Lender or any Participant, or any corporation controlling the Administrative Agent, such Lender or such Participant allocates capital resources or liquidity to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital or liquidity to be maintained by the Administrative Agent, any Lender or any Participant, any corporation controlling the Administrative Agent, such Lender or such Participant or any corporation controlling the Administrative Agent, such Lender or such Participant as it relates to making or maintaining its obligations under this Agreement or (B)

reduces or would reduce the rate of return on the Administrative Agent, such Lender's or such Participant's capital or liquidity, or the capital or liquidity of any corporation controlling the Administrative Agent, such Lender or such Participant or any corporation controlling the Administrative Agent, such Lender or such Participant, to a level below that which the Administrative Agent, such Lender or such Participant, any corporation controlling the Administrative Agent, such Lender or such Participant could have achieved but for such circumstances (taking into consideration the policies of the Administrative Agent, such Lender or such Participant, any corporation controlling the Administrative Agent, such Lender or such Participant with respect to capital adequacy or liquidity as it relates to making or maintaining its obligations under this Agreement) then, if and to the extent permitted by law the Authority shall pay to the Administrative Agent, such Lender or such Participant or any corporation controlling the Administrative Agent, such Lender or such Participant at such time and in such amount as is set forth in paragraph (d) of this Section, such additional amount or amounts as will compensate the Administrative Agent, such Lender or such Participant or any corporation controlling the Administrative Agent, such Lender or such Participant for such cost of maintaining such increased capital or liquidity or such reduction of the rate of return on the Administrative Agent's, such Lender's or such Participant's capital or liquidity, or the capital or liquidity of any corporation controlling the Administrative Agent, such Lender or such Participant. The protection of this Section 2.13(b) shall be available to the Administrative Agent, such Lender or such Participant regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed.

(c) Notwithstanding the foregoing, for purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority (in each case pursuant to Basel III or any successor Basel Accord) shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

(d) The Administrative Agent, such Lender or such Participant will use its best efforts to notify the Authority within 30 days of its obtaining actual knowledge of any event occurring after the date hereof that will entitle the Administrative Agent, such Lender or such Participant or the respective controlling corporation of either, to compensation pursuant to this Section; provided that the failure of the Administrative Agent, such Lender or such Participant to notify the Authority within such 30-day period shall not relieve the Authority from any liability for payment of such compensation; provided further that the Authority shall not be required to compensate the Lenders or such Participant or the respective controlling corporation of the Administrative Agent, such Lender or such Participant pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that the Administrative Agent, any Lender or any such Participant, as the case may be, provides notice to the Authority of the event giving rise to such increased cost or reduction (except that, if the event giving rise to such increased cost or reduction is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof). Any request for payment of increased costs pursuant to this Section shall be accompanied by a certificate of the Administrative Agent, such Lender or such Participant claiming compensation under this Section setting forth the

additional amount or amounts to be paid to it hereunder and attaching such information in such detail as may be reasonably requested by the Authority, and such certificate and such information shall be conclusive in the absence of manifest error. In determining such amount, the Administrative Agent, such Lender or such Participant may use any reasonable average and attribution methods and shall include a reasonably detailed description of the amount resulting from the alleged event.

(e) The obligation of the Authority under this Section shall survive the termination of the Agreement and the repayment of all amounts owing to the Lenders hereunder and under the other Documents.

Section 4.5. Funding Indemnity. (a) With respect to Loans that are not RFR Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith) or (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Loans), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith) or (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 4.6. Discretion of Lender as to Manner of Funding. Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder with respect to Term Benchmark Loans shall be made as if each Lender had actually funded and maintained each Term Benchmark Loan with a maturity corresponding to such Loan's Interest Period, and bearing an interest rate equal to Adjusted Term SOFR Rate for such Interest Period.

Section 4.7. Lending Offices; Mitigation Obligations. Each Lender may, at its option, elect to make its Loans hereunder at the branch, office or affiliate specified on the appropriate signature page hereof (each a “*Lending Office*”) for each type of Loan available hereunder or at such other of its branches, offices or affiliates as it may from time to time elect and designate in a written notice to the Borrower and the Administrative Agent. If any Lender requests compensation under Section 4.4 hereof, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 4.1 hereof, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 4.1 or 4.4 hereof, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. All amounts required to be paid by the Borrower pursuant to this Section 4.7 are referred to herein as “*Mitigation Installment.*”

SECTION 5. PLACE AND APPLICATION OF PAYMENTS.

Section 5.1. Place and Application of Payments. All payments of principal of and interest on the Loans and all other Obligations payable by the Borrower under this Agreement and the other Loan Documents, shall be made by the Borrower to the Administrative Agent by no later than 1:00 p.m. (New York time) on the due date thereof to the Designated Administrative Agent Account, for the benefit of the Lender(s) entitled thereto. Any payments received after such time shall be deemed to have been received by the Administrative Agent on the next Business Day. All such payments shall be made in U.S. Dollars, in immediately available funds to the Designated Administrative Agent Account, in each case without set-off or counterclaim. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate per annum equal to: (i) from the date the distribution was made to the date two (2) Business Days after payment by such Lender is due hereunder, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day.

Section 5.2. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 5.3. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation for each such day.

Section 5.4. Account Debit. The Borrower hereby irrevocably authorizes the Administrative Agent to charge any of the Borrower's deposit accounts maintained with the Administrative Agent for the amounts from time to time necessary to pay any then due Obligations; *provided* that the Borrower acknowledges and agrees that the Administrative Agent shall not be under an obligation to do so and the Administrative Agent shall not incur any liability to the Borrower or any other Person for the Administrative Agent's failure to do so.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Administrative Agent and the Lenders that, on and as of the Closing Date:

Section 6.1. Organization. The Borrower is a duly organized, validly existing corporate municipal instrumentality of the State. The LIPA Subsidiary is a business corporation, duly incorporated, validly existing and in good standing under the laws of the State. Each of the Borrower and the LIPA Subsidiary has all requisite power and authority, rights and franchises to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform its obligations under the Loan Documents.

Section 6.2. Authorization, Conflicts, Binding Effect. The execution, delivery and performance of the Loan Documents by the Borrower are within the Borrower's powers and have been duly authorized by all necessary action by the Borrower including, if necessary, the adoption of any necessary regulations or resolutions by its Board. The execution, delivery and performance

of the Loan Documents by the Borrower or the LIPA Subsidiary, as applicable, have not or will not violate (i) the Act or the Borrower's or the LIPA Subsidiary's Bylaws or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award, or (ii) the provisions of any indenture, instrument or agreement to which the Borrower, the LIPA Subsidiary or any other Subsidiary is a party or is subject, or by which it, or its property, is bound. The Borrower is not in violation of or default under any such Legal Requirement, and no condition exists that would, with the giving of notice or lapse of time, or both, constitute such a violation or default. The Loan Documents have each been duly executed by the Borrower and are legally valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws affecting creditors' rights generally and by general principles of equity.

Section 6.3. Litigation; Adverse Facts. Except as set forth in Schedule 6.3 hereto, there is no action, suit, investigation, proceeding or arbitration (whether or not purportedly on behalf of the Borrower or the LIPA Subsidiary), at law or in equity or before or by any foreign or domestic court or other Governmental Authority (a "Legal Action"), pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the LIPA Subsidiary, or any of their respective assets which could reasonably be expected to result in any Material Adverse Effect. Neither the Borrower nor the LIPA Subsidiary is in violation of any applicable law, rule, regulation, order, writ, judgment, injunction, decree or award of any court or other agency or government, which violation has a Material Adverse Effect. Except as set forth in Schedule 6.3 hereto, there is no Legal Action pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the LIPA Subsidiary, questioning the validity or the enforceability of any Loan Document or any Subsidiary Document, respectively.

Section 6.4. Title to Properties; Liens. The Borrower and the LIPA Subsidiary have good, sufficient and legal title to all of their respective properties and assets. All of the properties of the Borrower and the LIPA Subsidiary are free and clear of Liens, except for (i) Liens arising in connection with the Loan Documents and (ii) such Liens as would not have a Material Adverse Effect. The Borrower's properties and all revenues therefrom are exempt from taxation by the State or any of its subdivisions, municipalities or other governmental or taxing entities; *provided, however,* that the Borrower is obligated under the Act to make certain PILOT payments.

Section 6.5. Disclosure. There is no fact known to the Borrower (other than matters of a general economic nature) which has or could reasonably be expected to have a Material Adverse Effect, which has not been disclosed in this Agreement or in other documents, certificates and written statements furnished to the Administrative Agent and the Lenders in connection herewith; *provided,* that, from an after the Closing Date, the documents, certificates and written statements furnished to the Administrative Agent and the Lenders in connection herewith shall include each material event notice filing on EMMA

Section 6.6. Payment of Taxes. All tax returns and reports of the Borrower and the LIPA Subsidiary required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges, including PILOT payments, upon the Borrower and the LIPA Subsidiary and upon their respective properties, assets, income and franchises which are due and payable have

been paid when due and payable on a current basis, except to the extent that such taxes or PILOT payments are being contested by the Borrower or the LIPA Subsidiary in good faith by appropriate proceedings with appropriate reserves.

Section 6.7. Reserved.

Section 6.8. Loan Documents; Subsidiary Documents. Each of the Loan Documents and the Subsidiary Documents is in full force and effect and represents a valid and binding obligation of the Borrower or the LIPA Subsidiary, as applicable, enforceable in accordance with its respective terms; no Potential Default or Event of Default presently exists under any of the Loan Documents or the Subsidiary Documents except as previously disclosed in writing to the Administrative Agent; nor has the Borrower, the LIPA Subsidiary or any other party thereto waived or deferred performance of any material obligation under any other Loan Document or Subsidiary Document except as previously disclosed in writing to the Administrative Agent.

Section 6.9. Reaffirmation of Representations and Warranties. The Borrower hereby makes to the Administrative Agent and the Lenders the same representations and warranties as are set forth by the Borrower in each of the General Resolution, the Supplemental Resolution, the Certificate of Determination, the Financing Agreement, the Financing Agreement Note, this Agreement and the Bank Notes, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Administrative Agent and the Lenders with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any Loan Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Administrative Agent and the Lenders.

Section 6.10. Regulatory Compliance. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan or any other extension of credit made hereunder will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 6.11. Registration, Consent and Approval. The execution, delivery and performance by the Borrower of this Agreement and the Loan Documents do not and with respect to the execution and delivery will not require registration with, or the consent or approval of, or any other action by, any Federal, State or other Governmental Authority or regulatory body other than those which have been made or given and are in full force and effect (except for any Federal securities laws or Blue Sky regulations, as to which no representation is given).

Section 6.12. Liens. The General Resolution creates, for the benefit and security of the Bank Notes (together with other Bonds and other Parity Obligations), the legally valid, binding and irrevocable statutory lien on and pledge of the Revenues and the Trust Estate. Each Bank Note, which evidences and secures the Obligations, is a special obligation of the Borrower secured by a pledge of and lien on the Trust Estate under the General Resolution. There is no lien on the

Trust Estate other than the liens created by or pursuant to the General Resolution and the Subordinate Resolution. Neither the General Resolution nor the Subordinate Resolution permits the issuance of any debt secured by the Revenues to rank senior to the Bank Notes. The payment of the principal of and interest on the Bank Notes ranks on a parity with the payment of principal of and interest on Bonds and is not subordinate to any payment secured by a lien on the Revenues or the Trust Estate or any other claim, and is prior as against all other persons having claims of any kind in tort, contract or otherwise, whether or not such persons have notice of the lien. No filing, registering, recording or publication of the General Resolution or any other instrument is required to establish the pledge under the Resolution and the General Resolution or to perfect, protect or maintain the lien created thereby on the Revenues and the Trust Estate.

Section 6.13. Sovereign Immunity. The defense of sovereign immunity is not available to the Borrower in any proceeding by the Administrative Agent or any Lender to enforce any of the obligations of the Borrower under this Agreement or the Loan Documents and, to the fullest extent permitted by law, the Borrower consents to the initiation of any such proceeding in any federal or state court as provided in Section 11.17(b) hereof.

Section 6.14. No Default. No Potential Default or Event of Default exists on the date hereof.

Section 6.15. ERISA. The Borrower and its Subsidiaries are in compliance in all material respects with ERISA to the extent applicable to them and neither the Borrower nor any Subsidiary thereof has received any notice to the contrary from the PBGC or any other governmental entity or agency that such Person is not in compliance in all material respects with ERISA to the extent applicable to them, except to the extent that such noncompliance could not reasonably be expected to result in a Material Adverse Effect. No steps have been taken to terminate any Plan other than a “standard termination” meeting the requirements of Section 4041(b) of ERISA, and no contribution failure has occurred with respect to any Plan sufficient to give rise to a lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Plan which is reasonably likely to result in the incurrence by the Borrower or any Subsidiary thereof of any fine, penalty or liability (other than the liability for making contributions when due to such Plan in accordance with Section 302 of ERISA) which could reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any Subsidiary thereof has any contingent liability with respect to any post-retirement benefit, other than liability for continuation coverage described in Part 6 of Title I of ERISA that could reasonably be expected to have a Material Adverse Effect, except as disclosed in writing to the Administrative Agent prior to the date hereof. The Borrower and its Subsidiaries each are not (1) an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (2) a plan or account subject to Section 4975 of the Internal Revenue Code of 1986 (the “Code”); (3) an entity deemed to hold “plan assets” of any such plans or accounts for purposes of ERISA or the Code; or (4) a “governmental plan” within the meaning of ERISA.

Section 6.16. Enforceability. This Agreement and the other Loan Documents are the legal, valid and binding agreements of the Borrower and, to the extent a signatory thereto, the LIPA Subsidiary, enforceable against them in accordance with their terms, except as may be limited by (a) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws

or judicial decisions for the relief of debtors or the limitation of creditors' rights generally and (b) equitable principles of general applicability.

Section 6.17. No Default under Other Agreements. None of the Borrower, the LIPA Subsidiary or any other Subsidiary is in default with respect to any note, indenture, loan agreement, mortgage, lease, deed, or other agreement to which it is a party or by which it or its Property is bound, which default could materially and adversely affect any rights of the Administrative Agent or any Lender under the Loan Documents or could reasonably be expected to result in a Material Adverse Effect.

Section 6.18. Status under Certain Laws. Neither the Borrower nor any of its Subsidiaries is an "investment company" or a person directly or indirectly controlled by or acting on behalf of an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 6.19. Environmental Law. To the best of the Borrower's knowledge, after reasonable diligence with respect thereto, except as otherwise described to the Administrative Agent in writing on or prior to the Closing Date, (a) neither the Borrower nor any Subsidiary thereof has received any notice to the effect, or has any knowledge, that its Property or operations are not in compliance with any of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations including, without limitation, regulations promulgated under the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 *et seq.* ("RCRA"), or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or remedial action could reasonably be expected to result in a Material Adverse Effect; (b) there have been no releases of hazardous materials at, on or under any Property now or previously owned or leased by the Borrower or any Subsidiary that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect; (c) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any Property now or previously owned or leased by the Borrower or any Subsidiary that, singly or in the aggregate, have, or could reasonably be expected to result in, a Material Adverse Effect; (d) neither the Borrower nor the Subsidiary is the subject of any remedial investigation under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 *et seq.* ("CERCLA") that is reasonably expected to have a Material Adverse Effect; and (e) no conditions exist at, on or under any Property now or previously owned or leased by the Borrower or any subsidiary which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law, except to the extent such liability could not reasonably be expected to result in a Material Adverse Effect.

Section 6.20. Interest. None of the Loan Documents provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

Section 6.21. Financial Information. The audited financial statements of the Borrower and its consolidated Subsidiaries for the Fiscal Year ended December 31, 2020, true and correct copies of which have heretofore been delivered or made available to the Administrative Agent, fairly

present, in conformity with GAAP, the financial position of the Borrower and its consolidated Subsidiaries and its results of operations and changes in financial position at the dates and for the periods indicated. Since December 31, 2020, there has been no material adverse change in the business, financial position or results of operations of the Borrower and the LIPA Subsidiary other than those events or circumstances described on Schedule 6.21 hereto. Except as reflected in the financial statements referenced above or as described in Schedule 6.3 or Schedule 6.21 hereto or as otherwise disclosed by the Borrower to the Administrative Agent in writing, there are as of the date hereof no liabilities or obligations with respect to the Borrower of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Borrower or the LIPA Subsidiary. The Borrower does not know of any basis for the assertion against the Borrower or any of its Subsidiaries of any liability or obligation of any nature whatsoever that is not reflected in the financial statements referenced above or Schedule 6.3 or Schedule 6.21 hereto which, in the aggregate, could be material to the Borrower or any of its consolidated Subsidiaries.

Section 6.22. Application of Proceeds. The Borrower will apply the proceeds of each Loan solely and entirely to the purposes specified in the General Resolution, and not in violation of any Legal Requirements.

Section 6.23. General Resolution. The Bank Notes constitute “Bonds” under and for purposes of the General Resolution. The principal amount of the Bank Notes, which evidence and secure Loans hereunder, constitutes a “Principal Installment” for purposes of the General Resolution. All interest on the Bank Notes, which evidence and secure the Interest hereunder, constitutes an “installment of interest” on a “Bond” for purposes of the General Resolution. Loan Redemption Premium, which is also evidenced and secured by the Bank Notes, constitutes the Redemption Price of a “Bond” for purposes of the General Resolution. To the extent that any Facility Fee, Termination Fee, Reduction Fee or any other amount payable hereunder does not constitute Interest hereunder, such Facility Fee, Termination Fee, Reduction Fee or other amount shall be payable as Operating Expenses by the Borrower.

SECTION 7. CONDITIONS PRECEDENT.

Section 7.1. All Credit Events. At the time of each Credit Event hereunder:

- (a) no Potential Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event;
- (b) in the case of a Borrowing, the Administrative Agent shall have received the notice required by Section 2.4 hereof; and
- (c) such Credit Event shall not violate any order, judgment or decree of any court or other authority or any provision of law or regulation applicable to the Administrative Agent, or any Lender (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

Each request for a Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date on such Credit Event (i) as to the facts specified in subsections (a) through (c), inclusive, of this Section 7.1 and (ii) that the representations and warranties contained in Section 6 hereof (excluding Section 6.21) are true and correct in all material respects; *provided, however*, that the Lenders may continue to make advances hereunder, in the sole discretion of the Required Lenders, notwithstanding the failure of the Borrower to satisfy one or more of the conditions set forth in the preceding clause and any such advances so made shall not be deemed a waiver of any Potential Default or Event of Default or other condition set forth above that may then exist.

Section 7.2. Closing Date. Before or concurrently with the Closing Date:

(a) the Administrative Agent shall have received this Agreement duly executed by the Borrower, the Administrative Agent and the Lenders;

(b) the Administrative Agent shall have received the Administrative Agent Bank Note dated the Closing Date and duly executed by the Borrower and if requested by any Lender, the Administrative Agent shall have received for such Lender such Lender's duly executed Lender Bank Note of the Borrower dated the Closing Date and otherwise in compliance with the provisions of Section 2.8 hereof;

(c) the Administrative Agent shall have received the following, each in form and content satisfactory to the Administrative Agent and its counsel, to be evidenced by the execution of a certificate of the Administrative Agent:

(i) certified copies of each of the Loan Documents;

(ii) certificates of the Chief Executive Officer or Chief Financial Officer of the Borrower and the Chief Operating Officer or Chief Financial Officer or Secretary of the LIPA Subsidiary, each dated as of the Closing Date in the form and content satisfactory to the Lenders and their counsel;

(iii) evidence satisfactory to the Lenders that no lawsuits or governmental actions other than those referenced in Schedule 6.3 hereto are pending against the Borrower in respect of the Bonds or the Loans or in connection with the Loan Documents;

(iv) certified copies of the organizational documents of the Borrower certified by its Secretary or Chief Executive Officer;

(v) certified copies of the organizational documents of the LIPA Subsidiary certified by its Secretary or Chief Executive Officer;

(vi) audited financial statements and unaudited quarterly financial statements (including an income statement, a balance sheet, and a cash flow statement) of the Borrower for the prior three (3) years and any other financial

information regarding the Borrower and its Subsidiaries as the Lenders and the Administrative Agent may reasonably request;

(vii) evidence of all necessary third party approvals (including, without limitation, approvals from (A) the Office of the State Comptroller and the Office of the Attorney General in accordance with Section 112 of the State Finance Law, (B) approval by the Public Authorities Control Board in accordance with Section 51 of the Public Authorities Law, and (C) all other necessary governmental approvals), and this agreement shall not become effective prior to receipt of such approvals; and

(viii) evidence that the Debt Ratings as of the Closing Date are not less than “A3” by Moody’s, “A-” by S&P and “A” by Fitch and that no such long-term unenhanced rating has been downgraded, suspended or withdrawn.

(d) the Administrative Agent shall have received (i) an opinion of Counsel to the Borrower and to the LIPA Subsidiary, dated the Closing Date, and addressed to the Administrative Agent and each Lender, in form and content satisfactory to the Administrative Agent and its counsel and (ii) an opinion and reliance letters of Hawkins Delafield & Wood LLP, dated the Closing Date, and addressed to the Administrative Agent and each Lender, in form and content satisfactory to the Administrative Agent and its counsel;

(e) other than those events or circumstances described on Schedule 6.21 hereto, no event or circumstance shall have occurred since December 31, 2020, which could reasonably be expected to materially and adversely affect the rights or remedies of the Lenders hereunder, or the ability of the Borrower, the LIPA Subsidiary or any of the Borrower’s other Subsidiaries to perform its respective obligations hereunder or under any other Loan Document to which it is a party or which could have a Material Adverse Effect;

(f) all legal (including tax implications) and regulatory matters incident to the execution and delivery of this Agreement and the other Loan Documents and to transactions contemplated hereby shall be satisfactory to the Administrative Agent and its counsel;

(g) the Administrative Agent shall have received a certificate as to the Borrower’s Designated Disbursement Account;

(h) [Reserved]

(i) each of the Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information requested by any such Lender required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the United States Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) including, without limitation, the information described in Section 13.24; and the

Administrative Agent shall have received a fully executed Internal Revenue Service Form W-9 (or its equivalent) for the Borrower; and

(j) the Administrative Agent shall have received such other agreements, instruments, documents, certificates, and opinions as the Lenders and their counsel may reasonably request.

SECTION 8. COVENANTS.

The Borrower agrees that, so long as any credit is available to or in use by the Borrower hereunder, except to the extent compliance in any case or cases is waived in writing pursuant to the terms of Section 11.3:

Section 8.1. Maintenance of Existence, Etc. The Borrower will maintain and preserve its existence and all rights material to its function; maintain its assets in good order and repair; and conduct its business in an orderly manner without voluntary interruption. The Borrower shall maintain its legal existence as a corporate municipal instrumentality of the State and shall maintain and preserve the legal existence of the LIPA Subsidiary as a wholly owned subsidiary of the Borrower except for mergers permitted by Section 8.29 or where the dissolution of a Subsidiary would not have a Material Adverse Effect.

Section 8.2. Access and Reporting. The Borrower will permit the representatives of the Administrative Agent and the Lenders at any time or from time to time during normal business hours, upon one (1) Business Days' notice, to inspect all of its properties, books and records and to discuss the affairs, finances and accounts of the Borrower with its officers from time to time. The Borrower will maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. The Borrower, at its expense, will furnish or cause to be furnished to the Administrative Agent, the following:

(a) (i) Within sixty (60) days after the end of each of the first three fiscal quarters of each Fiscal Year of the Borrower, unaudited consolidated financial statements consisting of a statement of financial position of the Borrower and its consolidated Subsidiaries as of the end of such fiscal period, and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues of the Borrower and its consolidated Subsidiaries for such fiscal period, prepared in accordance with GAAP, and in the case of such quarter of such Fiscal Year, setting forth in comparative form the corresponding figures (if any) for such fiscal quarter of the preceding Fiscal Year, prepared in accordance with GAAP, and (ii) within one hundred twenty (120) days after the end of each Fiscal Year, audited financial statements of the Borrower and its consolidated Subsidiaries consisting of a statement of financial position and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues for such Fiscal Year (including comparative form of the corresponding figures (if any) for the preceding Fiscal Year) all in reasonable detail (in the case of the report set out in (ii), prepared in accordance with GAAP and accompanied by the report of a nationally recognized firm of certified public accountants, and in all other cases prepared in

accordance with GAAP for interim financial information). In connection with the requirements in clauses (i) and (ii) above, the Borrower shall also provide a letter from the Chief Financial Officer of the Borrower addressed to the Administrative Agent and the Lenders stating that, in so far as they relate to accounting matters, no Event of Default and no Potential Default has come to his/her attention and was continuing at the end of such fiscal period or on the date of his/her letter or, if such an event, in so far as it relates to accounting matters, has come to his/her attention and was continuing as of such date, indicating the nature of such event and the action which the Borrower proposed to take with respect thereto and, in connection with the requirements in clause (ii) above, the Borrower shall provide a letter from the nationally recognized firm of certified public accountants that prepared the report required by clause (ii) addressed to the Administrative Agent and the Lenders, stating that, in so far as they relate to accounting matters, no Event of Default and no Potential Default has come to such firm's attention and was continuing at the end of such fiscal period or on the date of such firm's letter or, if, in so far as they relate to accounting matters, such an event has come to such firm's attention and was continuing as of such date, indicating the nature of such event. Such letter shall also set forth the calculations supporting such statements in respect of Sections 8.7 and 8.14 hereof;

(b) Within one hundred twenty (120) days after the end of each Fiscal Year, a certificate of an Authorized Representative of the Borrower (i) setting forth in reasonable detail the Borrower's historical Debt Service coverage for such Fiscal Year, together with detailed calculations thereof, and (ii) certifying that no Event of Default and no Potential Default has occurred and is continuing;

(c) Within one hundred twenty (120) days after the end of each Fiscal Year, a certificate of an Authorized Representative of the Borrower setting forth in reasonable detail the electric sales, revenues and peak period usage for such Fiscal Year;

(d) Promptly upon their becoming available, a copy of the Borrower's operating budget for the following Fiscal Year, but no later than 15 days after such information is made available by the Borrower and, in any event, not later than 120 days after the end of each Fiscal Year, and such budget shall include, without limitation, the following information: (i) a forecast of projected operating results for the next Fiscal Year, (ii) estimated capacity requirements and resources for the next Fiscal Year, and (iii) a summary of estimated capital expenditures for the four (4) succeeding Fiscal Years;

(e) Promptly upon their becoming available, other financial reports, annually adopted budgets, official statements and similar information of the Borrower and its consolidated Subsidiaries, but in no event later than fifteen (15) days after such information is made available by the Borrower and shall promptly furnish such other information on the financial condition and affairs of the Borrower as the Administrative Agent or any Lender may reasonably request from time to time;

(f) Promptly upon their becoming available, copies of any non-routine periodic or special reports filed by the Borrower with any Governmental Authority if such reports indicate any material adverse change in the business, operations, affairs or condition of the

Borrower and/or the LIPA Subsidiary, and copies of any material adverse notice or other material adverse communications from any governmental authority, its board or committee of its board which specifically relate to the operations of the Borrower and/or the LIPA Subsidiary;

(g) Written notice of (i) any litigation, legal proceeding or dispute with any Governmental Agency or with any other party which if determined adversely to the Borrower or the LIPA Subsidiary would have a material adverse effect on the Borrower's or the LIPA Subsidiary's performance of its obligations under this Agreement or any Loan Document or Bank Document or the transactions contemplated hereby or thereby, (ii) failure by the Borrower or the LIPA Subsidiary to pay and discharge any of its material obligations and liabilities when due, (iii) any breach of warranty, lack of correctness of warranty, event of default, breach of covenant or any lack of validity or contest as to validity in any Document to which the Borrower or the LIPA Subsidiary is a party, and (iv) any other non-routine, periodic or special reports of the activities or condition of the Borrower or the LIPA Subsidiary submitted to or by any Governmental Authority and any other audit report prepared with respect to the activities or condition of the Borrower or the LIPA Subsidiary for delivery to a third party, in each case to the extent such reports are deemed relevant by the Borrower to the Borrower's ability to perform its obligations under this Agreement, and copies of any material adverse notice or other material adverse communication from any Governmental Authority, if such report, notice or communication is determined by the Borrower or its auditors to be of a scope which require it to be disclosed in an audit report of the Borrower. The Administrative Agent and the Lenders agree to maintain the confidentiality of all non-public information provided pursuant to this paragraph; *provided, however*, that the Administrative Agent and the Lenders shall not be precluded from disclosing such information or the contents of such information to Participants that agree to maintain the confidentiality of all such non-public information for the benefit of the Borrower pursuant to Section 11.21 hereof, or, to the extent required by statute, rule, regulation or judicial process or upon the lawful demand of any court, agency or other governmental authority having jurisdiction over the Administrative Agent or a Lender.

(h) As soon as reasonably available, copies of any material notices, certificates or other communications given to or received from the Trustee or the LIPA Subsidiary pursuant to or in connection with the Loan Documents;

(i) As soon as available, and in any event within sixty (60) days after the end of each fiscal quarter of each Fiscal Year, a report of quarterly mark-to-market valuations of the Borrower's Financial Contracts; and

(j) Such other information respecting the operations and properties, financial or otherwise, of the Borrower and the LIPA Subsidiary as the Administrative Agent or any Lender may from time to time reasonably request.

The Borrower shall be deemed to have complied with the requirements to provide the information set forth in this Section 8.2 to the extent such information (i) has been duly posted on

the Borrower's website (www.lipower.org) or (ii) has been duly filed with EMMA and is publicly available, in either case, within the time periods set forth above and the Borrower shall have given the Administrative Agent notice of the same within the time periods set forth above.

Section 8.3. Further Assurances. From time to time hereafter, the Borrower will, and will cause the LIPA Subsidiary to, execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Administrative Agent or any Lender may reasonably request, for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents or for the purpose of more fully perfecting or renewing the Administrative Agent's and each Lender's rights with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Borrower which are or become a part thereof) pursuant hereto or thereto. Without limiting the generality of the foregoing, upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or any Loan Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Borrower will, and will cause the LIPA Subsidiary to, execute and deliver all necessary applications, certifications, instruments and other documents and papers that may be required in order to obtain such governmental consent, approval, registration, qualification or authorization.

Section 8.4. Compliance with Legal Requirements. The Borrower will comply and shall take all action necessary or advisable to cause others, including without limitation the LIPA Subsidiary, to comply in all material respects with all the Legal Requirements affecting the Borrower and/or the LIPA Subsidiary, including all the Legal Requirements the non-compliance with which would materially adversely affect (a) the business, operations, assets, or condition (financial or otherwise) of the Borrower or the LIPA Subsidiary and (b) the ability of the Borrower or the LIPA Subsidiary to perform its obligations under the Loan Documents.

Section 8.5. Payment of Debt. The Borrower will (a) duly and punctually pay or cause to be paid all principal of and interest on any and all Debt of the Borrower unless diligently contested in good faith and by appropriate proceedings by the Borrower, subject to the exceptions, limitations and waivers set forth in the documents under which such Debt was incurred, (b) comply with and perform all conditions, terms and obligations of the notes or other instruments or agreements evidencing or securing such Debt, (c) promptly inform the Administrative Agent of any material default, or anticipated default, under any such note, agreement, or instrument, and (d) forward to the Administrative Agent a copy of any notice of default or notice of any event that might result in default under any such note, agreement or instrument.

Section 8.6. Loan Documents. The Borrower agrees that it will, and will cause the LIPA Subsidiary to, perform and comply with each and every covenant and agreement required to be performed or observed by it or the LIPA Subsidiary, as the case may be, in the Loan Documents which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Administrative Agent and the Lenders and shall be enforceable by the Administrative Agent and the Lenders against the

Borrower, which covenants, agreements, definitions and provisions shall continue in effect with regard to the Administrative Agent and the Lenders without regard or giving effect to any amendment or modification of such provisions or any waiver of compliance therewith unless consented to in writing by the Required Lenders.

Section 8.7. Rate Covenant. The Borrower shall establish and maintain System fees, rates, rents, charges and surcharges sufficient in each Fiscal Year so that Revenues reasonably expected to be produced in such Fiscal Year, will be at least equal to the sum of (a) 110% of Debt Service with respect to Bonds, Parity Obligations and Subordinated Indebtedness payable by the Borrower in such Fiscal Year, (b) 100% of the Operating Expenses payable in such Fiscal Year, (c) 100% of the amount necessary to pay all PILOTS payable in such Fiscal Year and (d) 100% of the amount necessary to pay all other Required Deposits, all other payments required pursuant to the General Resolution, the Subordinate Resolution, this Agreement, the other Loan Documents and all other payments required for the System, for such Fiscal Year, including, but not limited to, payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 8.14 of this Agreement and payments of the principal of and interest on Permitted Subordinate Debt.

Section 8.8. Creation of Debt and Liens. The Borrower shall not, and shall not permit the LIPA Subsidiary to: (i) issue, incur, assume, create or have outstanding any Debt payable from the Revenues or the Trust Estate, (ii) create, incur or permit to exist any lien of any kind on the Revenues or the Trust Estate, other than, in either case, as expressly provided in or permitted by this Agreement, the General Resolution and the Subordinate Resolution or (iii) create, incur, assume or permit to exist any Lien with respect to any assets or Property now owned or hereafter acquired which generate Revenues or are used in connection with the System, other than mechanic's or materialman's Liens created in the ordinary course of business.

Section 8.9. Maintenance of Insurance. (a) The Borrower shall maintain or cause the LIPA Subsidiary to maintain with responsible insurers all insurance required and reasonably obtainable in the amounts and of the types customarily maintained by electric utilities consistent with prudent utility practice, to indemnify for loss of or damage to the System, and against public and other liabilities relating to the operations of the Borrower, the LIPA Subsidiary and the System.

(b) The Borrower shall also maintain or cause to be maintained any additional or other insurance which is required by the Financing Agreement or the System Agreements.

(c) Any insurance required to be maintained by this Section shall be in the form of policies or contracts for insurance with insurers of good standing qualified to do business in the State and shall be payable to the Borrower, the LIPA Subsidiary, the Trustee or the Lenders, as their interests may appear.

(d) Any insurance procured and maintained by the Borrower pursuant to this Section, including any blanket insurance policy, may include reasonable deductibles.

(e) No provision of this Section shall be construed to prohibit the Borrower from self-insuring against any risk at the recommendation of an independent insurance consultant chosen by

or acceptable to an Authorized Representative of the Borrower; *provided, however*, that the Borrower shall provide or cause to be provided adequate funding of such self-insurance if and to the extent recommended by such insurance consultant.

(f) The Borrower shall file with the Administrative Agent annually a certificate of an Authorized Representative of the Borrower setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements of this Section and that the Borrower has complied in all respects with the requirements of this Section, and (ii) if during such year any Property of the System has been damaged or destroyed and the amount necessary to repair such loss or damage is estimated to exceed the amount of insurance proceeds or expected Federal reimbursements covering such loss or damage by more than \$25 million, a summary of the loss or damage and the estimated reasonable and necessary costs of reconstruction or replacement.

Section 8.10. ERISA. The Borrower shall, and shall cause each Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed may result in the imposition of a lien against any of its Property, and will promptly notify the Administrative Agent of (a) the occurrence of any reportable event (as defined in ERISA) for which the notice requirement has not been waived by the PBGC and which is reasonably likely to result in the termination by the PBGC of any Plan, (b) receipt of any notice from PBGC of its intention to seek termination of any such Plan or appointment of a trustee therefor, and (c) its intention to terminate or withdraw from any Plan, other than a “standard termination” meeting the requirements of Section 4041(b) of ERISA. The Borrower will not, and will not permit any Subsidiary to, terminate any such Plan or withdraw therefrom unless it shall be in compliance with all of the terms and conditions of this Agreement after giving effect to any liability to PBGC resulting from such termination or withdrawal.

Section 8.11. Compliance with Laws, Etc. The Borrower will, and will cause each of its Subsidiaries to, comply in all material respects with all Governmental Requirements and Legal Requirements, except where the failure to do so would not have a Material Adverse Effect.

Section 8.12. Designation of Revenues. Notwithstanding the General Resolution, the Borrower shall not, and shall not permit any Subsidiary to, exclude any amounts, or amounts from any sources, from constituting Revenues hereunder and under the Loan Documents unless (i) such exclusion is made by Supplemental Resolution (as defined in the General Resolution) under the General Resolution and (ii) at the time such Supplemental Resolution (as defined in the General Resolution) becomes effective the tests of Section 205(e)(B) of the General Resolution shall be satisfied without regard to either (i) such excluded amounts or (ii) prior to the Amended General Resolution Effective Date, Section 205(e)(D) of the General Resolution and from and after the Amended General Resolution Effective Date, Section 205(e)(C) of the General Resolution.

Section 8.13. Taxes. Any and all payments by the Borrower hereunder shall be made, in accordance with Section 4.1 hereof.

Section 8.14. Maintenance of Rate Stabilization Fund. The Borrower shall at all times maintain on deposit in the Rate Stabilization Fund an amount not less than \$150,000,000 (the “Rate Stabilization Fund Requirement”); *provided, however*, that the failure to maintain such

amount shall not constitute an Event of Default hereunder so long as (a) any such deficiency is cured within a period not exceeding thirty (30) days following the initial date of such deficiency, *provided, however*, that if such deficiency cannot be cured without increasing System fees, rates and charges, such deficiency shall be cured within one hundred twenty (120) days following the implementation of the increase in System fees, rates or charges but in no event later than one hundred eighty (180) days following the initial date of such deficiency and (b) until such deficiency has been cured, no amounts of Revenues shall be used by the Borrower for any purpose other than for the satisfaction of the obligations set forth in paragraphs FIRST through FIFTH of Section 505(a) of the General Resolution. Nothing contained in this Section 8.14 shall prohibit the Borrower from curing any deficiency in the Rate Stabilization Fund by depositing unencumbered cash on hand from sources other than Revenues into the Rate Stabilization Fund subject to the grace periods set forth above.

Section 8.15. Covenants of Subsidiary. The Borrower shall cause the LIPA Subsidiary to fully comply with any and all of its obligations, agreements and covenants set forth in the Financing Agreement and any other Loan Document to which it is a party, including without limitation its obligation to maintain insurance under Section 6.11 of the Financing Agreement.

Section 8.16. Sovereign Immunity. To the extent permitted by law in effect at the time of the related dispute or legal action referred to in this Section 8.16, in the event the Borrower has or hereafter acquires under any applicable law any right of immunity from set off or legal proceedings on grounds of sovereignty or otherwise, the Borrower hereby waives such rights to immunity for itself in all disputes or legal actions brought by the Administrative Agent, or any Lender with respect to obligations of the Borrower arising under this Agreement or any other Loan Document to which the Borrower or any of its Subsidiaries is a party.

Section 8.17. Environmental Covenant. The Borrower will, and will cause the LIPA Subsidiary to:

(a) use and operate all of its facilities and Properties in compliance with all Environmental Laws where the failure to do so could reasonably be expected to result in a Material Adverse Effect; keep all material permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in material compliance therewith; and handle all hazardous materials in material compliance with all applicable Environmental Laws;

(b) immediately notify the Administrative Agent and provide copies upon receipt of all material written claims, complaints, notices or inquiries relating to the condition of its facilities and Property or compliance with Environmental Laws, and shall promptly cure and have dismissed, to the reasonable satisfaction of the Required Lenders, any actions and proceedings relating to compliance with Environmental Laws, *provided* that the foregoing shall not prevent the Borrower from contesting any claim, complaint, action or proceeding so long as such contest is prosecuted with reasonable diligence and its prosecution could not reasonably be expected to result in a Material Adverse Effect; and

(c) provide such information and certifications which the Administrative Agent and any Lender may reasonably request from time to time to evidence compliance with this Section 8.17.

Section 8.18. Investment of Funds. The Borrower shall cause all moneys held in the funds and accounts of the Borrower established under the General Resolution, including without limitation the Revenue Fund, the Operating Expense Fund, the Debt Service Fund, the Parity Contract Obligations Fund, the Subordinated Indebtedness Fund, the Construction Fund, the Subsidiary Unsecured Debt Fund, the PILOTs Fund and the Rate Stabilization Fund, to be invested in Permissible Investments; *provided* that in no event shall any such investment be made by purchasing securities on margin or by otherwise investing or compounding the dollar amount of such investment by obtaining loans or issuing debt.

Section 8.19. Ratings. The Borrower shall promptly provide the Administrative Agent with written notice of any change, suspension, withdrawal or unavailability of any Debt Rating.

Section 8.20. PILOT. The Borrower shall cause to be timely paid such amounts as are payable in respect of PILOT in accordance with the Act.

Section 8.21. Maintenance of Ratings. The Borrower shall maintain at least two Debt Ratings at all times (provided, however, that (a) in no event may the Authority terminate or request a withdrawal of a Debt Rating in order to cure a Potential Default or Event of Default or to reduce the Applicable Margin and (b) if the Authority terminates or requests a withdrawal of the then lowest Debt Rating, such termination or withdrawal shall not in and of itself result in a change in pricing, including, without limitation, the Applicable Margin).

Section 8.22. Credit Facilities. In the event that the Borrower has or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement, direct purchase agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make or provide funds to purchase, or otherwise extend credit or liquidity for, Bonds or any obligations or indebtedness secured by a pledge, lien or charge upon any of the Revenues on a parity with the lien securing the Bank Notes, which such agreement (or amendment thereto) (each a “*Bank Agreement*”) provides such Person with more restrictive financial tests, covenants and ratios, different or more restrictive events of default or greater rights and remedies for default (including rights of acceleration, declaration of mandatory tender, or amortization of bank bonds), and/or greater rights with respect to the security for any Parity Obligations than are provided to the Administrative Agent and the Lenders in this Agreement (collectively, the “*Incorporated Provisions*”), the Borrower shall provide the Administrative Agent with a copy of each such Bank Agreement and such Incorporated Provisions shall automatically be incorporated into this Agreement and the Administrative Agent and the Lender shall have the benefits of such Incorporated Provisions as if specifically set forth herein, but only for the period during which such Bank Agreement remains in force and effect. The Borrower shall promptly enter into an amendment to this Agreement to include such Incorporated Provisions (*provided* that the Administrative Agent and the Lender shall maintain the benefit of such Incorporated Provisions even if the Borrower fails to provide such amendment). Notwithstanding the foregoing, this

Section 8.22 does not apply to any provisions other than those set forth above and, in particular, does not apply to different or higher fees, different or higher interest rates or different or higher drawn pricing set forth in any such Bank Agreement. For purposes of clarification, “financial tests, covenants and ratios” refers to covenants to maintain coverage ratios at certain levels prior to the incurrence of additional debt, covenants to maintain certain liquidity levels, covenants to maintain certain rating levels, covenants to maintain rating thresholds with respect to events of default and similar financial covenants and agreements to deliver financial information and other information within a specified time period.

Section 8.23. Organization Amendments. The Borrower will not, and will not permit others to, amend, supplement, or otherwise modify its organizational documents in any way which could reasonably be expected to materially impair its ability to carry out its obligations under this Agreement, or adversely affect the rights and remedies of the Administrative Agent or any Lender hereunder or under the other Loan Documents.

Section 8.24. Documents. The Borrower will not enter into or consent to any amendment to, modification of or waiver of compliance with the provisions of any of the Loan Documents, except that the Borrower may amend, modify or waive any term or provision with respect to any Loan Document (other than this Agreement, the amendments, supplements and modifications to which shall be governed by Section 11.3 hereof) in a manner (i) not relating to the duties, obligations or rights of the Lenders under this Agreement, as determined in the Required Lenders’ reasonable discretion, or (ii) not having an adverse effect, as determined in the Required Lenders’ reasonable discretion, on (x) the ability of the Borrower to pay when due the principal of or interest on the Loans and the obligations of the Borrower under this Agreement and the Bank Notes or (y) the security, rights or remedies of the Lenders hereunder or under any other Loan Document or the Bank Notes. In connection with any such amendment, modification or waiver, the Borrower agrees to deliver to the Administrative Agent copies of all such amendments, modifications or waivers at least fifteen (15) calendar days prior to the effective date thereof. The Administrative Agent shall, within ten (10) calendar days after receiving such copies, inform the Borrower in writing if, in the Required Lenders’ reasonable discretion, such amendment, modification or waiver requires the prior written consent of the Required Lenders in accordance with this Section 8.24.

Section 8.25. Adverse Agreements. The Borrower will not enter, or permit the LIPA Subsidiary to enter, into any contract, agreement or transaction which would reasonably be foreseen by the Borrower to materially and adversely affect its or the LIPA Subsidiary’s business, Property, assets, operations, condition (financial or otherwise), or its or the LIPA Subsidiary’s ability to perform its obligations under any of the Loan Documents.

Section 8.26. Loans or Guarantees. The Borrower will not make, or permit the LIPA Subsidiary to make, any advances, loans or other investments, other than those involving prime money market investments or investments otherwise authorized under the terms of this Agreement, the General Resolution or the Subordinate Resolution, or guarantee the obligations of any Person.

Section 8.27. Additional Debt. The Borrower will not, except in the case of Refunding Bonds issued pursuant to Section 206 of the General Resolution, issue or permit the LIPA

Subsidiary to issue any Bonds, Parity Obligations, Subordinated Indebtedness or other Debt payable from or secured by Revenues (collectively, “*Additional Debt*”) unless the Administrative Agent shall receive the following:

(a) A certificate of an Authorized Representative of the Borrower setting forth (i) the Revenues for any twelve (12) consecutive calendar months out of the eighteen (18) calendar months immediately preceding the month in which such *Additional Debt* is to be issued, (ii) the Debt Service for all Outstanding Bonds and Subordinated Indebtedness and the amount payable under all Parity Obligations during such twelve (12) month period for which Revenues are determined in accordance with clause (i) above, excluding in each case any amount thereof paid from sources other than Revenues, and (iii) the sum of the Required Deposits for such twelve (12) month period (excluding Required Deposits for the payment of Outstanding Bonds, Subordinated Indebtedness, and Parity Obligations accounted for under clause (ii) of this subsection (a)), all other payments required pursuant to the General Resolution, the Subordinate Resolution, this Agreement, any Credit Facility or (and any related reimbursement agreement), Subordinated Credit Facility (and any related reimbursement agreement), or Liquidity Facility issued to support Bonds or Subordinated Indebtedness, or any other Loan Document, and all other payments required for the System for such twelve (12) month period, including but not limited to payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 8.14 hereof and payments of the principal of and interest on Permitted Subordinate Debt, and showing that the amount set forth in clause (i) is at least equal to the sum of (x) 110% of the amount set forth in clause (ii) and (y) 100% of the amount set forth in clause (iii); or

(b) A Certificate of a Rate Consultant setting forth (i) the estimated Revenues for each of the full Fiscal Years in the period beginning with the Fiscal Year in which such *Additional Debt* is to be issued and ending with the fifth full Fiscal Year after the date such *Additional Debt* is to be issued, (ii) the estimated Debt Service for all Bonds and Subordinated Indebtedness and estimated amounts payable under all Parity Contract Obligations, during each Fiscal Year for which Revenues are estimated, (iii) the projected Debt Service for all Bonds and Subordinated Indebtedness, including such *Additional Debt*, and projected amounts payable under Parity Contract Obligations, projected to be issued for any purpose during each Fiscal Year for which Revenues are estimated, and (iv) the sum of the estimated and projected Required Deposits for each such Fiscal Year (excluding Required Deposits for the payment of Outstanding Bonds, Subordinated Indebtedness and Parity Obligations accounted for under clause (ii) or clause (iii) of this subsection (b)), all other payments required pursuant to the General Resolution, the Subordinate Resolution, this Agreement, any Credit Facility (and any related reimbursement agreement), Subordinated Credit Facility (and any related reimbursement agreement), or Liquidity Facility issued to support Bonds or Subordinated Indebtedness, or any other Loan Document, and all other payments required for the System for such twelve month period, including but not limited to payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 8.14 hereof and payments of the principal of and interest on Permitted Subordinate Debt, and showing that for each such Fiscal Year the amount set forth in clause (i) is at least equal to the sum of (x) 110% of the sum of the amounts set forth in clauses (ii) and (iii), and (y) 100% of the amount set forth

in clause (iv). The Rate Consultant may base its estimates and projections upon such factors as it shall consider reasonable, a statement to which effect shall be included in such Certificate.

(c) For purposes of this Section 8.27, (1) Revenues shall include any amount withdrawn in any Fiscal Year from the Rate Stabilization Fund which was on deposit therein prior to such Fiscal Year, (2) Revenues shall not include any proceeds from the sale of assets of the LIPA Subsidiary or proceeds of insurance, and (3) any Debt Service for Bonds or Subordinated Indebtedness, Parity Contract Obligations and Required Deposits shall not include any amounts thereof expected by the Borrower to be paid from any funds, other than the Revenues, reasonably expected by the Borrower to be available therefor (including, without limitation, the anticipated receipt of proceeds of sale of Bonds or Subordinated Indebtedness, or moneys not a part of the Trust Estate, expected by the Borrower to be used to pay the principal of Bonds, Parity Obligations, Subordinated Indebtedness or Subsidiary Unsecured Debt.

Section 8.28. Acquisitions. The Borrower will not, and will not permit any Subsidiary to, make or commit to make acquisitions of any Person or substantially all of its assets (each an “Acquisition”); *provided, however,* that the Borrower and any Subsidiary each may make Acquisitions if: (i) the Borrower or such Subsidiary acquires by reason of such Acquisition either (x) assets used or useful in a business which is the same or similar to that currently conducted by the Borrower or (y) the capital stock of a corporation or any other equity interest of any partnership or other firm engaged in such a same or similar business and after giving effect to such Acquisition, the corporation, partnership or other such firm so acquired becomes a Subsidiary; (ii) no Event of Default and no Potential Default exists or would exist at the time of or after giving effect to such Acquisition; (iii) the Borrower provides the Administrative Agent with a statement, certified as true and correct by an Authorized Representative, which describes the feasibility and benefits of such Acquisition and includes a forecast of projected operating results for the remainder of the Fiscal Year in which such Acquisition takes place and the next succeeding Fiscal Year, in each case, after giving effect to such Acquisition, such certificate to be accompanied by supporting financial projections based on reasonable assumptions; (iv) the Board of Directors or other governing body of such Person whose property or voting stock is being so acquired has approved the terms of such Acquisition; and (v) the Borrower has provided the Administrative Agent with such financial and other information regarding the Person whose property or voting stock is being so acquired, including historical financial statements, and a description of such Person, as the Administrative Agent may reasonably request.

Section 8.29. Mergers, Consolidations and Sales; Privatization. (a) The Borrower will not, and will not permit any Subsidiary to be a party to any merger or consolidation, or sell, transfer, lease (including, without limitation, any long-term lease with respect to the System, the Property of the Borrower or any substantial portion thereof) or otherwise dispose of (whether in a single transaction or a series of transactions) all or any substantial part of its Property, including any disposition of Property as part of a sale and leaseback transaction, or in any event sell or discount (with or without recourse) any of its notes or accounts receivable; *provided that* the foregoing shall not operate to prevent (i) any such transaction that could not reasonably be expected to have a Material Adverse Effect, (ii) any Subsidiary from merging into the LIPA

Subsidiary or into any other wholly owned Subsidiary (in each case, so long as the LIPA Subsidiary or such Subsidiary, as applicable, is the surviving entity and remains a subsidiary of the Borrower) or (iii) transactions related to Separately Financed Project (so long as the Obligations under this Agreement and any debt service on Senior Lien Debt or Subordinated Indebtedness issued and outstanding are not and may not be payable from or secured by the revenues generated by such Separately Financed Project). The term “substantial” as used herein shall mean, as to the Borrower or any Subsidiary, the sale, transfer, lease or other disposition of 10% or more of the total assets of such Person (whether in a single transaction or a series of transactions), *provided, however*, that a disposition of the LIPA Subsidiary’s interest in the Nine Mile Point 2 Nuclear Power Plant shall not constitute the disposition of a substantial part of the assets of the Borrower or the LIPA Subsidiary for purposes of this Section 8.29.

(b) Unless the obligation of the Lenders to extend further credit under this Agreement has been terminated and all outstanding Loans and all other amounts payable under the Loan Documents have been paid in full, the Borrower shall not permit any Privatization.

Section 8.30. Transactions with Affiliates. Subject to the further limitations set forth in Section 8.29 hereof, the Borrower will not, and will not permit any Subsidiary to, enter into any transaction, including without limitation, the purchase, sale, lease or exchange of any Property, or the rendering of any service, with any Affiliate of the Borrower except pursuant to the reasonable requirements of the Borrower’s or such Subsidiary’s business and upon fair and reasonable terms no less favorable than the Borrower or such Subsidiary than would be obtained in a comparable arm’s length transaction with a Person not an Affiliate of the Borrower or such Subsidiary.

Section 8.31. No Debt to Be Issued by LIPA Subsidiary. From and after the Original Closing Date, the Borrower shall not permit the LIPA Subsidiary or any other Subsidiary of LIPA to issue or incur any Debt, *provided, however*, that the foregoing shall not prohibit the LIPA Subsidiary or any other Subsidiary of LIPA from entering into obligations the payment of which would constitute (i) Operating Expenses, (ii) (x) Capital Leases which are payable from funds withdrawn from the Revenue Fund as permitted by Section 505(b) of the General Resolution or (y) Capital Leases which constitute Parity Contract Obligations providing for total principal payments of not more than \$100,000,000, (iii) Supply Contracts the payment obligations under which are subject to Section 207(e) of the General Resolution in an aggregate principal amount of not more than \$250,000,000, or (iv) other Debt evidenced by bonds, indentures, notes or other similar instruments with Debt Service Components in an aggregate principal amount of not more than \$50,000,000; *provided, however*, that any such Capital Lease or Supply Contract (to the extent that payments thereunder are intended to be payable as a Parity Contract Obligation), or Debt Service Component (as defined in Section 207(e) of the General Resolution) is issued or incurred in accordance with the limitations set forth in Section 207(e) of the General Resolution for “Parity Contract Obligations.”

Section 8.32. No Disposition of LIPA Subsidiary. The Borrower shall not hereafter transfer, sell or otherwise dispose of or encumber or grant a security interest in, any common or preferred stock or other evidence of the Borrower’s equity interest in the LIPA Subsidiary.

Section 8.33. Disclosure. The Borrower shall not make reference to any financial information relating to the Lenders, JPMorgan Chase Bank, National Association or the Administrative Agent in any other written or published materials without the Lenders' and the Administrative Agent's prior written consent thereto.

Section 8.34. Licenses and Permits. The Borrower shall maintain all licenses and permits necessary to own and operate the System.

Section 8.35. Use of Proceeds. The proceeds of the Loans will be used only (i) to fund Costs of System Improvements or Operating Expenses, including reimbursement of moneys theretofore expended by the Authority and the Subsidiary for such Costs or Operating Expenses; (ii) to refund bonds or notes of the Authority, including, without limitation, any Notes heretofore issued pursuant to this Supplemental Resolution, or to repay amount drawn under a liquidity facility or credit facility to pay, redeem or purchase bonds or notes of the Authority; (iii) to pay fees and expenses in conjunction with each of the foregoing and the issuance of the Notes of a Series, including reimbursement of fees and expenses expended by the Authority in connection therewith; and (iv) for such other purposes as may be specified by subsequent resolution of the Board of Trustees of the Borrower. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Borrowing, and the Borrower shall not use, and shall procure that the LIPA Subsidiary and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 9. EVENTS OF DEFAULT AND REMEDIES.

Section 9.1. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) The Borrower shall fail to pay to the Administrative Agent or any Lender when due (whether upon demand or otherwise), any of the Obligations or shall fail to remit or deposit funds as and when required by this Agreement, the General Resolution, the Bank Notes; or

(b) The Borrower shall fail to observe any warranty made by it hereunder or to perform any covenant, condition or agreement hereunder or in any of the other Loan Documents on its part to be observed or performed (other than a failure referred to in clause (a) of this definition), and (i) in the case of the covenants set forth in Section 2.3(b), 8.1, 8.12, 8.14, 8.16, 8.23, 8.24, 8.25, 8.26, 8.27, 8.28, 8.29, 8.30, 8.31, 8.32 or 8.33 hereof, on the earlier to occur of (A) the date of delivery of written notice of such failure to the Borrower by the Administrative Agent or any Lender and (B) the date on which the

Borrower has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, and (ii) in the case of all other covenants such failure shall not have been cured within thirty (30) days after the earlier to occur of (A) the date of delivery of written notice of such failure to the Borrower by the Administrative Agent, and (B) the date on which the Borrower has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure; or

(c) The Borrower or the LIPA Subsidiary shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Borrower or the LIPA Subsidiary or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Borrower or the LIPA Subsidiary in any involuntary case under said Federal Bankruptcy Code, (vii) be a party to, or the subject of, a moratorium, repudiation, debt restructuring, debt adjustment or other comparable extraordinary event or restriction with respect to any of its debt or (viii) take any action for the purpose of effecting any of the foregoing; or

(d) A proceeding or case shall be commenced, without the application or consent of the Borrower or the LIPA Subsidiary, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up or composition or readjustment of debts of the Borrower or the LIPA Subsidiary, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like, of the Borrower or the LIPA Subsidiary, or of all or any substantial part of the Borrower's or the LIPA Subsidiary's assets, or (iii) similar relief in respect of the Borrower or the LIPA Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition, moratorium, repudiation or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days from commencement of such proceeding or case, or an order for relief against the Borrower or the LIPA Subsidiary shall be entered in an involuntary case under said Federal Bankruptcy Code; or

(e) Any representation or warranty made by the Borrower or the LIPA Subsidiary in any of the Loan Documents or Subsidiary Documents, or in this Agreement, or in any certificate, financial report or other statement furnished by the Borrower or the LIPA Subsidiary pursuant to this Agreement, any other Bank Documents, any Subsidiary Documents or any Loan Documents, shall prove to be untrue or incomplete in any material respect when made; or

(f) The independent certified public accountants retained by the Borrower shall fail or refuse to deliver an opinion, unqualified in scope (other than an opinion qualified as

a result of a change in application of GAAP, such change being one with which such accountants concur) with respect to the financial statements of the Borrower; or

(g) (i) Any material provision of this Agreement or any other Loan Documents (A) shall at any time for any reason cease to be valid and binding on the Borrower or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (B) shall be declared to be null and void, or (ii) the validity or enforceability thereof shall be contested by the Borrower or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (iii) the Borrower or the LIPA Subsidiary (with respect to those Documents to which it is a party) shall deny that it has any or further liability or obligation under this Agreement or any of the other Loan Documents or (iv) ; or

(h) One or more final, non-appealable judgments against the Borrower or the LIPA Subsidiary for the payment of money not covered by insurance, the operation and result of which, individually or in the aggregate, equal or exceed \$25,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of ninety (90) days; or

(i) The Borrower or the LIPA Subsidiary fails to pay any debt or obligation owing under a financial instrument or contract and the outstanding principal or obligations under such financial instrument or contract exceeds, individually or in the aggregate \$25,000,000, and such failure results in an acceleration, or a mandatory tender, of the obligations thereunder; or

(j) The occurrence of an event of default or an event which, with the passage of time or the giving of notice, or both, would be an event of default under any other Subsidiary Document, Loan Document, or any Bank Agreement if the result is to permit an acceleration of the obligations thereunder; or

(k) The Borrower fails to make any payment with respect to any Bonds or any other Debt payable from Revenues when due or Refunded Subordinate Bonds, Parity Contract Obligations or any Financial Contract that is secured or payable on a basis senior to, on a parity with or subordinate to the Obligations, or any other Debt payable from Revenues when due, or any other event or condition shall occur which would permit any holder, credit provider or other entity to cause the principal of any such Bonds or Refunded Subordinate Bonds, Parity Contract Obligations or other Debt payable from Revenues, any Parity Contract Obligations or any Financial Contract, to become due prior to its stated maturity or scheduled payment date, whether pursuant to acceleration, mandatory tender, mandatory redemption or otherwise; or

(l) The Borrower or the LIPA Subsidiary, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of \$25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of \$25,000,000 (collectively, a "*Material Plan*") shall be filed under Title IV of ERISA by the Borrower or the LIPA Subsidiary, or any

other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or the LIPA Subsidiary, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

(m) The LIPA Subsidiary shall fail to make any payment under the Financing Agreement, the Financing Agreement Note or on any other note delivered thereunder as and when due; or

(n) The Borrower or any of its Subsidiaries shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any indebtedness or any obligation under any Financial Contract of the Borrower or any of its Subsidiaries secured by or payable from the Trust Estate that is senior to or on a parity with the Bonds or (b) any Governmental Authority having appropriate jurisdiction over the Borrower shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Loans, any Bonds or any other indebtedness or any obligation under any Financial Contract of the Borrower secured by the Trust Estate or payable from Revenues; or

(o) The long term unenhanced rating by any of the Rating Agencies then rating the Bonds or any other indebtedness of the Borrower senior to or on a parity with the Bonds and secured by and payable from the Trust Estate shall be withdrawn or suspended for credit related reasons or is reduced below “Baa3” (or its equivalent) by Moody’s, “BBB-” (or its equivalent) by S&P, and “BBB-” (or its equivalent) by Fitch.

Section 9.2. Non-Bankruptcy Defaults. When any Event of Default (other than those described in subsection (c) or (d) of Section 9.1 with respect to the Borrower) has occurred and is continuing, the Administrative Agent shall: (a) by written notice to the Borrower, if so directed by the Required Lenders, terminate the remaining Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); (b) by written notice to the Borrower and the Trustee, if so directed by the Required Lenders, declare all Obligations other than the Bank Notes to be forthwith due and payable and thereupon all Obligations other than the Bank Notes shall be and become immediately due and payable, and declare that the Bank Notes shall be subject to immediate mandatory redemption, all without further demand, presentment, protest or notice of any kind; and (c) by written notice to the Borrower and the Trustee, direct the Trustee to provide written notice to the Borrower in the form of a “Notice of Default” pursuant to and to the extent permitted by Section 1001(3) of the General Resolution. In addition, the Administrative Agent may exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable

law or equity when any such Event of Default has occurred and is continuing (including, without limitation, when applicable, requesting that the Trustee declare the principal of all the “Bonds” (as defined under the General Resolution), to be due and payable immediately). The Administrative Agent shall give notice to the Borrower and the Trustee under Section 9.1(b) hereof promptly upon being requested to do so by any Lender. The Administrative Agent, after giving notice to the Borrower or the Trustee pursuant to Section 9.1(b) or this Section 9.2, shall also promptly send a copy of such notice to the other Lenders, but the failure to do so shall not impair or annul the effect of such notice.

Section 9.3. Bankruptcy Defaults. When any Event of Default described in subsections (c) or (d) of Section 9.1 with respect to the Borrower has occurred and is continuing, then all outstanding Obligations other than the Bank Notes shall immediately become due and payable, and the Bank Notes shall be subject to immediate mandatory redemption, all without presentment, demand, protest or notice of any kind, and the obligation of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate, without notice. In addition, the Administrative Agent may exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable law or equity when any such Event of Default has occurred and is continuing.

Section 9.4. Post-Default Collections. Anything contained herein or in the other Loan Documents to the contrary notwithstanding, all payments and collections received in respect of the Obligations and all proceeds of the Trust Estate received, in each instance, by the Administrative Agent or any of the Lenders after acceleration or the final maturity of the Obligations or termination of the Commitments as a result of an Event of Default shall be remitted to the Administrative Agent and distributed as follows:

- (a) first, to the payment of any outstanding costs and expenses incurred by the Administrative Agent in protecting, preserving or enforcing rights under the Loan Documents, and in any event including all costs and expenses of a character which the Borrower has agreed to pay the Administrative Agent under Section 11.4 hereof (such funds to be retained by the Administrative Agent for its own account unless it has previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Administrative Agent);
- (b) second, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated *pro rata* in accordance with the aggregate unpaid amounts owing to each holder thereof;
- (c) third, to the payment of principal on the Loans;
- (d) fourth, to the payment of all other unpaid Obligations to be allocated *pro rata* in accordance with the aggregate unpaid amounts owing to each holder thereof; and
- (e) finally, to the Borrower or whoever else may be lawfully entitled thereto.

SECTION 10. THE ADMINISTRATIVE AGENT.

Section 10.1. Appointment and Authority. Each of the Lenders hereby irrevocably appoints JPMorgan Chase Bank, National Association to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 10 are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 10.2. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Bank Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any of its Affiliates as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.3. Action by Administrative Agent; Exculpatory Provisions. (a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. The Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives any further assurances of its indemnification from the Lenders that

it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expense, and liability which may be incurred by it by reason of taking or continuing to take any such action; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Bank Affiliates in any capacity.

(b) Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.2, 9.4 and 11.3 hereof, or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Any such action taken or failure to act pursuant to the foregoing shall be binding on all Lenders. The Administrative Agent shall be deemed not to have knowledge of any Potential Default or Event of Default unless and until notice describing such Potential Default or Event of Default as applicable, is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) Neither the Administrative Agent nor any of its Related Parties shall be responsible for or have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Potential Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Loan Documents, (v) the value or sufficiency of the Trust Estate or any Bank Note, or (vi) the satisfaction of any condition set forth in Section 7.1 or 7.2 hereof or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, facsimile, email, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms

must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of this Agreement as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 10.6. Resignation of Administrative Agent. (a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States of America, or a Bank Affiliate of any such bank with an office in the United States of America. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “*Resignation Effective Date*”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. If on the Resignation Effective Date no successor has been appointed and accepted such appointment, the Administrative Agent’s rights in the Loan Documents shall be assigned without representation, recourse or warranty to the Lenders as their interests may appear. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments or other amounts owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the

Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 10 and Section 11.4 hereof shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 10.7. Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8. Designation of Additional Agents. The Administrative Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Bank Affiliates) as "syndication agents," "documentation agents," "book runners," "lead arrangers," "arrangers," or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Bank Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

Section 10.9. Authorization of Administrative Agent to File Proofs of Claim In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under the Loan Documents including, but not limited to, Sections 3.1, 4.4, 4.5, and 11.4 hereof) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the

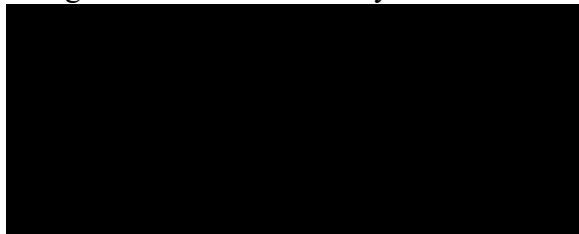
Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 3.1 and 11.4. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 10.10. Syndication Required Changes. On the Closing Date, JPMorgan Chase Bank, National Association is the Administrative Agent and the sole Lender. In connection with and as a condition precedent to any other Person becoming a Lender hereunder, the Borrower and the Administrative Agent hereby agree to make mutually agreeable amendments to this Agreement, subject to the terms of Section 11.3 hereof, as the Administrative Agent deems necessary in order to add such Lender(s) (including, without limitation, incorporating provisions with respect to erroneous payments by the Administrative Agent to the Lenders).

SECTION 11. MISCELLANEOUS.

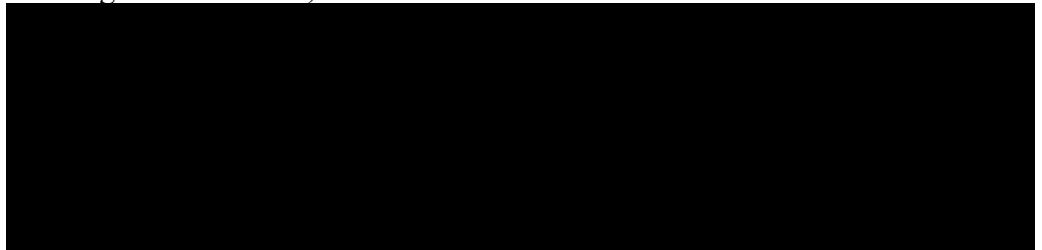
Section 11.1. Notices. (a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email or facsimile as follows:

- (i) if to the Borrower, to it at:
Long Island Power Authority



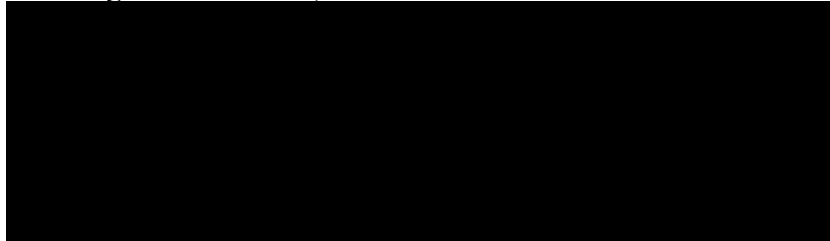
- (ii) if to the Administrative Agent, with respect to any advance requests, to it at:

JPMorgan Chase Bank, National Association



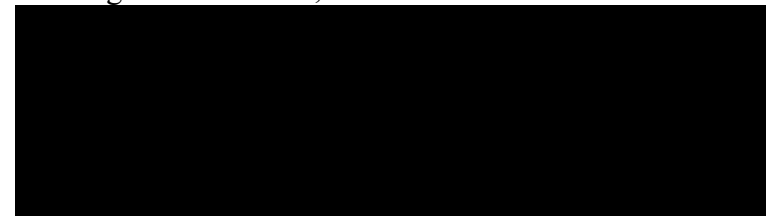
- (iii) if to the Administrative Agent, with respect to all other matters, to it at:

JPMorgan Chase Bank, National Association



and to:

JPMorgan Chase Bank, National Association



With a copy to:



(iii) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in subsection (b) below, shall be effective as provided in said subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Section 2.4 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Sections by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing

clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) *Change of Address, etc.* Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) *Platform.* (i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "*Platform*").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "*Agent Parties*") have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of communications through the Platform. "*Communications*" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 11.2. Successors and Assigns. (a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders.* (1) No Lender may assign all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed) and the receipt of any requisite third-party approvals; *provided* that the Borrower hereby provides its prior written consent, and no additional third-party approvals are or shall be required, with respect to the following assignments: (i) any assignment by a Lender to one or more assignees of all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) once an Event of Default has occurred and is continuing at the time of such assignment, and/or (ii) any assignment to a Lender, a Bank Affiliate of a Lender, an Approved Fund or any Third-Party Lender. With respect to any assignment to a Lender, a Bank Affiliate of a Lender, an Approved Fund or any Third-Party Lender, the assigning Lender will endeavor to provide the Borrower with three (3) Business Days prior written notice of any such assignment, *provided that* a failure or delay by a Lender to provide such prior written notice shall in no event invalidate or impair the effectiveness of such assignment. The Borrower hereby consents to any assignment by a Lender that is due to a reorganization, merger or consolidation of any Lender's business entity or enterprise. In the event an assignment described in the immediately preceding sentence occurs, then with such Lender's consent the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, provide for such Lender to assign and delegate, without recourse, all of its interests, rights (other than its existing rights to payments pursuant to Section 4.1 hereof or Section 4.4 hereof) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that all conditions set forth in the proviso in Section 2.10 are first satisfied.

(2) Assignments by a Lender to one or more assignees of all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) shall be subject to the following conditions:

(i) *Minimum Amounts.* (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitments and the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(2)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or to any Third-Party Lender, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(2)(i)(A) of this Section, the aggregate amount of the relevant Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "*Trade Date*" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) *Proportionate Amounts.* Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) *Required Consents.* No consent shall be required for any assignment except to the extent required by paragraph (b)(1) of this Section and, in addition the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender, an Approved Fund with respect to such Lender, or a Third-Party Lender.

(iv) *Assignment and Assumption.* The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) *No Assignment to Certain Persons.* No such assignment shall be made to (A) the Borrower or any of its Affiliates, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to any foreign entity with whom United States entities are prohibited from doing business by federal law..

(vi) *No Assignment to Natural Persons.* No such assignment shall be made to a natural Person.

(vii) *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption,

the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 11.4 and 11.6 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) *Register*. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York, New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Trustee, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Trustee and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) *Participations*. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (iv) voting rights shall be limited to significant matters such as changes in amount, rate, maturity date and releases of all or substantially all of the collateral securing the Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 4.1 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 11.3 that expressly relate to amendments requiring the unanimous consent of the Lenders. The Borrower

agrees that each Participant shall be entitled to the benefits of Sections 4.1, 4.4, and 4.5 (subject to the requirements and limitations therein, including the requirements under Section 4.1(g) (it being understood that the documentation required under Section 4.1(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Sections 2.10 and 4.7 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 4.1 or 4.4, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.10 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.6 (Right of Setoff) as though it were a Lender; *provided* that such Participant agrees to be subject to Section 11.7 (Sharing of Payments by Lenders) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "*Participant Register*"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) *Certain Pledges.* Pursuant to the Non-Assignment Clause of Appendix A hereto, the Borrower hereby consents and agrees that any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or the United States Treasury; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 11.3. Amendments. Any provision of this Agreement or the other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by (a) the Borrower, (b) the Required Lenders (except as otherwise stated below to require only the consent of the Lenders affected thereby), and (c) if the rights or duties of the Administrative Agent are affected thereby, the Administrative Agent; *provided* that:

(i) no amendment or waiver pursuant to this Section 11.3 shall (A) increase any Commitment of any Lender without the consent of such Lender or (B) reduce the

amount of or postpone the date for any scheduled payment of any principal of or interest on any Loan or of any fee payable hereunder without the consent of the Lender to which such payment is owing or which has committed to make such Loan hereunder; *provided, however,* that only the consent of the Required Lenders shall be necessary (i) to amend the default rate provided in Section 2.7(b) or to waive any obligation of the Borrower to pay interest or fees at the default rate as set forth therein;

(ii) no amendment or waiver pursuant to this Section 11.3 shall, unless signed by each Lender, change the definition of Privatization, change the definition of Required Lenders, change the provisions of this Section 11.3, change Section 11.7 hereof in a manner that would affect the ratable sharing of setoffs required thereby, change the application of payments contained in Section 3.1 hereof, release all or substantially all of the Trust Estate, any Bank Note or any security for the Obligations hereunder (except as otherwise provided for in the Loan Documents), or affect the number of Lenders required to take any action hereunder or under any other Loan Document; and

(iii) no amendment or waiver pursuant to this Section 11.3 shall, unless signed by each Lender affected thereby, extend the Termination Date.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Amendments to any provision of this Agreement (or any other Loan Document requiring New York Attorney General and New York State Comptroller approval) shall be subject to approval by the New York Attorney General and New York State Comptroller.

Section 11.4. Costs and Expenses; Indemnification.

(a) *Costs and Expenses.* The Borrower shall pay within thirty (30) days of written demand therefor by the Administrative Agent; (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Bank Affiliates (including, without limitation, JPMorgan Chase Bank, National Association and including, without limitation, the reasonable fees, charges and disbursements of counsel for the Administrative Agent), and shall pay all reasonable fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the syndication of this Agreement, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent, JPMorgan Chase Bank, National Association or any Lender (including the reasonable fees, charges and disbursements of any counsel for the Administrative

Agent or any Lender), and shall pay all fees and reasonable time charges for attorneys who may be employees of the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving the Borrower as a debtor thereunder).

(b) *Indemnification by the Borrower.* The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), JPMorgan Chase Bank, National Association and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from and reimburse each Indemnatee for, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnatee), and shall indemnify and hold harmless each Indemnatee from, and reimburse each Indemnatee for, all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any Person (including any third party or the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of Administrative Agent (and any sub-agent thereof) and their Related Parties, the administration and enforcement of this Agreement and the other Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving the Borrower as a debtor thereunder), (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnatee is a party thereto (including, without limitation, any settlement arrangement arising from or relating to the foregoing); *provided* that such indemnity and reimbursement shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee or (y) result from a claim brought by the Borrower against an Indemnatee for breach in bad faith of such Indemnatee’s obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This subsection (b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) *Reimbursement by Lenders.* To the extent that (i) the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party or (ii) any liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever are imposed on, incurred by, or asserted against, Administrative Agent or a Related Party in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by Administrative Agent or a Related Party in connection

therewith, then, in each case, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); and *provided, further*, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

(d) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the parties hereto agree that they will not assert, and hereby waive, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) *Payments.* All amounts due under this Section shall be payable after demand therefor.

(f) *Survival.* Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 11.5. No Waiver, Cumulative Remedies. No delay or failure on the part of the Administrative Agent or any Lender, or on the part of the holder or holders of any of the Obligations, in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Administrative Agent, the Lenders, and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 11.6. Right of Setoff. In addition to any rights now or hereafter granted under the Loan Documents or applicable law and not by way of limitation of any such rights, if an Event of Default shall have occurred and be continuing, each Lender and each of their respective Bank Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Bank Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its Bank Affiliates, irrespective of whether or not such Lender or Bank Affiliate shall have made any demand under

this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Bank Affiliate of such Lender different from the branch, office or Bank Affiliate holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.11 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Bank Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Bank Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application. All amounts realized by the Lenders upon exercise of the set-off rights set forth herein shall be held and applied by the Lenders on a parity basis for the benefit of the Trustee to be distributed in accordance with the terms of the General Resolution; *provided, however*, that the foregoing sentence shall be of no force and effect so long as any Bank Agreement contains a provision permitting the provider thereunder to set off obligations owed to it without regard to the terms of the General Resolution.

Section 11.7. Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; *provided* that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or an Affiliate of the Borrower (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements

may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 11.8. Survival of Representations. All representations and warranties made herein or in any other Loan Document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 11.9. Survival of Indemnities. All indemnities and other provisions relative to reimbursement to the Lenders of amounts sufficient to protect the yield of the Lenders with respect to the Loans, including, but not limited to, Sections 4.1, 4.4, 4.5, and 11.4, shall survive the termination of this Agreement and the other Loan Documents and the payment of the Obligations.

Section 11.10. Counterparts; Integration; Effectiveness. (a) *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 7.2 hereof, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. For purposes of determining compliance with the conditions specified in Section 7.2 hereof, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Closing Date specifying its objection thereto.

(b) *Electronic Execution of Assignments.* The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronics Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 11.1), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an “*Ancillary*”

Document”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender for any liabilities arising solely from the Administrative Agent’s and/or any Lender’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 11.11. Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 11.12. Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such

unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

Section 11.13. Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents. NOTHING CONTAINED HEREIN SHALL BE DEEMED OR CONSTRUED TO PERMIT ANY ACT OR OMISSION WHICH IS PROHIBITED BY THE TERMS OF ANY LOAN DOCUMENT, THE COVENANTS AND AGREEMENTS CONTAINED HEREIN BEING IN ADDITION TO AND NOT IN SUBSTITUTION FOR THE COVENANTS AND AGREEMENTS CONTAINED IN THE LOAN DOCUMENTS.

Section 11.14. Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document (“*Excess Interest*”). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) neither the Borrower nor any guarantor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Administrative Agent or any Lender may have received hereunder shall, at the option of the Administrative Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law), (ii) refunded to the Borrower, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the “*Maximum Rate*”), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither the Borrower nor any guarantor or endorser shall have any action against the Administrative Agent or any Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of Borrower’s Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on the Borrower’s Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on the Borrower’s Obligations had the rate of interest not been limited to the Maximum Rate during such period. All amounts required to be paid by the Borrower pursuant to this Section 11.14 are referred to herein as “*Excess Interest*.”

Section 11.15. Lender’s Obligations Several. The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders

pursuant hereto shall be deemed to constitute the Lenders a partnership, association, joint venture or other entity.

Section 11.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) neither the Administrative Agent nor any Lender has any fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Authority with respect to this transaction and the discussions, undertakings and procedures leading thereto and no fiduciary, advisory or agency relationship between the Borrower and its Affiliates and the Administrative Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, in each case, irrespective of whether the Administrative Agent or any Lender has advised or is advising the Borrower or any of its Affiliates on other matters, (ii) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Lenders, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate, and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person; (ii) none of the Administrative Agent and the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent and the Lenders and their respective Bank Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent and the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.17. Governing Law; Jurisdiction; Consent to Service of Process. (a) THIS AGREEMENT, THE BANK NOTES AND THE OTHER LOAN DOCUMENTS (EXCEPT AS OTHERWISE SPECIFIED THEREIN), AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction and venue of the state and federal courts located in the City of New York, Borough of Manhattan and in Nassau County, New York, in any action or

proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state or federal court or, to the extent permitted by applicable Legal Requirements. Each party hereto hereby agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. Nothing in this Agreement or any other Loan Document or otherwise shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any Guarantor or its respective properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Legal Requirements, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.17(b). Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for by applicable Legal Requirements.

Section 11.18. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 11.19. USA Patriot Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*") hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify, and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act and the Authority hereby agrees to take any reasonable action necessary to enable the Administrative Agent and the Lenders to comply with the requirements of the Patriot Act.

Section 11.20. Anti-money Laundering; OFAC; Patriot Act (a)(i) As of the date hereof none of the funds or other assets of the Authority constitutes property of any Person subject to trade restrictions under United States Law, including those who are covered by the International Emergency Economic Powers Act, 50 U.S.C. §§1701 et seq.. The Trading with the Enemy Act,

50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder (an “*Embargoed Person*”) with the result that the investment in the Authority (whether directly or, to the Authority's knowledge, indirectly) is prohibited by such applicable law or the proceeds of any Loan is in violation of such law; (ii) no Embargoed Person has any direct or, to the knowledge of the Authority, indirect interest of any nature whatsoever in the Authority with the result that the investment in the Authority (whether directly or indirectly) is prohibited by such applicable law or the proceeds of any Loan is in violation of such law; and (iii) none of the funds of the Authority has been derived, to the knowledge of the Authority, from any unlawful activity with the result that the investment in the Authority (whether directly or indirectly) is prohibited by such applicable law or the proceeds of any Loan is in violation of such law.

(b) The Authority is not in violation of any order issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or any other anti-money laundering law, or any applicable laws, rules and regulations concerning or relating to bribery or corruption.

(c) The Authority is not a Person with whom United States Persons are restricted from doing business under (a) regulations issued by OFAC (including those persons and entities named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any United States law (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or (b) any other law. Without limiting the foregoing, the Authority is not, to the knowledge of the Authority, currently funding its obligations hereunder with funds from any of the Persons referred to in this paragraph (b).

(d) To the knowledge of the Authority, amounts required to be delivered to or paid by the Authority under this Agreement or the other Borrower Documents are not derived from illegal proceeds and/or from an illegal source.

(e) The Authority shall (a) ensure that neither the Authority nor any of its officers and directors is or will be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC or the Department of the Treasury or included in any Executive Order that prohibits or limits the Bank from providing any funding or extending any credit to the Authority or from otherwise conducting business with the Authority and (b) ensure that the proceeds of any advance or extension of credit hereunder will not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto or any economic or financial sanctions or trade embargoes, or violate any applicable laws, rules and regulations concerning or relating to bribery or corruption. The Authority shall provide documentary and other evidence of its identity as may be requested by the Administrative Agent, or any Lender, at any time to enable the Lenders to verify the Authority's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the Patriot Act.

Section 11.21. Confidentiality. Each of the Administrative Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Bank Affiliates and to its Related Parties (it being understood that the Persons

to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Affiliates or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender, or any of their respective Bank Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, “*Information*” means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any of its Affiliates; *provided* that, in the case of information received from the Borrower or any of its Affiliates after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 11.22. Standard Clauses. In accordance with Section 112 of the New York State Finance Law, this Agreement shall not be valid, effective or binding upon the Borrower until it has been approved by the State Comptroller and filed in his office. All contracts entered into by the Borrower are required under State law to contain certain terms and conditions, as set forth in Appendix A hereto, and the provisions of such Appendix A are hereby deemed incorporated in this Agreement at this place. The Lenders agree to comply with such terms and conditions. To the extent of any conflict between any other provision of this Agreement and Appendix A, Appendix A shall control.

Section 11.23. Consent to Amended General Resolution. Upon the consent of the requisite percentage of the holders of the aggregate principal amount of Bondholders outstanding, as required by Section 803 of the General Resolution, the Borrower wishes to amend and restate the Original General Resolution by the execution and delivery of that certain Amended General Resolution. By execution and delivery of this Agreement, the Administrative Agent, on behalf of the Lenders, hereby consents to the amendment and restatement of the Original General Resolution by the execution and delivery of that certain Amended General Resolution; *provided, however,*

that this consent and any deemed consent of the Administrative Agent or any Lender pursuant to Section 305 of the Supplemental Resolution shall be withdrawn and shall not be effective for purposes of this Agreement and the Amended General Resolution and the Amended General Resolution Effective Date shall not occur until (i) the Bank shall have been provided with a certified copy of the Amended General Resolution (*provided, however*, that this clause (i) shall not be satisfied if after the Closing Date, the Amended General Resolution is amended, modified or changed in any manner from the form attached hereto as Exhibit G, other than to complete or fill in blanks, dates and other information necessary for its execution and delivery or to reflect the facts and circumstances existing at the time of its execution and delivery), (ii) the Bank Notes shall have been subsumed under the Amended General Resolution and shall constitute “Bonds” under and for purposes of the Amended General Resolution, (iii) the Administrative Agent shall have received evidence satisfactory to the Administrative Agent that (A) the LIPA Subsidiary shall have dissolved and all the LIPA Subsidiary’s assets, including the System, shall have been distributed to the Authority and (B) the Borrower shall have assumed of all the obligations of the LIPA Subsidiary, (iv) the Administrative Agent, on behalf of the Lenders, shall have been provided with an opinion of counsel to the Borrower as to the due authorization, execution and delivery, and the validity and enforceability of the Amended General Resolution that the effectiveness of the Amended General Resolution will not adversely affect the status of any tax-exempt bonds for which the Borrower is obligated and such other customary matters as the Administrative Agent may reasonably request in form and substance satisfactory to the Administrative Agent, and (v) the Bank and the Borrower shall agree to such amendments to this Agreement as the parties deem necessary to reflect the Amended General Resolution.

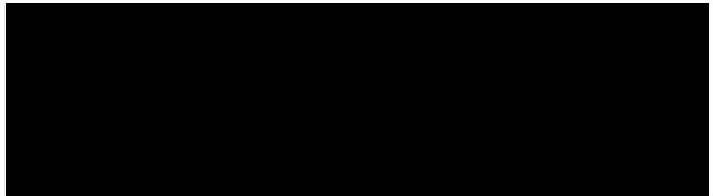
Section 11.24. Amendment and Restatement. This Agreement shall become effective on the Closing Date and shall supersede, amend and restate all provisions of the Original Agreement as of such date. From and after the Closing Date, all references made to the Original Agreement in any instrument or document shall, without more, be deemed to refer to this Agreement. Reference to this specific Agreement need not be made in any agreement, document, instrument, letter, certificate, the Original Agreement itself, or any communication issued or made pursuant to or with respect to the Original Agreement This Agreement is entered into in substitution for, and not in satisfaction of, the rights and obligations of the parties hereto with respect to their obligations under the Original Agreement, and does not and is not intended to constitute a novation or an accord and satisfaction of any of the rights and obligations of the parties hereto with respect to the Original Agreement or the indebtedness, the obligations and liabilities of the Authority evidenced by or provided for under the Original Agreement. The parties hereto agree that this Agreement does not extinguish or discharge the obligations of the Authority or the Bank under the Original Agreement.

[SIGNATURE PAGES TO FOLLOW]

This Credit Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"BORROWER"

LONG ISLAND POWER AUTHORITY



Approved by:

OFFICE OF THE STATE COMPTROLLER

By: _____
Name: _____
Title: _____



Approved as to form by:

OFFICE OF THE NEW YORK ATTORNEY GENERAL

By: _____
Name: _____
Title: _____

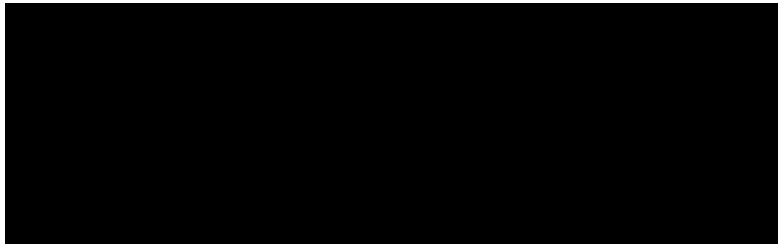
Contract No. C-000942

From: [REDACTED]
To: [REDACTED]
Cc:
Subject: Approved - RE: C-000942- LIPA- JP Morgan Chase- Revolving Credit Facility- Term 3/23/22 to 3/22/2026, Amount-\$177,920,010.00
Date: Monday, March 7, 2022 12:00:52 PM
Attachments: [image002.png](#)

Approved as to Form: 3/07/2022 by [REDACTED]
Received: 3/07/2022

OAG: CAS please file and enter. "P" Amount: 1,960,000

Reminder: Agencies must forward the contract approved by the OAG Contract Approval Section along with the email in which the OAG Contract Approval Section approved the contract, to OSC via the Comptroller's EDSS system. If you are not enrolled in the EDSS system and have not made alternative arrangements with OSC on how to submit your transaction, please contact OSC at [REDACTED] or email [REDACTED]

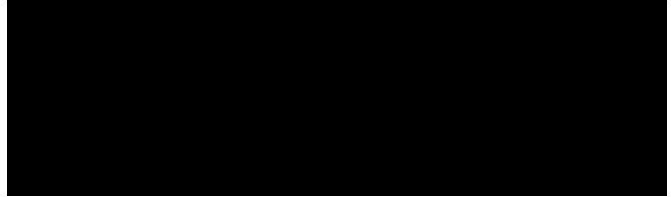


ATTORNEY CLIENT PRIVILEGED/NOT FOR DISSEMINATION

The information contained in this electronic mail message is privileged and confidential and intended only for the individual or individuals named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please reply to the sender immediately to notify us of the error and delete the original message. Thank you.

“ADMINISTRATIVE AGENT”

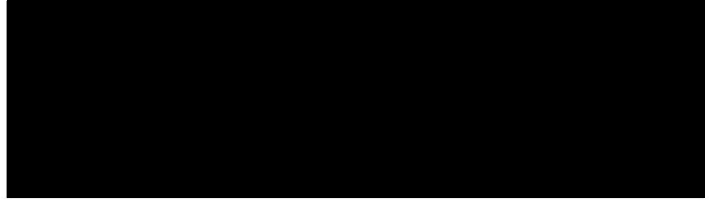
JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as Administrative Agent



Contract No. C-000942

"LENDERS"

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as Lender



Contract No. C-000942

FORM OF ACKNOWLEDGEMENT*

State of New York)

County of New York)

On the 3rd day of March, 2022, before me personally came [REDACTED] to me known to be the individual described in the foregoing instrument in her capacity as [REDACTED] of JPMorgan Chase Bank, National Association, the corporation described in and which executed the foregoing instrument, who being duly sworn did acknowledge that she executed same on behalf of JPMorgan Chase Bank, National Association.

[REDACTED]

[REDACTED]

Notary Public

*To be completed by each signatory

EXHIBIT A

NOTICE OF BORROWING

Date: _____, _____

To: JPMorgan Chase Bank, National Association, as Administrative Agent for the Lenders party to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among Long Island Power Authority, certain Lenders which are signatories thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, relating to Electric System General Revenue Notes, Series 2019A

Ladies and Gentlemen:

The undersigned, Long Island Power Authority (the "*Borrower*"), refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.4 of the Credit Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is _____, _____.
2. The aggregate amount of the proposed Borrowing is \$_____.
3. The Borrowing is to be comprised of \$_____ of **[Base Rate] [Term Benchmark]** Loans.

[4. The duration of the Interest Period for the Term Benchmark Loans included in the Borrowing shall be _____ months.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the representations and warranties contained in Section 6 of the Credit Agreement are true and correct as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date); and

(b) no Potential Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

LONG ISLAND POWER AUTHORITY

By _____
Name _____
Title _____

EXHIBIT B

NOTICE OF CONTINUATION/CONVERSION

Date: _____, _____

To: JPMorgan Chase Bank, National Association, as Administrative Agent for the Lenders party to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Long Island Power Authority, certain Lenders which are signatories thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, relating to Electric System General Revenue Notes, Series 2019A

Ladies and Gentlemen:

The undersigned, Long Island Power Authority (the "*Borrower*"), refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.4 of the Credit Agreement, of the [conversion][continuation] of the Loans specified herein, that:

1. The conversion/continuation Date is _____, _____.
2. The aggregate amount of the Loans to be [converted] [continued] is \$ _____.
3. The Loans are to be converted into [Base Rate] [Term Benchmark] Loans.
4. [If applicable:] The duration of the Interest Period for the Loans included in the [conversion] [continuation] shall be _____ months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the proposed conversion/continuation date, before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the representations and warranties contained in Section 6 of the Credit Agreement are true and correct as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date); *provided, however*, that this condition shall not apply to the conversion of an outstanding Term Benchmark Loan to a Base Rate Loan; and

(b) no Potential Default or Event of Default has occurred and is continuing, or would result from such proposed [**conversion**] [**continuation**].

By _____
Name _____
Title _____

EXHIBIT C-1

FORM OF ADMINISTRATIVE AGENT BANK NOTE

No. 2019A-R-___

LONG ISLAND POWER AUTHORITY

ELECTRIC SYSTEM GENERAL REVENUE NOTES, SERIES 2019A

<u>Issue Date</u>	<u>Final Maturity Date</u>
December __, 2021	March __, 2027, unless extended in accordance with the Credit Agreement (as defined herein) (i.e., the Final Maturity Date of this Note shall be deemed to be extended if the Stated Expiration Date of the Credit Agreement is extended pursuant to its terms)

Registered Owner: JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent (as defined herein)

FOR VALUE RECEIVED, the undersigned, Long Island Power Authority, a corporate municipal instrumentality of the State of New York (the “*Authority*” or the “*Borrower*”), hereby promises to pay to JPMorgan Chase Bank, National Association, as Administrative Agent (the “*Administrative Agent*”), on behalf of and for the ratable benefit of the Lenders from time to time party to the Amended and Restated Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), among the Authority, certain Lenders which are signatories thereto and the Administrative Agent, on the dates, in the manner, in the amounts and at the rates provided for in the Credit Agreement and on the Termination Date (as defined in the Credit Agreement), but solely from the Trust Estate and not otherwise, as hereinafter provided, at the principal office of the Administrative Agent in New York, New York (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the aggregate unpaid principal amount of all Loans made by the respective Lenders to the Borrower pursuant to the Credit Agreement provided that the principal amount thereof shall not exceed \$200,000,000 at any one time outstanding, together with interest on the principal amount of each Loan from time to time outstanding thereon at the rates specified in the Credit Agreement, all Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as defined in and specified in the Credit Agreement, all pursuant to the Credit Agreement. If any principal or Interest on the Loans or any Loan Redemption Premium under the Credit Agreement has not been paid in full on the Final Maturity Date, this Note shall continue to secure all principal and Interest on the Loans and all Loan Redemption Premium under the Credit Agreement until the same have been paid in full.

This Note is one of a duly authorized issue of obligations of the Authority designated as its Bonds (as the same may be amended, herein called the “*General Revenue Bonds*”) issued and to be issued in various series under and pursuant to the Long Island Power Authority Act, Title 1-A of Article 5 of the Public Authorities Law, Chapter 43- A of the Consolidated Laws of the State of New York, as amended (herein called the “*Act*”), and under and pursuant to a resolution of the Authority adopted on May 13, 1998, entitled “*Electric System General Revenue Bond Resolution*” (herein called the “*General Resolution*”). The aggregate principal amount of General Revenue Bonds which may be issued under the Resolution is not limited except as provided in the General Resolution as the same may be supplemented and amended.

This Note is one of a series of General Revenue Bonds designated as “Series 2019A Notes” (herein called the “*Series 2019A Notes*”) issued in the aggregate principal amount of up to \$200,000,000 outstanding at any time under the Act, the General Resolution and a supplemental resolution of the Authority adopted on October 29, 2021, and entitled “*Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution authorizing Electric System General Revenue Notes*” as supplemented by a Certificate of Determination of the Authority delivered pursuant thereto. The General Resolution, as heretofore supplemented, and such supplemental resolution as supplemented by such Certificate of Determination are herein collectively called the “*Resolution.*” Copies of the Resolution are on file at the office of the Authority and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as such Trustee (herein called the “*Trustee*”).

This Note is the Administrative Agent Bank Note referred to in the Credit Agreement. This Note evidences and secures the Loans, Interest thereon and Loan Redemption Premium under the Credit Agreement less the aggregate principal amount of Loans, Interest and Loan Redemption Premium evidenced and secured by outstanding Lender Bank Notes. All defined terms used in this Note, except terms otherwise defined herein or in the Resolution, shall have the same meaning as in the Credit Agreement.

This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including, without limitation, the Act and Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

The General Revenue Bonds (including this Note) are payable as to principal, Redemption Price and interest solely from and are equally and ratably secured solely by the Trust Estate, subject to the provisions of the Resolution permitting the application of such Trust Estate to the purposes and on the terms and conditions set forth in the Resolution, including, without limitation, the prior application of Revenues to the payment of Operating Expenses. The General Revenue Bonds are special obligations of the Authority payable solely from the Trust Estate, and no other revenues or assets of the Authority shall be, or shall be deemed to be, pledged to the payment thereof.

Reference is hereby made to the Resolution, copies of which are on file in the principal corporate trust office of the Trustee, and to all of the provisions of which any holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the pledge and covenants securing the General Revenue Bonds, including this Note;

the Revenues and other moneys and securities constituting the Trust Estate pledged to the payment of the principal, Redemption Price of, and interest on the General Revenue Bonds issued thereunder; the nature and extent and manner of enforcement of the pledge; the conditions upon which General Revenue Bonds may hereafter be issued thereunder, payable on a parity with the Series 2019A Notes from the Trust Estate and equally and ratably secured therewith; the conditions upon which the Resolution may be amended or supplemented; the rights and remedies of the Owner hereof with respect hereto and thereto; the rights, duties and obligations of the Authority and the Trustee thereunder; and for the other terms and provisions thereof.

The Series 2019A Notes are issuable to the Administrative Agent (or, upon the request of a Lender under the Credit Agreement, to such Lender) in the form of registered Notes without coupons in the denominations of \$1,000 or any integral multiple thereof. This Note is transferable, as provided in the Resolution, solely to the successors of the Administrative Agent, and only upon the books of the Authority kept for that purpose at the Principal Office of the Trustee by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney, and thereupon a new registered Note or Notes, and in the same aggregate principal amount, Series and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority and each Fiduciary may deem and treat the person in whose name this Note is registered on the registry books as the absolute owner hereof for the purpose of receiving payment of principal and interest due hereon (including interest on the principal amount of each Loan from time to time outstanding thereon at the rates specified in the Credit Agreement, all Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as defined in and specified in the Credit Agreement) and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effective to satisfy and discharge the Authority's obligations with respect to the payment of such principal and interest to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

The principal of all General Revenue Bonds (including this Note) may be declared due and payable before the maturity thereof, and such declaration may be annulled, as provided in the Resolution.

The Authority may at its election pay all or any part of the principal, Redemption Price of, and interest on this Note before maturity at the Redemption Prices and subject to the conditions specified in the Credit Agreement.

Upon the occurrence of certain events specified in the Credit Agreement, the principal of and interest on all Loans then outstanding, all Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as defined in and specified in the Credit Agreement, are subject to becoming due and payable immediately, all without presentment, demand, protest or notice of any kind, together with all other Obligations and amounts payable and this Note thereupon become immediately subject to mandatory redemption, as provided and at the Redemption Price specified in the Credit Agreement. Upon the occurrence of certain other events specified in the Credit Agreement, the principal of and interest on all Loans then outstanding, all

Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as defined in and specified in the Credit Agreement, are subject to becoming due and payable upon declaration, together with all other Obligations and amounts payable, and this Note thereupon become subject to mandatory redemption, as provided and at the Redemption Price specified in the Credit Agreement.

Neither the Trustees of the Authority nor any person executing the Series 2019A Notes shall be liable personally on the Series 2019A Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

In accordance with Section 1020-o of the Act, the Authority, as agent for the State of New York, hereby pledges to and agrees with the holder of this Series 2019A Notes that the State of New York will not limit or alter the rights vested in the Authority by the Act until this Note together with the interest hereon have been fully met and discharged or adequate provisions have been made by law for protection of the holder hereof.

The Series 2019A Notes shall not be a debt of the State of New York or any municipality, and neither the State of New York nor any municipality shall be liable thereon. The Authority does not have the power to pledge the credit, the revenues or the taxing power of the State or any municipality, and neither the credit or the revenues nor the taxing power of the State or of any municipality is or shall be or be deemed to be pledged to the payment of the Series 2019A Notes.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issuance of the Series 2019A Notes, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the laws of the State of New York.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Trustee of the Trustee's Certificate hereon.

IN WITNESS WHEREOF, LONG ISLAND POWER AUTHORITY has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of an Authorized Representative thereof, and its corporate seal (or facsimile thereof) to be hereunto affixed, impressed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of another Authorized Representative thereof, all as of the Issue Date.

LONG ISLAND POWER AUTHORITY

By _____
Authorized Representative

[SEAL]

Attest:

Authorized Representative

Authentication Date: _____, 20__

TRUSTEE'S CERTIFICATE

The Note is one of the notes of the series designated therein, described in the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON,
Trustee

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member or participant
of a signature guarantee program

NOTICE: The signature above must
correspond with the name of the Owner as it
appears upon the front of this Note in every
particular, without alteration or enlargement
or change whatsoever.

EXHIBIT C-2

FORM OF LENDER BANK NOTE

No. 2019A-R-__

LONG ISLAND POWER AUTHORITY

ELECTRIC SYSTEM GENERAL REVENUE NOTES, SERIES 2019A

<u>Issue Date</u>	<u>Final Maturity Date</u>
December __, 2021	March __, 2027, unless extended in accordance with the Credit Agreement (as defined herein)

Registered Owner: [LENDER]

FOR VALUE RECEIVED, the undersigned, Long Island Power Authority, a corporate municipal instrumentality of the State of New York (the “*Authority*” or the “*Borrower*”), hereby promises to pay to the Registered Owner shown above, party to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), among the Authority, certain Lenders which are signatories thereto and the Administrative Agent, on the dates, in the manner, in the amounts and at the rates provided for in the Amended and Restated Credit Agreement and on the Termination Date (as defined in the Credit Agreement), but solely from the Trust Estate and not otherwise as hereinafter provided, at the principal office of the Administrative Agent in New York, New York (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the aggregate unpaid principal amount of all Loans made by the Lender to the Borrower pursuant to the Credit Agreement provided that the principal amount thereof shall not exceed the amount of such Lender’s Commitment at any one time outstanding, together with interest on the principal amount of the Lender’s respective Percentage of each Loan from time to time outstanding thereon at the rates specified in the Credit Agreement, the Interest (as defined in the Credit Agreement) thereon owed to such Lender in accordance with the Lender’s respective Percentage thereof as specified in the Credit Agreement and any Loan Redemption Premium (as defined in the Credit Agreement) owed to such Lender in accordance with the Credit Agreement, all pursuant to the Credit Agreement. If any principal or Interest on the Loans or any Loan Redemption Premium under the Credit Agreement has not been paid in full on the Final Maturity Date, this Note shall continue to secure all principal and Interest on the Loans relating to this Note and all Loan Redemption Premium under the Credit Agreement relating to this Note until the same have been paid in full.

This Note is one of a duly authorized issue of obligations of the Authority designated as its Bonds (as the same may be amended, herein called the “*General Revenue Bonds*”) issued and to

be issued in various series under and pursuant to the Long Island Power Authority Act, Title 1-A of Article 5 of the Public Authorities Law, Chapter 43- A of the Consolidated Laws of the State of New York, as amended (herein called the “Act”), and under and pursuant to a resolution of the Authority adopted on May 13, 1998, entitled “*Electric System General Revenue Bond Resolution*” as amended (herein called the “*General Resolution*”). The aggregate principal amount of General Revenue Bonds which may be issued under the Resolution is not limited except as provided in the General Resolution as the same may be supplemented and amended.

This Note is one of a series of General Revenue Bonds designated as “Series 2019A Notes” (herein called the “*Series 2019A Notes*”) issued in the aggregate principal amount of up to \$200,000,000 in principal amount outstanding at any time under the Act, the General Resolution and a supplemental resolution of the Authority adopted on October 29, 2021, and entitled “*Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution authorizing Electric System General Revenue Notes*” as supplemented by a Certificate of Determination of the Authority dated _____, 202_ delivered pursuant thereto. The General Resolution, as heretofore supplemented, and such supplemental resolution as supplemented by such Certificate of Determination are herein collectively called the “*Resolution.*” Copies of the Resolution are on file at the office of the Authority and at the principal corporate trust office of The Bank of New York Mellon, New York, New York, as Trustee under the Resolution, or its successor as such Trustee (herein called the “Trustee”).

This Note is one of the Lender Bank Notes referred to in the Credit Agreement. This Note evidences and secures the Lender’s respective Percentage of the Loans, Interest thereon and Loan Redemption Premium owed to the Lender under the Credit Agreement. All defined terms used in this Note, except terms otherwise defined herein or in the Resolution, shall have the same meaning as in the Credit Agreement.

This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including, without limitation, the Act and Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York).

The General Revenue Bonds (including this Note) are payable as to principal, Redemption Price and interest solely from and are equally and ratably secured solely by the Trust Estate, subject to the provisions of the Resolution permitting the application of such Trust Estate to the purposes and on the terms and conditions set forth in the Resolution, including, without limitation, the prior application of Revenues to the payment of Operating Expenses. The General Revenue Bonds are special obligations of the Authority payable solely from the Trust Estate, and no other revenues or assets of the Authority shall be, or shall be deemed to be, pledged to the payment thereof.

Reference is hereby made to the Resolution, copies of which are on file in the principal corporate trust office of the Trustee, and to all of the provisions of which any holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the pledge and covenants securing the General Revenue Bonds, including this Note; the Revenues and other moneys and securities constituting the Trust Estate pledged to the payment of the principal, Redemption Price of, and interest on the General Revenue Bonds issued thereunder; the nature and extent and manner of enforcement of the pledge; the conditions upon

which General Revenue Bonds may hereafter be issued thereunder, payable on a parity with the Series 2019A Notes from the Trust Estate and equally and ratably secured therewith; the conditions upon which the Resolution may be amended or supplemented; the rights and remedies of the Owner hereof with respect hereto and thereto; the rights, duties and obligations of the Authority and the Trustee thereunder; and for the other terms and provisions thereof.

The Series 2019A Notes are issuable to the Administrative Agent (or, upon the request of a Lender under the Credit Agreement, to such Lender) in the form of registered Notes without coupons in the denominations of \$1,000 or any integral multiple thereof. This Note is transferable, as provided in the Resolution, solely to the successors of the Administrative Agent, and only upon the books of the Authority kept for that purpose at the Principal Office of the Trustee by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney, and thereupon a new registered Note or Notes, and in the same aggregate principal amount, Series and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority and each Fiduciary may deem and treat the person in whose name this Note is registered on the registry books as the absolute owner hereof for the purpose of receiving payment of principal and interest due hereon (including the principal amount of the Lender's respective Percentage of each Loan from time to time outstanding thereon at the rates specified in the Credit Agreement, the Interest (as defined in the Credit Agreement) thereon owed to such Lender in accordance with the Lender's respective Percentage thereof as specified in the Credit Agreement and any Loan Redemption Premium (as defined in the Credit Agreement) owed to such Lender in accordance with the Credit Agreement) and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effective to satisfy and discharge the Authority's obligations with respect to the payment of such principal and interest to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

The principal of all General Revenue Bonds (including this Note) may be declared due and payable before the maturity thereof, and such declaration may be annulled, as provided in the Resolution.

The Authority may at its election pay all or any part of the principal, Redemption Price of, and interest on this Note before maturity at the Redemption Prices and subject to the conditions specified in the Credit Agreement.

Upon the occurrence of certain events specified in the Credit Agreement, the principal of and interest on all Loans then outstanding, all Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as defined in and specified in the Credit Agreement, are subject to becoming due and payable immediately, all without presentment, demand, protest or notice of any kind, together with all other Obligations and amounts payable and this Note thereupon become immediately subject to mandatory redemption, as provided and at the Redemption Price specified in the Credit Agreement. Upon the occurrence of certain other events specified in the Credit Agreement, the principal of and interest on all Loans then outstanding, all Interest as defined in and specified in the Credit Agreement and all Loan Redemption Premium as

defined in and specified in the Credit Agreement, are subject to becoming due and payable upon declaration, together with all other Obligations and amounts payable, and this Note thereupon become subject to mandatory redemption, as provided and at the Redemption Price specified in the Credit Agreement.

Neither the Trustees of the Authority nor any person executing the Series 2019A Notes shall be liable personally on the Series 2019A Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

In accordance with Section 1020-o of the Act, the Authority, as agent for the State of New York, hereby pledges to and agrees with the holder of this Series 2019A Notes that the State of New York will not limit or alter the rights vested in the Authority by the Act until this Note together with the interest hereon have been fully met and discharged or adequate provisions have been made by law for protection of the holder hereof.

The Series 2019A Notes shall not be a debt of the State of New York or any municipality, and neither the State of New York nor any municipality shall be liable thereon. The Authority does not have the power to pledge the credit, the revenues or the taxing power of the State or any municipality, and neither the credit or the revenues nor the taxing power of the State or of any municipality is or shall be or be deemed to be pledged to the payment of the Series 2019A Notes.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issuance of the Series 2019A Notes, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the laws of the State of New York.

This Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Trustee of the Trustee's Certificate hereon.

IN WITNESS WHEREOF, LONG ISLAND POWER AUTHORITY has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of an Authorized Representative thereof, and its corporate seal (or facsimile thereof) to be hereunto affixed, impressed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of another Authorized Representative thereof, all as of the Issue Date.

LONG ISLAND POWER AUTHORITY

By _____
Authorized Representative

[SEAL]

Attest:

Authorized Representative

Authentication Date: _____, 20__

TRUSTEE'S CERTIFICATE

The Note is one of the notes of the series designated therein, described in the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON,
Trustee

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member or participant
of a signature guarantee program

NOTICE: The signature above must
correspond with the name of the Owner as it
appears upon the front of this Note in every
particular, without alteration or enlargement
or change whatsoever.

EXHIBIT D

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “*Assignment and Assumption*”) is dated as of the Effective Date set forth below and is entered into by and between **[the][each]**¹ Assignor identified in item 1 below (**[the][each, an]** “*Assignor*”) and **[the][each]**² Assignee identified in item 2 below (**[the][each, an]** “*Assignee*”). **[It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]**⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “*Credit Agreement*”), receipt of a copy of which is hereby acknowledged by **[the][each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, **[the][each]** Assignor hereby irrevocably sells and assigns to **[the Assignee][the respective Assignees]**, and **[the][each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor][the respective Assignors]**, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of **[the Assignor’s][the respective Assignors’]** rights and obligations in **[its capacity as a Lender][their respective capacities as Lenders]** under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor][the respective Assignors]** under the respective facilities identified below, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the][any]** Assignor to **[the][any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the][an]** “*Assigned Interest*”). Each such sale and assignment is without recourse to **[the][any]** Assignor and, except

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Bank Affiliate][Approved Fund] of [identify Lender]]

3. Borrower: Long Island Power Authority

4. Administrative Agent: JPMorgan Chase Bank, National Association, as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated as of March 1, 2022 among Long Island Power Authority, the Lenders parties thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, relating to Electric System General Revenue Notes, Series 2019A

6. Assigned Interest[s]:

ASSIGNOR[S] ⁵	ASSIGNEE[S] ⁶	AGGREGATE AMOUNT OF COMMITMENT/LOANS FOR ALL LENDERS ⁷	AMOUNT OF COMMITMENT/LOANS ASSIGNED ⁷	PERCENTAGE ASSIGNED OF COMMITMENT/LOANS ⁸
		\$	\$	%
		\$	\$	%
		\$	\$	%

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁸ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[7. Trade Date: _____]⁹

Effective Date: _____, 20____ **[To be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the register therefor.]**

The terms set forth in this Assignment and Assumption are hereby agreed to:

⁹ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

ASSIGNOR[S]¹⁰

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE[S]¹¹

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[Consented to and]¹² Accepted:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as
Administrative Agent

¹⁰ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

¹¹ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

¹² To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

By: _____
Name: _____
Title: _____

[Consented to:]¹³

LONG ISLAND POWER AUTHORITY

By: _____
Name: _____
Title: _____

¹³ To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

SECTION 1. REPRESENTATIONS AND WARRANTIES.

Section 1.1. Assignor[s]. **[The][Each]** Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of **[the][the relevant]** Assigned Interest, (ii) **[the][such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is **[not]** a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

Section 1.2. Assignee[s]. **[The][Each]** Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.2(b)(2), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 13.2(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of **[the][the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 8.2 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the][such]** Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the][such]** Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by **[the][such]** Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, **[the][any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

SECTION 2. PAYMENTS.

From and after the Effective Date, the Administrative Agent shall make all payments in respect of **[the][each]** Assigned Interest (including payments of principal, interest, fees and other amounts) to **[the][the relevant]** Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to **[the][the relevant]** Assignee.

SECTION 3. GENERAL PROVISIONS.

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT E-1

**[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”) among Long Island Power Authority, the Lenders party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (the “*Administrative Agent*”), relating to Electric System General Revenue Notes, Series 2019A. Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 4.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____, 20__

EXHIBIT E-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”) among Long Island Power Authority, the Lenders party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (the “*Administrative Agent*”), relating to Electric System General Revenue Notes, Series 2019A. Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 4.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____, 20__

EXHIBIT E-3

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”) among Long Island Power Authority, the Lenders party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (the “*Administrative Agent*”), relating to Electric System General Revenue Notes, Series 2019A. Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 4.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____, 20__

EXHIBIT E-4

**[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”) among Long Island Power Authority, the Lenders party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (the “*Administrative Agent*”), relating to Electric System General Revenue Notes, Series 2019A. Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 4.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____
Date: _____, 20__

[FORM OF PREPAYMENT NOTICE]

PREPAYMENT NOTICE

Date: _____, _____

To: JPMorgan Chase Bank, National Association, as Administrative Agent for the Lenders party to the Credit Agreement dated as of March 1, 2022 (as extended, renewed, amended or restated from time to time, the "Credit Agreement"), among Long Island Power Authority, certain Lenders which are signatories thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, relating to Electric System General Revenue Notes, Series 2019A

Ladies and Gentlemen:

The undersigned, Long Island Power Authority (the "Borrower"), refers to the Credit Agreement, the terms defined therein being used herein as therein defined.

This Prepayment Notice is delivered to you pursuant to Section 2.6 of the Credit Agreement. The Borrower hereby gives notice of a prepayment of Loans as follows:

1. (select Type(s) of Loans)

Base Rate Loans in the aggregate principal amount of \$_____.

Term Benchmark Rate Loans with an Interest Period ending _____, 201__ in the aggregate principal amount of \$_____.

2. On _____, 20__ (a Business Day).

This Prepayment Notice and prepayment contemplated hereby comply with the Credit Agreement, including Section 2.6 of the Credit Agreement.

LONG ISLAND POWER AUTHORITY

By: _____

Name: _____

Title: _____

EXHIBIT G

LONG ISLAND POWER AUTHORITY

**ELECTRIC SYSTEM
GENERAL REVENUE BOND RESOLUTION**

Adopted May 13, 1998, as amended and restated July 22, 2020

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**ELECTRIC SYSTEM
GENERAL REVENUE BOND RESOLUTION**

WHEREAS, the Long Island Power Authority (the “Authority”) was created by the Long Island Power Authority Act (the “Act”), constituting title 1 A of Article 5 of the Public Authorities Law of the State of New York (the “State”); and

WHEREAS, the Act empowers the Authority, among other things, to issue its bonds for any purpose authorized thereby, including without limitation (a) to acquire any real or personal property or facilities deemed necessary by the Authority, (b) to pay interest on bonds or notes of the Authority, (c) to establish reserves to secure such bonds and notes of the Authority, (d) to establish or maintain such other funds or accounts for such purpose or purposes as the Authority may deem necessary or desirable, and (e) to pay all other expenses of the Authority incident to the issuance of such bonds or notes; and

WHEREAS, the Act authorizes the Authority to acquire, through purchase or the exercise of the power of eminent domain, all or any part of the securities or assets of Long Island Lighting Company (“LILCO”), and pursuant to such authorization the Authority entered into an Agreement and Plan of Merger dated as of June 26, 1997 (the “Acquisition Agreement”) with LILCO pursuant to which the Authority purchased all of the outstanding common stock of LILCO in 1998; and

WHEREAS, in accordance with the Acquisition Agreement, LIPA Acquisition Corp. (as defined in the Acquisition Agreement) merged with and into LILCO, and as a consequence thereof, LILCO, as the surviving corporation, became a wholly owned subsidiary of the Authority (LILCO as such surviving corporation hereinafter referred to as the “Subsidiary”); and

WHEREAS, pursuant to a Financing Agreement, dated as of May 1, 1998, by and between the Authority and the Subsidiary (as the same may be amended or supplemented, the “Financing Agreement”), (a) the Authority, among other things, agreed to use its best efforts to issue its Bonds (as hereinafter defined) from time to time, to finance the acquisition, construction and installation of System Improvements (as defined herein and in the Financing Agreement), from time to time, in accordance with the terms of the Resolution and the Financing Agreement, (b) the Subsidiary, among other things, has (i) given, granted, sold and conveyed to the Authority, all of the Revenues (as hereinafter defined) derived by the Subsidiary from the ownership and operation of the System (as hereinafter defined), subject to the terms and conditions of the Resolution, the Act and the Financing Agreement with respect to the use and application thereof, and (ii) covenanted and agreed that System fees, rates, rents, charges and surcharges shall be established by the Authority so as to be sufficient, among other things, to pay the costs of operating and maintaining the System and to pay the principal of and interest on the bonds, notes or other obligations of the Authority and the Outstanding Subsidiary Unsecured Debt (as hereinafter defined), (c) the Subsidiary, among other things, agreed to take such actions as may be required to assure the collection of all the fees, rates, rents, charges and surcharges established by the Authority for the use of the System and to enforce the rules and regulations of the Authority with respect to the System and (d) pursuant to the Financing Agreement, the Subsidiary agreed to operate and maintain the System in accordance with policies established by the Authority; and

WHEREAS, pursuant to an Electric System General Revenue Bond Resolution adopted May 13, 1998 by the Trustees, as heretofore amended (the “Existing General Resolution”) the Authority has determined to authorize the issuance, from time to time, of its electric revenue bonds and to use the proceeds derived from the sale thereof to carry out its corporate purposes under the Act, including, without limitation, financing, in whole or in part, the acquisition of the System and the costs of the System Improvements, and the purchase or refunding of bonds, notes or other obligations of the Authority theretofore issued to finance such costs;

WHEREAS, the Authority is considering (i) the dissolution of the Subsidiary and the distribution of all the assets of the Subsidiary, including the System, to the Authority, and (ii) the assumption of all the obligations of the Subsidiary by the Authority, and if such dissolution, distribution and assumption occurs, the Authority intends to terminate the Financing Agreement and the Administrative Services Agreement (as defined herein); and

WHEREAS, in light of the foregoing potential to dissolve the Subsidiary, the Authority wishes to provide for the amendment and restatement of the Existing General Resolution as herein provided to delete references where appropriate to the Subsidiary, the Financing Agreement, the Administrative Services Agreement and other provisions which would no longer be necessary upon the consolidation of the Subsidiary into the Authority and the assumption of all liabilities of the Subsidiary by the Authority; and

WHEREAS, the Authority further wishes to amend various other provisions of the Existing General Resolution as herein provided, without regard to whether the proposed dissolution of the Subsidiary occurs; and

WHEREAS, the amendments to the Existing General Resolution herein provided for shall take effect only upon satisfaction of the conditions to effectiveness provided herein;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 101. Definitions. In this Resolution the following terms shall have the following meanings unless the context otherwise requires:

“**Account**” shall mean one of the special accounts created and established pursuant to Article V of this Resolution.

“**Accountant**” shall mean an independent certified public accountant (or a firm thereof) of recognized standing, selected by the Authority and satisfactory to the Trustee and may be the accountant regularly auditing the books of the Authority.

“**Acquisition Agreement**” shall have the meaning set forth in the preambles hereto.

“**Act**” shall mean the Long Island Power Authority Act, constituting Title 1 A of Article 5 of the Public Authorities Law of the State, as amended.

“**Authenticating Agent**” shall mean any authenticating agent appointed pursuant to Section 1114.

“**Authority**” shall mean the Long Island Power Authority, a corporate municipal instrumentality of the State created and existing under and by virtue of the Act.

“**Authority Budget**” shall mean the annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year, included as part of the Authority Budget as provided in Section 709.

“**Authorized Representative**” shall mean the Authority’s Chairman, Chief Executive Officer, Chief Financial Officer, or Controller or such other person or persons so designated by resolution of the Authority.

“**Bond**” or “**Bonds**” shall mean all bonds, notes or other evidences of indebtedness authenticated and delivered pursuant to the Resolution, but shall not include Subordinated Indebtedness.

“**Bond Counsel’s Opinion**” or “**Opinion of Bond Counsel**” shall mean an opinion signed by any attorney or firm of attorneys of nationally recognized standing in the field of law relating to revenue bonds of municipalities and public agencies, selected by the Authority and reasonably satisfactory to the Trustee.

“**Bond Payment Date**” shall mean each date on which interest or both a Principal Installment and interest shall be due and payable on any of the Outstanding Bonds or Parity Reimbursement Obligations according to their respective terms.

“**Bond Year**” shall mean, with respect to any Bonds, the twelve month period, if any, set forth in a Supplemental Resolution.

“**Bondholder**”, “**Owner**” or “**Holder**” or words of similar import shall mean, when used with reference to a Bond, the person in whose name the Bond is registered on the registry books kept by the Trustee pursuant to Section 306.

“**Capitalized Interest**” shall mean that portion of the proceeds of any Bonds deposited in a sub account established in the Capitalized Interest Account of the Debt Service Fund, and interest earnings thereon to the extent retained in such Account as provided in Section 515, for the purpose of funding the payment of a portion of the interest on any Bonds.

“Capitalized Interest Account” shall mean the account by that name established in the Debt Service Fund pursuant to Section 502(b).

“Certificate” shall mean, as the context indicates, either (i) a signed document attesting to or acknowledging the matters therein stated or setting forth matters to be determined pursuant to the Resolution, (ii) the report of an Accountant as to an audit or compliance called for by the Resolution, or (iii) any report of a Rate Consultant as to any matter called for by the Resolution.

“Construction Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Costs” shall mean costs of any System Improvements or any other purpose related to the System for which bonds, notes or other obligations of the Authority may be issued under the Act or under other applicable State statutory provisions (whether or not also classifiable as an Operating Expense), including but not limited to direct costs, incidental costs (including but not limited to legal, administrative, engineering, consulting and technical services, insurance and financing costs), working capital and reserves deemed necessary or desirable by the Authority, and other costs properly attributable thereto including but not limited to the payment of principal, interest, and redemption, tender or purchase price of any (i) obligations issued by the Authority for the payment of any of such costs,, (ii) obligations issued to pay Capitalized Interest or (iii) obligations issued to refund any obligations referred to in clauses (i) or (ii); all items of expense directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds and any other cost, charge or fee in connection with the original issuance of Bonds; termination payments under the Power Supply Agreement or other agreement of the Authority for power supply purposes; and termination payments under Financial Contracts.

“Credit Facility” shall mean a letter of credit, revolving credit agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments or interest due on any Bonds, including through a reserve or similar fund.

“Debt Service” for any Fiscal Year or part thereof shall mean, as of any date of calculation, the sum of (i) with respect to any Outstanding Bonds, an amount equal to the sum of (a) interest payable during such Fiscal Year or part thereof on such Bonds, except to the extent that such interest is to be paid from amounts representing Capitalized Interest and (b) the Principal Installments of such Bonds payable during such Fiscal Year or part thereof, and (ii) with respect to a

Parity Reimbursement Obligation, an amount equal to the sum of (a) interest payable during such Fiscal Year or part thereof on such Parity Reimbursement Obligation and (b) the Principal Installments of such Parity Reimbursement Obligation payable during such Fiscal Year or part thereof. Such interest and Principal Installments shall be calculated on the assumption that (x) no such Bonds, or Parity Reimbursement Obligations Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment thereof upon stated maturity or upon mandatory redemption by application of Sinking Fund Installments, and (y) Variable Rate Bonds will bear interest at the rate or rates which were assumed by the Authority in the Authority Budget for such Fiscal Year which rate shall not be less than the rate or rates borne thereon as of the date such Authority Budget was prepared.

“Debt Service Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Defeasance Obligations” shall mean obligations of the type described in clause (ii), (iii) or (ix) of the definition of Investment Securities herein, which are not subject to redemption prior to maturity except at the option of the holder.

“Depositary” shall mean any bank or trust company selected by the Authority as a depositary of moneys to be held under the provisions of the Resolution, and may include the Trustee.

“Event of Default” shall mean any event specified in Section 1001.

“Fiduciary” shall mean the Trustee, any Paying Agent, any Depositary, or any Authenticating Agent.

“Financial Contract” shall mean, to the extent from time to time permitted by law, any financial arrangement entered into by the Authority with respect to Bonds or Subordinated Indebtedness, and any financial arrangement entered into by the Authority, for the purpose of moderating interest rate fluctuations or any other purpose which is any of the following, or any combination thereof, or any option with respect thereto: a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds or Subordinated Indebtedness as the case may be, as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds or Subordinated Indebtedness, as the case may be); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; or other similar transaction (however designated).

“Fiscal Year” shall mean the twelve month period commencing on January 1 of each year; provided, however, that the Authority may at any time adopt a different twelve month period as the Fiscal Year, in which case January 1, when

used herein with reference to Fiscal Year, shall be construed to mean the first day of the first calendar month of such different Fiscal Year.

“**Fund**” shall mean any fund established pursuant to Section 502.

“**Generally Accepted Accounting Principles**” means accounting principles, standards, methods and terminology followed and construed, as nearly as practicable, in conformity with the pronouncements of the Financial Accounting Standards Board (or any successor), the Governmental Accounting Standards Board (or any successor), the International Accounting Standards Board (or any successor) or any other nationally or internationally recognized accounting standards, as determined by the Authority, in each case as amended from time to time.

“**Investment Securities**” shall mean and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein and conform to the policies set forth in any investment guidelines adopted by the Authority and in effect at the time of the making of such investment:

(i) direct obligations of, or obligations guaranteed as to principal and interest by, any state or direct obligations of any agency, public authority or political subdivision thereof, provided such obligations are rated, at the time of purchase, in one of the three highest Rating Categories by a Rating Agency;

(ii) (a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are guaranteed by, the United States of America, including obligations of any agency thereof or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the United States of America or (b) any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in subclause (a) of this clause (ii);

(iii) obligations of any agency, subdivision, department, division or instrumentality of the United States of America, or obligations fully guaranteed as to interest and principal by any agency, subdivision, department, division or instrumentality of the United States of America and obligations of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association;

(iv) banker’s acceptances or certificates of deposit issued by a commercial bank with its principal place of business within the State and having capital and surplus of more than \$100,000,000;

(v) corporate securities, including commercial paper and fixed income obligations, which are, at the time of purchase, rated by a Rating Agency in one of its three highest Rating Categories for comparable types of obligations;

(vi) repurchase agreements or other investment agreements collateralized by securities described in clause (ii) above with any registered broker/dealer or with any domestic commercial bank whose long term debt obligations are rated “investment grade” by each Rating Agency, provided that (a) a specific written repurchase agreement governs the transaction, (b) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is either a direct member of the Federal Reserve Bank or a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (c) the repurchase agreement has a term of thirty days or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within five business days of such valuation, and (d) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%;

(vii) investment agreements or guaranteed investment contracts with any financial institution whose senior long term debt obligations, or whose obligations under such an investment agreement or guaranteed investment contract are guaranteed by a financial institution whose senior long term debt obligations, have a rating (at the time such agreement or contract is entered into) in one of the three highest Rating Categories for comparable types of obligations by a Rating Agency;

(viii) money market funds rated in one of the three highest Rating Categories for comparable types of obligations by a Rating Agency;

(ix) municipal obligations, the payment of principal and redemption price, if any, and interest on which is irrevocably secured by obligations of the type referred to in clauses (i), (ii) or (iii) above and which obligations have been deposited in an escrow arrangement which is irrevocably pledged to the payment of such municipal obligations and which municipal obligations are rated in the highest Rating Category by a Rating Agency, or any other municipal obligation rated in the highest Rating Category by a Rating Agency;

(x) obligations of any person or entity which shall be rated at the time of the investment in one of the three highest Rating Categories by a Rating Agency; and

(xi) any other investment in which the Authority is permitted to invest under applicable law, notwithstanding any limitations set forth in clauses (i) through (x) above.

Obligations of any Fiduciary or an affiliate thereof may be Investment Securities, provided that they otherwise qualify.

“Operating Expense Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Operating Expenses” shall mean any and all current expenses of maintaining, repairing, operating and managing the System, including but not limited to the costs of supplies, electricity, capacity, fuel, fuel assemblies and components required for the operation of the System; payments relating to fuel or electricity hedging instruments; all payments under any System Agreements; all salaries, administrative, general, commercial, architectural, engineering, advertising, public notices, auditing, billing, collection and enforcement and legal expenses; insurance and surety bond premiums; consultants’ fees and charges; payments to pension, retirement, health and hospitalization funds; any taxes or PILOTs which may lawfully be imposed on the System or the income or operation thereof or of the Authority; costs of public hearings; ordinary and current rentals of equipment or other property; lease payments for real property or interests therein; expenses of maintenance and repair (including replacements); expenses, liabilities and compensation of the Trustee or any other Fiduciary or depositary of Authority funds; to the extent provided by law, agreement or other instrument of the Authority, indemnification of Fiduciaries, Trustees of the Authority, officers and employees of the Authority, and others, and premiums for insurance related thereto; reasonable reserves for operation, maintenance and repair and for self-insurance; and all other expenses necessary, incidental or convenient for the efficient operation of the System; all costs and expenses associated with or arising out of the research, development (including feasibility and other studies, including but not limited to resource planning and studies and reports relating to demand side management) and/or implementation of any project, facility, system, task or measure related to the System including but not limited to demand side management programs, deemed desirable or necessary by the Authority; all other costs and expenses arising out of or in connection with the conduct of the Authority’s business or necessary, incidental or convenient for the efficient operation of the Authority. Solely for purposes of Section 205(e) and 701, Operating Expenses shall be calculated in accordance with Generally Accepted Accounting Principles, subject to the next succeeding sentence. Notwithstanding the foregoing, Operating Expenses shall not include (i) any costs and expenses attributable to a Separately Financed Project, (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of the System to the condition of serviceability thereof when new, (iii) any payments payable by the Authority under any other agreement the terms of which specify that the same shall not constitute an Operating Expense under the Resolution, and (iv) any allowance for depreciation or amortization or losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System.

“Operations Services Agreement” shall mean the Amended and Restated Operations Services Agreement, dated as of December 31, 2013, between the Authority and PSEG Long Island LLC, and their respective successors and assigns, as the same may be amended and supplemented.

“Outstanding” when used with reference to Parity Reimbursement Obligations, shall have the meaning given to such term in the agreement creating such Parity Reimbursement Obligations, and, when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (i) any Bonds canceled by the Trustee at or prior to such date;
- (ii) any Bonds the principal and Redemption Price, if any, of and interest on which have been paid in accordance with the terms thereof;
- (iii) any Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered pursuant to the Resolution; and
- (iv) any Bonds deemed to have been paid as provided in Section 1201(b).

“Parity Reimbursement Obligation” shall have the meaning provided in Section 207(c).

“Paying Agent” shall mean any paying agent for any Bonds, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Resolution.

“PILOTs” shall mean any payments in lieu of taxes due and owing by the Authority in accordance with Section 1020-q of the Act or other applicable law.

“Power Supply Agreement” shall mean the Amended and Restated Power Supply Agreement dated as of October 10, 2012, between the Long Island Lighting Company d/b/a LIPA and National Grid Generation LLC, and their respective successors and assigns, as the same may be amended and supplemented.

“Principal Installment” shall mean, as of any date of calculation and with respect to any Outstanding Bonds, (i) the principal amount of such Bonds (including (x) any amount designated in, or determined pursuant to, the applicable Supplemental Resolution, as the “principal amount” with respect to any Bonds which do not pay full current interest for all or any part of their term and (y) the principal amount of any Parity Reimbursement Obligation) due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for such Bonds, or (iii) if such future dates coincide as to different Bonds, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date.

“Principal Office”, when used with respect to any Fiduciary, and any provision of the Resolution, shall mean the corporate trust or other office or offices of such Fiduciary designated thereby with respect to such provision.

“Rate Consultant” shall mean the independent accountant or firm of independent accountants, or a management consultant or firm of management consultants, or independent engineer or firm of independent engineers which, in any case, shall be of recognized standing in the field of electric transmission and distribution system consulting (and which may be the firm then serving as a consulting engineer or auditor of the Authority), selected by the Authority.

“Rate Stabilization Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Rating Agency” shall mean each of Fitch Group, Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services and any other or nationally recognized statistical rating organization specified in a Supplemental Resolution, and their respective successors and assigns, in each case and at any time only if the same is then maintaining a rating on any Bonds at the request of the Authority.

“Rating Category” means a general rating category of an applicable Rating Agency or nationally recognized statistical rating organization without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Record Date” with respect to each scheduled payment of principal of, premium, if any, and interest on each Bond, the date specified as the “record date” therefor in the Supplemental Resolution authorizing such Bond.

“Redemption Price” shall mean, when used with respect to a Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon either optional or mandatory redemption thereof pursuant to the Resolution.

“Refunding Bond” shall mean any Bond authenticated and delivered on original issuance pursuant to Section 206 for the purpose of refunding any Outstanding Bonds, or thereafter authenticated and delivered pursuant to the Resolution in lieu of or substitution for such Bond.

“Reimbursement Obligation” shall have the meaning provided in Section 207(c).

“Required Deposits” shall mean the amount, if any, payable into the Operating Expense Fund, the Debt Service Fund, the Parity Reimbursement Obligations Fund and the Subordinated Indebtedness Fund, , but in each case only to the extent such payments are required to be made from Revenues.

“Resolution” shall mean this Electric System General Revenue Bond Resolution, adopted by the Authority on May 13, 1998, as the same has heretofore been amended and as further amended and restated by a resolution

adopted by the Authority on July __, 2020, as the same may hereafter be amended or supplemented by a Supplemental Resolution or Resolutions.

“Revenue Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Revenues” shall mean all revenues, rates, fees, charges, surcharges, rents, proceeds from the sale of Authority assets, proceeds of insurance, and other income and receipts, as derived in cash, directly or indirectly from any of the Authority’s operations, by or for the account of the Authority, including but not limited to any guaranty of performance under any System Agreement and (iii) all dividends received by the Authority as a result of ownership of any stock or other evidences of an equity interest in the Subsidiary, including, without limitation, any amounts received by the Authority by reason of the dissolution of the Subsidiary; provided, however, that Revenues shall not include (a) any Transition Charge, (b) any of the foregoing attributable directly or indirectly to the ownership or operation of any Separately Financed Project, or (c) any federal or State grant moneys the receipt of which is conditioned upon their expenditure for a particular purpose unless the Authority determines that such grant moneys shall constitute Revenues. Notwithstanding the foregoing, Revenues also shall not include any amounts, or amounts from any sources, as may be specified from time to time by Supplemental Resolution. Solely for purposes of Sections 205(e) and 701, Revenues shall be calculated in accordance with Generally Accepted Accounting Principles, subject to proviso contained in the second preceding sentence.

“Separately Financed Project” means any project described as such in Section 208.

“Series” or **“Series of Bonds”** shall mean all of the Bonds authenticated and delivered on original issuance identified pursuant to the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to the Resolution regardless of variations in maturity, interest rate or other provisions.

“Sinking Fund Installment” shall mean, as of any particular date of calculation, the amount required, as of such date of calculation, to be paid by the Authority on a future date for the retirement of Outstanding Bonds which are stated to mature subsequent to such future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond.

“State” shall mean the State of New York.

“Subordinated Credit Facility” shall mean a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which (i) provides for payment of all or a

portion of the principal of or interest on any Subordinated Indebtedness, (ii) provides funds for the purchase of any Bonds or Subordinated Indebtedness, or any portion of any thereof, or (iii) secures the payment by the Authority of its obligations under a Financial Contract relating to Bonds or Subordinated Indebtedness.

“Subordinated Indebtedness” shall mean any bond, note or other evidence of indebtedness issued by the Authority in furtherance of its corporate purposes under the Act and secured by a pledge of the Trust Estate subordinate to the pledge thereof made hereby in favor of the Bonds and Parity Reimbursement Obligations and otherwise as provided hereby. Subordinated Indebtedness shall include, but shall not be limited to, Reimbursement Obligations other than Parity Reimbursement Obligations, and Financial Contracts to the extent provided by Section 207(b).

“Subordinated Indebtedness Fund” shall mean the fund by that name established pursuant to Section 502(a).

“Subordinated Reimbursement Obligation” shall have the meaning provided in Section 207(d).

“Subsidiary” shall mean Long Island Lighting Company d/b/a LIPA.

“Supplemental Resolution” shall mean a resolution of the Authority authorizing the issuance of a Series of Bonds or otherwise amending or supplementing the Resolution, adopted in accordance with Article VIII.

“System” shall mean the electric distribution, transmission and generation rights, assets and properties owned the Subsidiary at the time of its acquisition by the Authority and any System Improvements thereafter or hereafter made or acquired by the Subsidiary or the Authority, but shall not include any Separately Financed Projects.

“System Agreements” shall mean any agreements relating to the operation or maintenance of the System, the supply of power and energy to the System, and the provision of transmission and distribution services and capacity for the System, including, but not limited to, the Operations Services Agreement and the Power Supply Agreement.

“System Improvement” means any project, facility, system, equipment, or material related to or necessary or desirable in connection with the generation, production, transportation, transmission, distribution, delivery, storage, conservation, purchase or use of energy or fuel, whether owned jointly or singly by the Authority, including any capacity or output in which the Authority has an interest, heretofore or hereafter authorized by the Act or by other applicable State statutory provisions, including but not limited to demand side management

programs; provided, however, that the term “System Improvement” shall not include any Separately Financed Project.

“**Transition Charge**” shall mean any rates, fees, charges or surcharges relating to the System or the customers thereof established by irrevocable rate order or other action or instrument, and applicable to or by the Authority, in conjunction with the issuance of debt or other securities under a separate resolution, indenture or similar instrument (other than the Resolution) to the extent such rates, fees, charges or surcharges are pledged or otherwise encumbered or conveyed as security for such debt or other securities, and shall include, without limitation, UDSA Charges.

“**Trust Estate**” shall mean, collectively:

(i) all payments received by the Authority from the Subsidiary under the Financing Agreement, and all rights to collect and receive the same;

(ii) all Revenues and all right, title and interest of the Authority in and to the Revenues, including all rights of the Authority to collect and receive the same, including but not limited to any dividends received by the Authority as a result of ownership of any common or preferred stock or other evidences of an equity interest of the Authority in the Subsidiary, and all rights to receive the same;

(iii) the proceeds of sale of Bonds until expended for the purposes authorized by the Resolution;

(iv) all Funds, Accounts and subaccounts established by the Resolution, including securities credited thereto and investment earnings thereon; and

(v) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Authority, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms hereof.

“**Trustee**” shall mean United States Trust Company of New York, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Resolution.

“**UDSA Charges**” shall mean any Transition Charges heretofore or hereafter established by or for the benefit of the Utility Debt Securitization Authority.

“**Variable Rate Bond**” shall mean, as of any date of determination, any Bond on which the interest rate borne thereby may vary during any part of its remaining term.

requires: **Section 102. Interpretation. In this Resolution, unless the context otherwise**

(1) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(2) The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms, as used in this Resolution, refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Resolution.

(3) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(4) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(5) Words importing the redemption or redeeming or calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

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

(7) The date upon which any Sinking Fund Installment is required to be made pursuant to a Supplemental Resolution authorizing the issuance and delivery of Bonds shall be deemed to be the date upon which such Sinking Fund Installment is payable and the Outstanding Bonds to be retired by application of such Sinking Fund Installment shall be deemed to be the Bonds entitled to such Sinking Fund Installment.

(8) Any reference to the payment of a Bond shall be a reference to the payment of the Principal Installments or Redemption Price thereof and interest thereon.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds; Purpose. There is hereby created an issue of bonds of the Authority to be designated as “Electric System General Revenue Bonds” to be issued for any lawful purpose of the Authority, including but not limited to providing sufficient funds to fund Costs of System Improvements, refund any Bonds or any other

bonds, notes or other obligations issued by the Authority for lawful purposes, and pay any fees and expenses incurred in conjunction with the foregoing and the issuance of such Bonds, and to make payments into any Fund or Account as required by or permitted under the Resolution. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as may be limited by law.

Section 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the Holders from time to time of the Bonds. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all such Bonds, each of which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Resolution.

Section 203. Obligation of Bonds. The Bonds shall be special obligations of the Authority payable solely from the Trust Estate, and no other revenues or assets of the Authority shall be, or shall be deemed to be, pledged to the payment of the Bonds; provided, however, that nothing contained in the Resolution shall prevent the pledge of any Credit Facility relating to any particular Bonds, or the proceeds of such Credit Facility, to the payment of such Bonds. The bonds, notes and other obligations of the Authority (including but not limited to the Bonds) shall not be a debt of the State or of any municipality, and neither the State nor any municipality shall be liable thereon. Neither the credit, the revenues nor the taxing power of the State or of any municipality shall be, or shall be deemed to be, pledged to the payment of any bonds, notes or other obligations of the Authority (including but not limited to the Bonds).

Section 204. Authorization of Bonds in Series. The Bonds shall be issued subject to the terms, conditions and limitations established in the Resolution and in one or more Series as hereinafter provided. Nothing herein contained shall preclude the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series, but for the purpose of satisfying the requirements of Section 205 or 206, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if the Bonds were in fact to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution.

Section 205. Conditions Precedent to Delivery of Bonds. Bonds, except for Refunding Bonds, shall be executed by the Authority for issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of each of the following:

- (a) A Bond Counsel's Opinion to the effect that (i) the Authority has the right and power to adopt the Resolution under the Act; (ii) the Resolution has been

duly and lawfully adopted by the Authority and is enforceable against the Authority except as may be limited as described therein; (iii) the Resolution creates the valid pledge which it purports to create of the Trust Estate; (iv) such Bonds are valid and binding special obligations of the Authority, enforceable in accordance with their terms and the terms of the Resolution except as may be limited as described therein; and (v) upon the execution, authentication and delivery of such Bonds all conditions required by the Resolution precedent to the issuance of such Bonds will have been met and such Bonds will have been duly and validly authorized and issued in accordance with the Act and the Resolution.

(b) A written order as to the delivery of such Bonds, signed by an Authorized Representative of the Authority.

(c) A copy of the Supplemental Resolution authorizing such Bonds certified by an Authorized Representative of the Authority, which resolution shall specify or shall set forth the method for specifying:

(i) the authorized principal amount and Series designation of such Bonds, the Bond Year, if any, for such Series and the Credit Facility, if any, related thereto;

(ii) the purposes for which such Bonds are being issued:

(iii) the dated date or dates, and the maturity date or dates of such Bonds;

(iv) if such Bonds will pay current interest for all or any part of their term, the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the Bond Payment Dates therefor (which may be any date or dates and may be different dates for different Bonds) and the method of payment thereof and, if such Bonds will not pay full current interest for all or any part of their term, the rate or rates to be borne by, the method of accrual or compounding, if any, and the other terms and conditions of such Bonds including the designation, or manner of determining, the “principal amount” of such Bonds;

(v) if any such Bonds are Variable Rate Bonds, the limitation, if any, on the numerical rate or rates of interest which such Bonds may bear at any time;

(vi) the Record Date, if any, for such Bonds;

(vii) the minimum denomination of, and the manner of dating, numbering and lettering, such Bonds, but such Bonds shall be in denominations equal to the minimum denomination or any multiple thereof or as may otherwise be authorized by such Supplemental Resolution;

(viii) the place or places of payment of such Bonds or the manner of appointing and designating the same;

(ix) if any such Bonds are redeemable, the Redemption Prices and the redemption terms for such Bonds;

(x) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity and the method of crediting purchases and redemptions of such Bonds against such Sinking Fund Installment requirements;

(xi) if so determined by the Authority, provisions for the sale of such Bonds;

(xii) the forms of such Bonds and of the Trustee's certificate of authentication;

(xiii) the respective amounts, if any, to be deposited from the proceeds of such Bonds in the Construction Fund, in any sub account established in the Capitalized Interest Account in the Debt Service Fund pursuant to Section 502(b) and in any other Funds and Accounts, or otherwise as may be permitted by the Resolution;

(xiv) any Credit Facility for such Bonds and provision for reimbursement or repayment of any draws thereon (including interest on amounts not reimbursed or repaid) and payment of any fees, charges and costs relating thereto;

(xv) [Intentionally Omitted];

(xvi) if such Bonds are to be listed on a domestic or foreign stock exchange, delegating to Authorized Representatives of the Authority the authority to take all such actions as they deem necessary or appropriate to comply with the listing requirements of the exchange, including without limitation the appointment of a member of the exchange as listing agent, the publication where required by the exchange of all redemption notices, the appointment of a special clearing agent and paying agent, and the execution of an undertaking letter with the exchange; and

(xvii) any other provisions deemed advisable by the Authority as shall not conflict with the provisions hereof.

(d) [Intentionally Omitted].

(e) Except in the case of Refunding Bonds issued pursuant to Section 206, the Certificate referred to in either subparagraph (A) or (B), as follows:

(A) A Certificate of an Authorized Representative of the Authority setting forth (i) the Revenues for any 12 consecutive calendar months out of the 18 calendar months immediately preceding the month in which such Bonds are to be issued, (ii) the Debt Service, and the amount payable under all Parity Reimbursement Obligations, during such 12 month period for which Revenues are set forth pursuant to clause (i), excluding in each case any amount thereof paid from sources other than Revenues, and (iii) the sum of the Required Deposits for such 12 month period (excluding Required Deposits for the payment of Outstanding Bonds and Parity Reimbursement Obligations), and showing that the amount set forth in clause (i) is at least equal to the sum of (x) 110% of the amount set forth in clause (ii) and (y) 100% of the amount set forth in clause (iii).

(B) A Certificate of an Authorized Representative of the Authority or a Rate Consultant setting forth (i) the estimated Revenues for each of the full Fiscal Years in the period beginning with the Fiscal Year in which such Bonds are authenticated and delivered and ending with the third full Fiscal Year after such date of authentication and delivery, (ii) the estimated Debt Service, and estimated amounts payable under all Parity Reimbursement Obligations, during each Fiscal Year for which Revenues are estimated, (iii) the projected Debt Service, and projected amounts payable under Parity Reimbursement Obligations, projected to be issued for any purpose during each Fiscal Year for which Revenues are estimated, and (iv) the sum of the estimated and projected Required Deposits for each such Fiscal Year (excluding Required Deposits for the payment of Outstanding Bonds and Parity Reimbursement Obligations), and showing that for each such Fiscal Year the amount set forth in clause (i) is at least equal to the sum of (x) 110% of the sum of the amounts set forth in clauses (ii) and (iii), and (y) 100% of the amount set forth in clause (iv). The Authorized Representative of the Authority or Rate Consultant may base its estimates and projections upon such factors as he or it shall consider reasonable, a statement to which effect shall be included in such Certificate.

(C) For purposes of this subsection (e), (i) Revenues shall include any amounts withdrawn in any Fiscal Year from the Rate Stabilization Fund which were on deposit therein prior to such Fiscal Year, (ii) Revenues shall not include any proceeds from the sale of Authority assets, and (iii) any Debt Service, Parity Reimbursement Obligations and Required Deposits shall not include any amounts thereof expected by the Authority to be paid from any funds, other than Revenues, reasonably expected by the Authority to be available therefor (including without limitation the anticipated receipt of proceeds of sale of Bonds or Subordinated Indebtedness, or moneys not a part of the Trust Estate, expected by the Authority to be used to pay the principal of Bonds, Parity Reimbursement Obligations, Outstanding Subsidiary Unsecured Debt or Subordinated Indebtedness, which expectations, if included in a resolution of the Authority or Certificate of an Authorized Representative of the Authority filed with the Trustee, shall be conclusive).

(f) Except in the case of Refunding Bonds issued pursuant to Section 206, a Certificate, dated as of the date of delivery of such Bonds, of an Authorized Representative of the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution.

(g) In the case of any Bonds any proceeds of which are to fund Capitalized Interest, (i) the written direction of an Authorized Representative of the Authority to establish a sub account in the Capitalized Interest Account in the Debt Service Fund and (ii) the amount of the proceeds of such Bonds to be deposited to such sub account.

(h) Such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Resolution adopted pursuant to Article VIII.

Any Supplemental Resolution may provide that (i) so long as a Credit Facility providing security (but not liquidity) is in full force and effect, and payment on the Credit Facility is not in default and the issuer of the Credit Facility is qualified to do business, the issuer of the Credit Facility shall be deemed to be the sole Owner of the Outstanding Bonds the payment of which such Credit Facility secures when the approval, consent or action of the Owners of such Bonds is required or may be exercised under the Resolution, or, in the alternative, that the approval, consent or action of the issuer of the Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Owners of Outstanding Bonds including, without limitation, Section 803 and following an Event of Default, and (ii) in the event that the principal, sinking fund installments, if any, and Redemption Price, if applicable, and interest due on any Outstanding Bonds shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of the Authority to the Owners of such Bonds shall continue to exist and such issuer of the Credit Facility shall be subrogated to the rights of such Owners in accordance with the terms of such Credit Facility.

Any Supplemental Resolution authorizing Bonds may delegate to any officers or employees of the Authority the determination of any details of such Bonds, within limitations which shall be set forth in such Supplemental Resolution. Any such determination shall be in writing, and each such written determination shall be deemed to be part of the Supplemental Resolution providing for the same.

Section 206. Conditions Precedent to Delivery of Refunding Bonds. All Refunding Bonds shall be executed by the Authority for issuance and delivered to the Trustee, and thereupon shall be authenticated by the Trustee and delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) the documents required by Section 205 other than subsections (e) and (f) thereof; and

(ii) such documents, instructions, moneys and securities as are required by the provisions of Section 1201 or any Supplemental Resolution adopted pursuant to Article VIII to cause the Bonds or portions thereof to be

refunded to be paid or deemed to have been paid within the meaning and with the effect expressed in Section 1201(a).

Section 207. Special Provisions Relating to Financial Contracts, Subordinated Credit Facilities, Parity Reimbursement Obligations and Subordinated Indebtedness. (a) [Intentionally Omitted].

(b) Payments to counterparties under Financial Contracts shall constitute Subordinated Indebtedness.

(c) In connection with any Bonds, the Authority may obtain or cause to be obtained one or more Credit Facilities and agree with the issuer of a Credit Facility to reimburse such issuer directly for amounts paid under the terms of such Credit Facility, together with interest thereon; provided, however, that no obligation to reimburse an issuer of a Credit Facility shall be created, for purposes of the Resolution, until amounts are paid under such Credit Facility. Such payments to reimburse the issuer of a Credit Facility are referred to herein as “Reimbursement Obligations.” Any Reimbursement Obligation (a “Parity Reimbursement Obligation”) may be secured by a pledge of and a lien on the Trust Estate on a parity with the lien created thereon by Section 501. Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

(d) Payments to reimburse the issuer of a Subordinated Credit Facility (a “Subordinated Reimbursement Obligation”) shall constitute Subordinated Indebtedness.

Section 208. Separately Financed Project. Nothing in the Resolution shall prevent the Authority from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness other than Bonds, for any purpose of the Authority authorized by the Act or by other applicable State statutory provisions, or from financing any such purpose from other available funds (such purpose being referred to herein as a “Separately Financed Project”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Authority’s share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project or from other funds withdrawn from the Revenue Fund as permitted by Section 505(b), and may be secured by the ownership interest therein.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Title of Bonds. Subject to the provisions of Section 302, each Bond shall be entitled and shall bear such letters or numbers and such Series designation as shall be determined in the Supplemental Resolution authorizing such Bond.

Section 302. Legends. In accordance with Section 1020 I of the Act, the Bonds shall contain or have endorsed thereon a statement to the effect that neither the State nor any municipality thereof is liable thereon and that such Bond is not a debt of the State or of any municipality thereof, and that the Authority does not have the power to pledge the credit, the revenues or the taxing power of the State or any municipality thereof, and neither the credit of the revenues nor the taxing power of the State or of any municipality thereof is or shall be or be deemed to be pledged to the payment of the Bonds. In addition, the Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom or otherwise as may be determined by the Authority prior to delivery thereof.

Section 303. Place and Medium of Payment; Form. Unless otherwise determined by a Supplemental Resolution authorizing particular Bonds, such Bonds shall be payable at the Principal Office of the Trustee, and any Paying Agent appointed or provided for such Bond, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Unless otherwise provided in a Supplemental Resolution providing for particular Bonds, such Bonds shall be issued in the form of fully registered bonds without coupons payable to a named person or registered assigns. The Authority may provide in an applicable Supplemental Resolution for the issuance of Bonds in book entry form, together with such related modifications to the Resolution as are necessary and appropriate for such Bonds.

Section 304. Payment of Interest. Interest on the Bonds shall be payable in the manner provided in the Supplemental Resolution authorizing the issuance of such Bonds to the person in whose name such Bonds are registered, as shown on the registry books of the Authority kept for such purpose at the office of the Trustee, at the close of business on the Record Date, or as otherwise provided in the Supplemental Resolution authorizing the issuance of such Bonds.

Section 305. Interchangeability of Bonds. Upon surrender thereof at the Principal Office of the Trustee, as registrar, with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney, Bonds may, at the option of the Owner thereof and upon payment by such Owner of any charges which the Trustee may make as provided in Section 307, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any of the authorized denominations.

Section 306. Negotiability, Transfer and Registry. (a) Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the Principal Office of the Trustee, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by such Owner or his duly authorized attorney. Upon such transfer, the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

(b) The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price or interest on such Bond and for all other purposes, and all such payments shall be valid and effective to satisfy and discharge the Authority's obligations with respect to the payment of such principal, Redemption Price and interest upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. To the extent permitted by law, the Authority agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating any such registered owner.

Section 307. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds whether temporary or definitive, the Authority or the Trustee may, as a condition precedent to the privilege of making such exchange or transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Trustee shall be required to transfer or exchange Bonds of any Series for a period of fifteen days next preceding the first publication or mailing of any notice of redemption or to transfer or exchange any Bonds called for redemption.

Section 308. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur. All Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any moneys or securities held by the Authority or the Fiduciaries for the benefit of the Bondholders. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 309. Preparation of Definitive Bonds; Temporary Bonds. (a) Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 310, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to interchangeability and registration of Bonds, as permitted by law, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued in such denominations as may be authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender therefor of such temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

(b) If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity of any other authorized denomination or denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 307, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 310. Execution and Authentication. (a) After their authorization by a Supplemental Resolution, Bonds may be executed by or on behalf of the Authority and, except as otherwise provided in such Supplemental Resolution, delivered to the Trustee for authentication. The Bonds shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of any Authorized Representative of the Authority and the corporate seal of the Authority (or a facsimile thereof) shall be thereunto affixed, imprinted, impressed, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of any other Authorized Representative of the Authority, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office or be so employed. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment

by the Authority, although at the date of such Bonds such person may not have been so authorized to have held such office or employment.

(b) Except as otherwise provided in a Supplemental Resolution with respect to the Series of Bonds authorized thereunder, Bonds shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Resolution authorizing such Bonds, executed manually by the Trustee. Except as otherwise provided by Supplemental Resolution, no Bond shall be entitled to any right or benefit under the Resolution or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Owner thereof is entitled to the benefits hereof.

Section 311. Book-Entry-Only System. Notwithstanding any other provision of the Resolution, the Authority may employ a book-entry-only system of registration with respect to any Bonds. The procedures regarding such registration shall be set forth in the Supplemental Resolution authorizing such Bonds and the Authority may, if necessary, amend the Resolution pursuant to Section 801(9). Notwithstanding the foregoing, any provisions of the Resolution inconsistent with book-entry-only Bonds shall not be applicable to such book-entry-only Bonds.

Section 312. Inapplicability of Article. The provisions of this Article III shall not apply to any Parity Reimbursement Obligation unless any one or more of the provisions hereof are made applicable by the Supplemental Resolution authorizing the Bonds of which such Parity Reimbursement Obligation is deemed to be a part pursuant to Section 207.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 401. Application of Bond Proceeds. The proceeds (including accrued interest) of the sale of the Bonds shall be deposited in such Funds and Accounts, or otherwise paid or deposited, and in the respective amounts as shall be provided by the Supplemental Resolution authorizing such Bonds. All proceeds not otherwise paid or deposited shall be deposited in the Construction Fund; provided, however, that in the case of Refunding Bonds, all such amounts not otherwise paid or deposited shall be applied to the refunding purposes thereof in the manner provided in the related Supplemental Resolution.

ARTICLE V

FUNDS AND ACCOUNTS

Section 501. The Pledge Effected by this Resolution. (a) The Trust Estate is hereby pledged for the payment of the Bonds and Parity Reimbursement Obligations in accordance with their terms and the provisions of the Resolution, subject only to the

provisions of the Resolution, the Act and the Financing Agreement permitting the application thereof for or to the purposes and on the terms and conditions herein and therein set forth.

(b) The pledge of subsection (a) shall be valid and binding from the time when it is made, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. The Revenues, moneys and proceeds received by the Authority as part of the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery or further act.

(c) As further security for the payment of the Bonds and Parity Reimbursement Obligations, the Authority hereby confirms its assignment transfer and pledge to the Trustee all of its rights and interests under and pursuant to the Financing Agreement, dated as of May 1, 1998 between the Authority and the Subsidiary (excluding rights to notice and other procedural rights, its rights to indemnification and rights and interests not material to Bondholders), including, without limiting the generality of the foregoing, the present and continuing right (i) to make claim for, collect or cause to be collected, receive or cause to be received all Revenues thereunder.

Section 502. Establishment of Funds and Accounts. (a) The following Funds are hereby established:

- (1) Construction Fund, to be held by the Authority;
- (2) Revenue Fund, to be held by the Authority;
- (3) Operating Expense Fund, to be held by the Authority;
- (4) Debt Service Fund, to be held by the Trustee;
- (5) Parity Reimbursement Obligations Fund, to be held by the Authority;
- (6) Subordinated Indebtedness Fund, to be held by the Authority, subject to subsection (d) below;
- (7) [intentionally omitted] ;
- (8) [intentionally omitted]; and
- (9) Rate Stabilization Fund, to be held by the Authority.

(b) There is hereby established in the Debt Service Fund a separate account to be known as the “Capitalized Interest Account.” The Trustee shall, upon receipt of a written direction signed by an Authorized Representative of the

Authority, establish, in the Capitalized Interest Account, a sub account for each Series of Bonds for which Capitalized Interest has been provided.

(c) In addition to the Account established in subsection (b) above, the Trustee shall, at the request of the Authority, establish within any Fund held by the Trustee such Accounts as shall be designated in the written instructions of an Authorized Representative of the Authority and shall in like manner establish within any Account such sub accounts for the purposes of such Accounts as shall be so designated, and the Authority may do likewise with respect to any Fund held by it.

(d) Any Accounts or subaccounts established within the Subordinated Indebtedness Fund simultaneously may be held by the Authority or by one or more trustees or other depositories as required by the resolutions, indentures or similar instruments authorizing and providing for issuance of Subordinated Indebtedness. Any such resolution, indenture or similar instrument also may establish such other funds or accounts as shall be necessary or desirable in connection with such Subordinated Indebtedness.

Section 503. Construction Fund. (a) There shall be deposited from time to time in the Construction Fund any amount required to be deposited therein pursuant to the Resolution or the Financing Agreement, and any other amounts received by the Authority for or in connection with the System and determined by the Authority to be deposited therein, which are not otherwise required to be applied in accordance with the Resolution.

(b) The proceeds of insurance, if any, maintained by the Authority against physical loss of or damage to the System, or of contractors' performance bonds with respect thereto, pertaining to the period of acquisition or construction of System Improvements, to the extent not deposited to the Revenue Fund, shall be paid into the Construction Fund.

(c) Except as otherwise provided in this Section and in Section 515(b), amounts in the Construction Fund shall be expended in the amounts, at the times, in the manner, and on other terms and conditions as determined by the Authority from time to time.

(d) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor in any of the other Funds and Accounts established under the Resolution, amounts in the Construction Fund shall be applied to the payment of the Principal Installments of and interest on Bonds.

Section 504. Revenue Fund. The Authority shall, as promptly as practicable after receipt thereof by the Authority, deposit all Revenues in the Revenue Fund, unless required by the Resolution to be deposited to any other Fund or Account. There shall also be deposited in the Revenue Fund all other amounts required by the Resolution or the Financing Agreement to be so deposited.

Section 505. Payments Into Certain Funds. (a) Amounts on deposit from time to time in the Revenue Fund shall be withdrawn and deposited as follows and, as of any time, in the following order of priority:

FIRST: to the Operating Expense Fund, the amount determined by the Authority from time to time to be deposited thereto to pay, or to be set aside therein as a reserve for the payment of, Operating Expenses;

SECOND: (B) to the Debt Service Fund, the amounts required to pay or provide for the payment of the Principal Installments and Redemption Price of and interest on Bonds and Parity Reimbursement Obligations; provided, however, that no such amount shall be required to be deposited therein in advance of one business day prior to the due date of any such payment; and

(C) to the Parity Reimbursement Obligations Fund, the amount determined by the Authority to be required to be deposited therein to pay or provide for the payment of Parity Reimbursement Obligations; provided, however, that no such amount shall be required to be deposited therein in advance of one business day prior to the due date of any such payment;

provided, however, that if the balance remaining to make all such deposits is less than sufficient to do so in full, deposits shall be made pro rata between the Debt Service Fund and the Parity Reimbursement Obligations Fund in the same ratio that the amount required to be deposited thereto bears to the sum of the amount required to be deposited to each such Fund;

THIRD: if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST or SECOND above, to the Subordinated Indebtedness Fund, the amount determined by the Authority to be required to be deposited therein to pay or provide for the payment of principal and redemption price of and interest on Subordinated Indebtedness in accordance with Section 509; provided, however, that no such amount shall be required to be deposited therein in advance of one business day prior to the due date of any such payment;

FOURTH:[INTENTIONALLY OMITTED];

FIFTH: [Intentionally Omitted]; and

SIXTH: if such amounts are not expected by the Authority to be required thereafter for purposes of paragraphs FIRST, SECOND, or THIRD above, to the Rate Stabilization Fund, the amount determined by the Authority to be deposited therein to provide for any payments or deposits from Revenues thereafter.

Such expectations of the Authority may but shall not be required to extend beyond any Fiscal Year for which an Authority Budget has been adopted, and may take into account, among other things, anticipated future receipts of Revenues and other moneys constituting part of the Trust Estate.

(b) Any moneys remaining in the Revenue Fund at any time and not deposited as set forth in subsection (a) above may be retained in the Revenue Fund or may be withdrawn and used for any lawful purpose of the Authority determined by the Authority, including but not limited to the purchase or redemption of any bonds, notes or other obligations of the Authority; provided, however, that prior to any such withdrawal, the Authority shall have determined, taking into account, among other considerations, anticipated future receipts of Revenues and other moneys constituting part of the Trust Estate, that the moneys to be withdrawn are not needed for any other purpose provided in paragraphs FIRST through SIXTH of subsection (a) above. Amounts paid out or withdrawn pursuant to this paragraph (b) shall be free and clear of the lien and pledge created by the Resolution unless deposited into any Fund or Account.

(c) Purchases of Bonds or Subordinated Indebtedness from amounts in the Revenue Fund shall be made at the direction of the Authority, with or without advertisement and with or without notice to other Holders of Bonds or Subordinated Indebtedness. Such purchases shall be made at such price or prices as determined by the Authority. If Sinking Fund Installments have been established for the maturities of Bonds purchased by the Authority, then the Authority shall direct the Trustee to credit the principal amount purchased against the applicable Sinking Fund Installments in such order and amounts as are determined by the Authority.

Section 506. Operating Expense Fund. (a) Amounts credited to the Operating Expense Fund shall be applied from time to time solely to the payment of Operating Expenses at the times, in the manner, and on the other terms and conditions as determined by the Authority from time to time.

(b) If and to the extent provided in a Supplemental Resolution authorizing Bonds, amounts from the proceeds of such Bonds may be credited to the Operating Expense Fund and set aside therein as specified in the Supplemental Resolution for any purpose of such Fund.

Section 507. Debt Service Fund. (a) The Trustee shall for all Outstanding Bonds and Parity Reimbursement Obligations, pay (i) on each Bond Payment Date, (1) from the moneys on deposit in the Debt Service Fund the amounts required for the payment of the Principal Installments, if any, due on such Bond Payment Date and (2) from the moneys on deposit in the Debt Service Fund, including the moneys credited to the sub account, if any, established for such Series in the Capitalized Interest Account, the interest due on such Bond Payment Date, and (ii) on any redemption date or date of purchase, the amounts required for the payment of accrued interest on Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided.

(b) As soon as practicable after the forty fifth day preceding the due date of any Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to Section 603, on such due date, Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund

Installment of the Bonds of such Series and maturity. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Debt Service Fund sufficient to pay the applicable Redemption Price thereof on the redemption date. The Trustee shall apply to the redemption of the Bonds on each such redemption date the amount required for the redemption of such Bonds.

(c) In the event of the refunding of any Bonds, the Trustee shall, upon the written direction of the Authority, withdraw from the Debt Service Fund and the Capitalized Interest Account related to the Bonds to be refunded all or any portion of amounts accumulated therein with respect to the Bonds to be refunded and deposit such amounts as provided in such written direction; provided, however, that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 1201.

Section 508. Parity Reimbursement Obligations Fund. (a) Amounts credited to the Parity Reimbursement Obligations Fund shall be applied from time to time solely to pay or provide for the payment of Parity Reimbursement Obligations at the times, in the manner, and on the other terms and conditions as determined by the Authority from time to time, subject to subsection (b) below.

(b) If at any time any amount remains on deposit in the Parity Reimbursement Obligations Fund which the Authority determines is not required thereafter for purposes thereof, such amount shall be transferred to the Revenue Fund.

Section 509. Subordinated Indebtedness Fund. (a) Amounts on deposit in the Subordinated Indebtedness Fund shall be applied by the Authority solely to pay or provide for the payment of the principal and redemption price of and interest on Subordinated Indebtedness, or as otherwise provided by the resolution of the Authority authorizing each issue of Subordinated Indebtedness, subject to subsections (b) and (c) below.

(b) If at any time the amounts in the Operating Expense Fund, Debt Service Fund or Parity Reimbursement Obligations Fund shall be less than the current requirements thereof, the Authority shall withdraw from the Subordinated Indebtedness Fund and deposit in such other Funds the amounts necessary (or all the moneys in the Subordinated Indebtedness Fund, if less than the amounts necessary, applying available amounts in the order of priority and otherwise as specified in Section 505(a)) to make up such deficiency.

(c) If at any time any amount remains on deposit in the Subordinated Indebtedness Fund which the Authority determines is not required thereafter for purposes thereof, such amount shall be transferred to the Revenue Fund.

Section 510. [INTENTIONALLY OMITTED]

Section 511. [INTENTIONALLY OMITTED]

Section 512. Rate Stabilization Fund. (a) Amounts on deposit in the Rate Stabilization Fund may be used for any lawful purpose of the Authority, including but not limited to making any deposits required by the Resolution to any Fund or Account, as determined by the Authority; provided, however, that no such deposit to any such Fund or Account shall be required except as specified by subsection (b) below.

(b) If at any time the amounts in the Operating Expense Fund, Debt Service Fund, Parity Reimbursement Obligations Fund, or Subordinated Indebtedness Fund shall be less than the current requirements thereof, the Authority shall withdraw from the Rate Stabilization Fund and deposit in such other Funds the amounts necessary (or all the moneys in the Rate Stabilization Fund, if less than the amounts necessary, applying available amounts in the order of priority and otherwise as specified in Section 505(a)) to make up such deficiency.

(c) Amounts on deposit in the Rate Stabilization Fund which the Authority may determine to be in excess of the amount required to be maintained therein for the purposes of such Fund shall be transferred to the Revenue Fund.

Section 513. Depositories. (a) All moneys or securities held by the Authority or the Trustee under the provisions of the Resolution shall constitute trust funds and the Authority or the Trustee may, and the Trustee shall if directed in writing by an Authorized Representative of the Authority, deposit such moneys or securities with one or more Depositories in trust for the Authority, or the Trustee, as the case may be. All moneys or securities deposited under the provisions of the Resolution with the Authority, the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution and each of the Funds and the Accounts shall be a trust fund for the purposes thereof. The Authority and the Trustee shall instruct each Depository that any moneys or securities credited to a Fund or an Account hereunder which are deposited with such Depository shall be identified to be part of such Fund or Account and subject to the pledge created under the Resolution. Prior to the first deposit of any moneys or securities with each Depository, the Authority and the Trustee shall obtain from such Depository its agreement to serve as agent of the Authority or the Trustee, as the case may be, in holding such moneys or securities in pledge in favor of the Authority or the Trustee, as the case may be, and the contract or other written instrument between the Authority and such Depository governing the establishment and operation of such account shall provide the moneys or securities from time to time deposited with such Depository shall be held by such Depository as such agent in pledge in favor of Authority, or the Trustee, as the case may be, provided, however, that, except as otherwise expressly provided herein, the Authority shall be permitted at any time to make withdrawals from and write checks or other drafts against any account held by the Authority and established with such Depository and apply the same for the purposes specified in the Resolution and, subject to Section 515 hereof, the Authority shall be permitted to invest amounts in any such account in Investment Securities.

(b) Each Depository shall be a bank or trust company organized under the laws of the State or a national banking association (having its principal office within the State), having capital stock, surplus and undivided earnings aggregating at least \$100,000,000 (or such greater amount as set forth in a Supplemental Resolution) and

willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

(c) Moneys and securities credited to any Fund or Account may be commingled with moneys and securities credited to other Funds or Accounts for the purposes of establishing checking or other bank accounts for purposes of investing funds or otherwise; provided, however, the Trustee and the Authority shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to the respective Funds and Accounts held by them. All withdrawals from any commingled moneys or securities shall be charged against the proper Fund or Account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or Account to be charged sufficient funds to cover such withdrawal.

Section 514. Deposits. (a) All Revenues and other moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. All such moneys deposited with a Fiduciary, acting as a Depository, may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar condition or as required by law.

(b) All moneys deposited with the Authority, the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong.

Section 515. Investment of Certain Funds. (a) Moneys held in all Funds and Accounts shall be invested and reinvested by the Authority or the Trustee, as the case may be, to the fullest extent practicable in Investment Securities which mature not later than at such times as shall be necessary to provide moneys when needed for payment to be made from such Funds and Accounts, subject, in the case of the Subordinated Indebtedness Fund, to the terms of any resolutions, indentures, or other instruments securing any issue of Subordinated Indebtedness . The Trustee shall make all such investments of moneys held by it in accordance with written instructions from any Authorized Representative of the Authority. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Resolution, the Authority may, and may instruct the Trustee to, combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities. Subject to Section 1103, the Trustee shall have no liability for any losses incurred in connection with any investment made pursuant hereto.

(b) Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Funds and Accounts, other than the Construction Fund and Capitalized Interest Account, shall be paid into the Revenue Fund as and when received. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Construction Fund and Capitalized Interest Account shall remain in such Fund or Account, respectively, unless the Authority elects to pay the same into the Revenue Fund.

(c) All Investment Securities acquired with moneys in any Fund or Account shall be held by the Authority or the Trustee in pledge or by a Depository as agent in pledge in favor of the Authority or the Trustee, as the case may be, in accordance with Section 514.

(d) Nothing in the Resolution shall prevent any Investment Securities acquired as investments of any Fund or Account held under the Resolution from being issued or held in book entry form on the books of the Department of the Treasury of the United States or of the Federal Reserve Bank of New York.

ARTICLE VI

REDEMPTION OF BONDS

The provisions contained in the following Sections of this Article VI are applicable to all Bonds, except as may be otherwise set forth in a Supplemental Resolution authorizing any such Bonds.

Section 601. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon published notice as provided in this Article, at such times, at such Redemption Prices and upon such terms as may be specified in the Supplemental Resolution.

Section 602. Redemption at the Election of the Authority. In the case of any redemption of Bonds otherwise than as provided in Section 603, the Authority shall give written notice to the Trustee of the election so to redeem, of the redemption date, of the Series, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Resolution authorizing a Series of Bonds). Such notice shall be given at least forty five days prior to the redemption date, unless the Trustee consents to lesser advance notice. The Trustee shall give the notice provided for in Section 605 whether or not, on the date of the receipt of notice to the Trustee pursuant to this Section 602, there is available in the Debt Service Fund or in any other applicable fund or account established by or pursuant to Supplemental Resolution for the payment of any Bonds an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to pay the interest accrued and unpaid on such Bonds to the designated redemption date.

Section 603. Redemption Otherwise Than at Authority Election. Whenever by the terms of this Resolution or a Supplemental Resolution, Bonds are required to be redeemed otherwise than at the election of the Authority, the Authority may nonetheless select the Series of Bonds, the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in this Resolution or a Supplemental Resolution) and in the event the Authority does not notify the Trustee of such Series, maturities and principal amounts to be redeemed on or before the 60th day preceding the redemption date, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Bonds to be redeemed.

Section 604. Selection of Bonds to be Redeemed. In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall select, in such manner in its discretion as it shall deem appropriate and fair, the numbers of the Bonds to be redeemed. For the purposes of this Section, Bonds which have theretofore been selected for redemption shall not be deemed Outstanding.

Section 605. Notice of Redemption. When the Trustee shall receive notice from the Authority of its election to redeem Bonds pursuant to Section 602, and in the case of any redemption as provided in Section 603, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities and, if any maturity shall include Bonds bearing different rates and all Bonds of such maturity are not to be redeemed, interest rate or rates of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series, maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed and, in the case of the Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, subject to any such conditions. The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than thirty days nor more than forty-five days before the redemption date, to the Owners of the Bonds or portion of Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure so to mail any such notice to any particular Owner shall not affect the validity of the proceedings for the redemption of Bonds not owned by such Owner, and failure of any Owner to receive such notice shall not affect the validity of the proposed redemption of Bonds.

Notice of redemption of any Bonds shall also be sent by the Trustee to such additional persons as may be specified in the Supplemental Resolution authorizing such Bonds.

Section 606. Conditional Notices. Any notice to the Trustee pursuant to Section 602 or to the Owners of Bonds pursuant to Section 605 may state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the Redemption Price of such Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Trustee to affected Owners of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Section 607. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 605, but subject to Section 606, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice such Bonds shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds of such Series and maturity so called for redemption shall cease to accrue and become payable. Subject to Section 606 hereof, if said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE VII

PARTICULAR COVENANTS

The Authority covenants and agrees with the Trustee and the Holders of the Bonds as follows:

Section 701. Rate Covenants; Related Obligations. (a) The Authority shall at all times maintain rates, fees or charges sufficient to pay the costs of operation and maintenance of the facilities owned or operated by the Authority, payments in lieu of taxes, renewals, replacements and capital additions, the principal of and interest on any obligations issued pursuant to the Resolution as the same severally become due and payable, and to establish or maintain any reserves or other funds or accounts required or established by or pursuant to the terms of the Resolution. Without limiting the generality of the foregoing, the Authority shall establish and maintain System fees, rates, rents, charges and surcharges sufficient in each Fiscal Year so that Revenues reasonably expected to be produced in such Fiscal Year, will be at least equal to the sum of 110%) of Debt Service, and amounts under all Parity Reimbursement Obligations, payable by the Authority in such Fiscal Year, (ii) 100% of the Operating Expenses payable in such Fiscal Year, and (iii) 100% of the amount necessary to pay other Required Deposits, all other payments required pursuant to the Resolution and the Financing Agreement, and all other payments required for the System, for such Fiscal Year; provided, however, that if at any time such fees, rates, rents, charges

and surcharges are or will be insufficient to meet the requirements of this Section, it shall not constitute a violation of this Section if and to the extent the Authority promptly takes action reasonably expected by the Authority to cure or avoid any such deficiency or to cause the same to be cured or avoided, or if the Authority complies with the provisions of subsection (d) of this Section. For purposes of this subsection (a), at any time, (i) Revenues shall include any amounts withdrawn or expected to be withdrawn thereafter in any Fiscal Year from the Rate Stabilization Fund which were on deposit therein prior to such Fiscal Year, (ii) Revenues shall not include any proceeds from the sale of Authority assets, and (iii) Debt Service, Parity Reimbursement Obligations and other Required Deposits shall not include any amounts thereof expected by the Authority to be paid from any funds, other than Revenues, reasonably expected by the Authority to be available therefor (including without limitation the anticipated receipt of proceeds of sale of Bonds or Subordinated Indebtedness, or moneys not a part of the Trust Estate, expected by the Authority to be used to pay the principal of Bonds, Parity Reimbursement Obligations, or Subordinated Indebtedness), which expectations, if included in a resolution of the Authority or Certificate of an Authorized Representative, shall be conclusive.

(b) The Authority shall review the adequacy of System fees, rates, rents, charges and surcharges at least annually. If such annual or more frequent review, indicates that the rates, fees, rents, charges and surcharges are, or will be, insufficient to meet the requirements of this Section 701, the Authority shall promptly take the necessary action to cure or avoid any such deficiency except as otherwise may be provided by subsection (d) of this Section.

(c) Except to the extent required by law, the Authority will not furnish or supply or cause to be furnished or supplied any product, use or service of the System free of charge (or at a nominal charge) to any person, firm or corporation, public or private, unless and to the extent the Authority shall have determined that other adequate consideration has been, or is expected to be, received by the Authority in connection therewith, and the Authority will enforce or cause to be enforced the payment of any and all amounts owing to the Authority for use of the System in accordance with the Authority's rules and regulations relating to the provision of electric service.

(d) The failure in any Fiscal Year to comply with the covenant in clauses (i) (but only to the extent of the excess, if any, over 100% of Debt Service and amounts under all Parity Reimbursement Obligations) and (iii) of the second sentence of subsection (a) of this Section or the corresponding provisions of the second sentence of subsection (b) of this Section (for purposes of this subsection (d), the "non-debt service and operating expense rate covenant"), shall not constitute an Event of Default if the Authority shall comply with this subsection (d). If the Authority shall fail in any Fiscal Year to comply with the non-debt service and operating expense rate covenant, the Authority shall retain a Rate Consultant for the purpose of reviewing System fees, rates, rents, charges and surcharges and reviewing the Authority Budget. The Rate Consultant's recommendation as to any necessary or advisable revisions of rates, fees, rents, charges and surcharges may also contain such other advice and recommendation as it may deem desirable. If the Rate Consultant shall be of the

opinion, as shown by a certificate filed with the Trustee, that a schedule of fees, rates, rents, charges and surcharges for the System which would provide funds to meet the requirements specified in the non-debt service and operating expense rate covenant is impracticable at that time and the Authority therefore cannot comply with the non-debt service and operating expense rate covenant, then the Authority shall fix and establish such schedule of System fees, rates, rents, charges and surcharges as is recommended in such certificate by the Rate Consultant to comply as nearly as practicable with the non-debt service and operating expense rate covenant, and in such event the failure of the Authority to comply with the non-debt service and operating expense rate covenant shall not constitute an Event of Default. This subsection (d) shall not apply to the covenant in clauses (i) (to the extent of 100% of Debt Service and amounts under all Parity Reimbursement Obligations) and (ii) of the second sentence of subsection (a) of this Section or the corresponding provisions of the second sentence of subsection (b) of this Section.

Section 702. [INTENTIONALLY OMITTED].

Section 703. Offices for Servicing Bonds. The Authority shall at all times maintain one or more offices or agencies where Bonds may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the Authority in respect of the Bonds or of the Resolution may be served. The Authority hereby appoints the Trustee as its agent to maintain such office or agency, subject to Section 1114. The Authority shall at all times maintain one or more offices or agencies where the Bonds may be presented for payment.

Section 704. Further Assurance. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, pledging, assigning and confirming all and singular, the rights, assets, revenues and other moneys, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Authority may become bound to pledge or assign.

Section 705. Power to Issue Bonds and Pledge Rights and Interests; Payment of Bonds. The Authority is duly authorized under all applicable laws to authorize and issue the Bonds and to adopt this Resolution and to pledge the rights and interests purported to be pledged and assigned hereby in the manner and to the extent herein provided. The rights and interests so pledged and assigned are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with the pledge created hereby, other than (i) any pledge, lien, charge or encumbrance created by the Authority to secure any Parity Reimbursement Obligation, which may be of equal rank and priority with the pledge made hereby, and (ii) any pledge, lien, charge or encumbrance created by the Authority to secure any Subordinated Indebtedness, which shall be subject and subordinate in all respects to the pledge hereby made, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable special obligations of the Authority in accordance with their terms and the terms of the

Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate pledged and assigned under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

The Authority shall duly and punctually pay or cause to be paid (but solely from the sources herein provided) the Principal Installments or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds.

Section 706. Books of Account; Audits. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions under the Resolution and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to the inspection of the Trustee or the representative, duly authorized in writing, of the Holder or Holders of not less than 25% in principal amount of the Bonds then Outstanding. Such books of account are to be audited at least annually by independent certified public accountants experienced in public finance and electric utility accounting selected by the Authority. A copy of each audit report, annual balance sheet and income and expense statement shall be filed with the Trustee and sent to any Owner filing with the Authority a written request therefor.

Section 707. Indebtedness and Liens. (a) The Authority shall not issue any bonds, notes or other evidences of indebtedness or otherwise incur any indebtedness or contract obligations, other than Bonds or Parity Reimbursement Obligations, secured by a pledge of or other lien or charge on the Trust Estate which is prior to or of equal rank or priority with the pledge made hereby.

(b) The Authority shall not create or cause to be created any lien or charge on the Trust Estate which is prior to or of equal rank or priority with the pledge made hereby.

(c) Nothing contained herein shall prohibit the Authority from issuing either (i) Subordinated Indebtedness payable from the Subordinated Indebtedness Fund, and secured by a pledge of and lien or charge on the Trust Estate, and further secured by an assignment of rights and interests under and pursuant to the Financing Agreement to the extent provided by Section 501(c), in each case subject and subordinate in all respects to the pledge thereof and lien and charge thereon, or assignment thereof, as the case may be, created by the Resolution in favor of Bonds and Parity Reimbursement Obligations, or (ii) other bonds, notes or other evidences of indebtedness for borrowed money payable from funds withdrawn from the Revenue Fund as permitted by Section 505(b).

Section 708. 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 Holders of such obligations of the Authority.

Section 709. Annual Authority Budget. (a) Prior to the beginning of each Fiscal Year, the Authority shall file with Trustee an annual Authority Budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Operating Expenses for the System for such year. Such annual Authority Budget also may set forth such additional material as the Authority may determine.

(b) If for any reason the Authority shall not have adopted the Authority Budget by the time required by subsection (a) above, the Authority Budget for the then-current Fiscal Year shall be deemed to be the Authority Budget for the ensuing Fiscal Year until a new Authority Budget is adopted.

(c) The Authority may at any time adopt an amended Authority Budget for the then- current or ensuing Fiscal Year.

Section 710. Deposits to Funds. The Authority shall take such action as may be required to cause all Revenues to be deposited in the Revenue Fund (or, if so required by the Resolution, any other Fund or Account) from and after the date hereof.

Section 711. [INTENTIONALLY OMITTED].

Section 712. [INTENTIONALLY OMITTED].

Section 713. No Competitive Facilities. The Authority shall not hereafter construct, acquire or operate any plants, structures, facilities or properties which will provide electric transmission or distribution service in the Service Area (as defined in the Act as in effect on the date hereof) in competition with and not as part of the System unless such construction, acquisition or operation, in the judgment of the Authority, does not materially impair the ability of the Authority to comply with Section 701.

Section 714. Disposition of Assets. The Authority shall not dispose of, or cause the disposition of, or permit to be disposed of, any real or personal properties of the System unless such disposal, in the judgment of the Authority, (i) is desirable in the conduct of the business of the System and (ii) does not materially impair the ability of the Authority to comply with Section 701.

Section 715. Tax Rulings. The Authority shall not, and shall not permit the Subsidiary, to do or omit to do any act that would result in (i) the revocation of the rulings that were issued by the Internal Revenue Service to the Authority, dated March 4, 1998, and (ii) a resultant material federal income tax liability.

Section 716. General. 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 the Act and the Resolution in accordance with the terms of such provisions.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 801. Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted by the Authority, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Representative, shall be fully effective in accordance with its terms:

(1) to close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) to add to the covenants and agreements of the Authority in the Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(3) to add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the Authority;

(4) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(5) to authorize Bonds and, in connection therewith, specify and determine the matters and things referred to in Articles II through VI or this Article, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(6) to confirm, as further assurance, any pledge under, and the subjection of any other property to any lien or pledge created or to be created by, the Resolution;

(7) to modify any of the provisions of the Resolution to permit compliance with any amendment to the Internal Revenue Code of 1986, as amended, or any successor thereto, as the same may be in effect from time to time, if, in the Opinion of Bond Counsel, failure to so modify the Resolution either would adversely affect the ability of the Authority to issue Bonds the interest on which is excludable from gross income for purposes of federal

income taxation, or is necessary or advisable to preserve such exclusion with respect to any Outstanding Bonds;

(8) to modify, amend or supplement the Resolution in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if the Authority so determines, to add hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar Federal statute;

(9) to comply with such regulations and procedures as are from time to time in effect relating to establishing and maintaining a book-entry-only system;

(10) to provide for the issuance of Bonds in coupon form payable to bearer;

(11) to comply with the requirements of any Rating Agency in order to maintain or improve a rating on the Bonds by such Rating Agency;

(12) to implement the last sentence of the definition of Revenues in Section 101;

(13) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(14) to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(15) to modify any of the provisions of the Resolution in any respect whatsoever, provided that (a) such modification is to be effective upon or prior to the issuance of any Bonds affected thereby, or (b) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding.

Section 802. Supplemental Resolutions Effective Upon Consent of Trustee.

(a) For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Representative, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) to modify any provision hereof or of any previously adopted Supplemental Resolution in any respect, provided that such modification shall

not adversely affect the interests of the Bondholders in any material respect;
or

(2) to provide for additional duties of any Fiduciary.

(b) Any such Supplemental Resolution may also contain one or more of the purposes specified in Section 801, and in that event, the consent of the Trustee required by this Section shall be applicable only to those provisions of such Supplemental Resolution as shall contain one or more of the purposes set forth in subsection (a) of this Section.

Section 803. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of Article IX, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Representative and upon compliance with the provisions of Article IX, shall become fully effective in accordance with its terms as provided in said Article.

Section 804. General Provisions. (a) The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article IX. Nothing in this Article or Article IX contained shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 704 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Resolution referred to and permitted or authorized by Sections 801 and 802 may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution filed with the Trustee shall be accompanied by a Bond Counsel's Opinion to the effect that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority.

(c) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 801, 802 or 803 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Bond Counsel's Opinion) that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

(d) No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

ARTICLE IX

AMENDMENTS

Section 901. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed, by first class mail, postage prepaid only (i) to each Owner of Bonds then Outstanding at his address appearing upon the registry books, and (ii) to the Trustee. Any such notice or other paper may also be given to the holders of any series of Bonds in accordance with the notice provision specified in the applicable Supplemental Resolution.

Section 902. Powers of Amendment. Any modification or amendment of the Resolution or of the rights and obligations of the Authority and of the Holders of the Bonds hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 903, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of such Outstanding Bonds that are or may be so affected; except that if such modification or amendment will, by its terms, not take effect so long as any particular Bonds remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, a Bond shall be deemed to be affected by a modification or amendment of the Resolution if the same materially and adversely affects or diminishes the rights of the Holder of such Bond. The Trustee may in its reasonable discretion determine whether or not, in accordance with the foregoing powers of amendment, particular Bonds would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds.

Section 903. Consent of Bondholders. (a) The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 902, to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 902 and (b) a Bond Counsel's Opinion to the effect that such Supplemental Resolution has been duly and

lawfully adopted and filed in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and is valid and binding upon the Authority, and (ii) a notice shall have been mailed as hereinafter provided in this Section. The Authority may fix a record date for purposes of determining Bondholders entitled to consent to a proposed Supplemental Resolution.

For the purposes of this Article IX, the purchasers of any Bonds, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or amendment permitted by Section 803 or 902 in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of such Bonds by the Authority.

(b) At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given to Bondholders by the Authority by mailing such notice to Bondholders. The Authority shall file with the Trustee proof of the giving of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds upon the filing with the Trustee of the proof of the giving of such last mentioned notice.

Section 904. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adopting and filing of a Supplemental Resolution and the consent of the Holders of all the Bonds then Outstanding, such consent to be given as provided in Section 903 except that no notice to Bondholders shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

Section 905. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, Section 712, Article VIII, Article X or Section 1109 and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article,

Section 712, Article VIII, Article X or Section 1109. At the time of any consent or other action taken under this Article, Section 712, Article VIII, Article X or Section 1109, the Authority shall furnish the Trustee a Certificate of an Authorized Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 906. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article VIII, Section 712 or this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Principal Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds and without the imposition by the Authority or the Trustee of any fee or cost.

ARTICLE X

REMEDIES ON DEFAULT

Section 1001. Events of Default. Each of the following events is defined as and shall constitute an “Event of Default”:

- (1) a default in the due and punctual payment of a Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or otherwise; or**
- (2) a default in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable, and such default shall continue for a period of five (5) days; or**
- (3) default by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part or on the part of the Authority in this Resolution, any Supplemental Resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof stating that such notice is a “Notice of Default” to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than sixty-six and two-thirds percent (66-2/3%) of the principal amount of the Bonds Outstanding, provided that if such default shall be such that it cannot be corrected within such sixty day period, it shall not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected; or**

(4) if the Authority (1) files a petition seeking a composition of its indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; (2) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Authority or any substantial portion of either of their property; (3) makes any assignment for the benefit of creditors; or (4) admits in writing its inability generally to pay its debts generally as they become due; or

(5) if (1) a decree or order for relief is entered by a court having jurisdiction of the Authority adjudging the Authority a bankrupt or insolvent or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Authority in an involuntary case under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; (2) a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Authority or of any substantial portion of either of their property is appointed; or (3) the winding up or liquidation of its affairs is ordered and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days,

Upon the happening and continuance of any Event of Default, the Trustee may and, upon the written request of the Holders of not less than sixty six and two-thirds percent (66 2/3%) of the principal amount of the Bonds Outstanding the Trustee shall, in any such case, unless the principal of all the Bonds then Outstanding shall already have become due and payable, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. The right of the Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest upon the Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Authority under the Resolution (except the interest accrued since the next preceding interest date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of a majority in principal amount of the Bonds Outstanding, by written notice to the Authority and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted without a direction from the Holders of the Bonds as aforesaid at the time of such request, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of sixty six and two-thirds percent (66 2/3%) of the principal amount of the Bonds then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission

and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 1002. Accounting and Examination of Records After Default. (a) The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

(b) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under the Resolution for such period as shall be stated in such demand.

Section 1003. Application of Revenues and Other Moneys After Default. (a) The Authority covenants that, if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, any moneys, securities and funds then held by the Authority or a Depository in any Fund or Account under the Resolution or under the Financing Agreement, and (ii) as promptly as practicable after receipt thereof, the Revenues.

(b) During the continuance of an Event of Default, the Trustee shall apply such Revenues and the income therefrom as follows and in the following order:

(1) To the payment of the reasonable and proper charges and expenses of the Trustee and of any engineer or firm of engineers selected by the Trustee pursuant to subsection (2) below.

(2) To the payment of the amounts required for reasonable and necessary Operating Expenses, including reasonable and necessary reserves and working capital, and for reasonable repairs and replacements, and to the extent necessary to prevent loss of Revenues, as may be certified to the Trustee by an independent engineer or firm of engineers of recognized standing (who may be an engineer or firm of engineers retained by the Authority for other purpose) selected by the Trustee. For this purpose the books of record and account of the Authority shall at all times be subject to the inspection of such engineer or firm of engineers during the continuance of such Event of Default.

(3) To the payment of the interest and principal or Redemption Price then due on the Bonds and Parity Reimbursement Obligations (collectively, for purposes of this Section, the "Payment Obligations") as follows:

(i) unless the principal thereof shall have become or have been declared due and payable,

First: to the payment to the persons entitled thereto of all installments of interest then due and payable in the order of the

maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price, or principal and redemption premium, if any, of any Payment Obligations which shall have become due and payable, whether at maturity or by call for redemption (other than Payment Obligations called for redemption for the payment of which moneys are held pursuant to the Resolution), in the order of their due dates, with interest thereon at the rate or rates, if any, expressed therein from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full all Payment Obligations due on any particular date, together with such interest, if any, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, or principal and redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Payment Obligations without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Payment Obligation over any other Payment Obligation, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(c) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, however, that if the principal or Redemption Price of the Bonds Outstanding, together with accrued interest thereon, shall have been declared to be due and payable pursuant to Section 1001, such date of declaration shall be the date from which interest shall cease to accrue. The Trustee shall give such written notice to all Owners of Bonds as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(d) If and when all overdue installments of interest on all Payment Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Authority under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, including but not limited to all Subordinated Indebtedness shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all such Revenues then remaining unexpended in the hands of the Trustee (except Revenues deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution, and all Revenues shall thereafter be applied as provided in Article V. No such payment over to the Authority by the Trustee or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

Section 1004. Proceedings Brought by Trustee. (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, if the Trustee shall deem it advisable, may proceed to protect and enforce its rights and the rights of the Holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

(b) All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than sixty-six and two-thirds percent (66-2/3%) a majority in principal amount of the Bonds at the time Outstanding may direct by instrument in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the

Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of an Event of Default; and, as a matter of right against the Authority, without notice or demand and without regard to the adequacy of the security for the Bonds, the Trustee shall, to the extent permitted by law, be entitled to the appointment of a receiver of the moneys, securities and funds then held by the Authority in any Fund or Account under the Resolution and, subject to application of the Revenues, with all such powers as the court or courts making such appointment shall confer; but, notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of and to collect and receive income from, any moneys, securities and funds deposited or pledged with it under the Resolution or agreed or provided to be delivered or pledged with it under the Resolution.

(e) Regardless of the happening of an Event of Default, the Trustee shall have the power to, but (unless requested in writing by the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity) shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 1005. Restriction on Bondholders' Action. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Section or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request within a reasonable time; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Holders thereof, or affect or impair the right

of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 1006. Trustee May File Proofs of Claim. (a) In the case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relating to the Authority, or any property of the Authority, the Trustee (whether or not the principal of the Bonds shall then be due and payable by acceleration or otherwise, and whether or not the Trustee shall have made any demand upon the Authority for the payment of overdue principal and interest) shall be entitled and empowered, by intervention in such proceeding or other means:

(i) to file and prove a claim for the whole amount of the principal, Redemption Price, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Owners allowed in such proceeding; and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Owner to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 1105. Nothing in this Section shall confer or be deemed to confer on the Trustee any right to collect and receive moneys or other property other than the Trust Estate or in respect thereof.

(b) No provision of the Resolution shall empower the Trustee to authorize or consent to or accept or adopt on behalf of any Owners of the Bonds any plan of reorganization, arrangement, adjustment or composition affecting any of the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding.

Section 1007. Remedies Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

Section 1008. Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or of any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein; and every power and remedy

given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in Section 1001, the Holders of a majority in principal amount of the Bonds at the time Outstanding, or their attorneys in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal or Redemption Price of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE XI

CONCERNING FIDUCIARIES

Section 1101. Trustee, Appointment and Acceptance of Duties. Bank of New York Mellon , New York, New York, has been appointed and is hereby confirmed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing the certificate of authentication endorsed upon the Bonds, and, by executing such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 1102. Paying Agents; Appointment and Acceptance of Duties.
(a) The Authority may appoint one or more Paying Agents for the Bonds of any Series, by Supplemental Resolution, and the Authority may at any time or from time to time appoint one or more other Paying Agents for such Bonds in the manner and subject to the conditions set forth in Section 1113 for the appointment of a successor Paying Agent. The Trustee may be appointed a Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

Section 1103. Responsibilities of Fiduciaries. The recitals of fact in the Resolution and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or for any losses incurred upon the sale or redemption of any securities purchased for or held in any Fund or Account under the Resolution. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary

shall be liable in connection with the performance of its duties under the Resolution except for its own willful misconduct, negligence or default. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution and no implied covenants or obligations shall be read into the Resolution against the Trustee.

Section 1104. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by such Fiduciary under the Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Representative of the Authority, as the case may be, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by its respective Authorized Representative.

Section 1105. Compensation. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Resolution. To the extent permitted by law, the Authority further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, negligence or bad faith.

Section 1106. Certain Permitted Acts. Any Fiduciary may become the Owner of any Bonds or any other obligations of the Authority with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or the Holders of any other obligations of the Authority or to effect or aid in any reorganization growing out of the enforcement of the Bonds or any other obligations of the Authority or the

Resolution, whether or not any such committee shall represent the Holders of a majority or more in principal amount of the Bonds then Outstanding.

Section 1107. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than sixty days written notice to the Authority and mailing notice thereof to the Bondholders. Such resignation shall take effect immediately upon the appointment of a successor Trustee by the Authority or the Bondholders as provided in Section 1109.

Section 1108. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during the existence of an Event of Default, by filing an instrument signed by an Authorized Representative of the Authority.

Section 1109. Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys in fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; but (unless a successor Trustee shall have been appointed by the Bondholders as aforesaid) the Authority by a duly executed written instrument signed by an Authorized Representative shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders as authorized in this Section. The Authority shall mail notice of any such appointment made by it not less than twenty days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty five days after the Trustee shall have given to the Authority written notice as provided in Section 1107 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association, and having a capital and surplus

aggregating at least \$100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 1110. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify any Paying Agent of its appointment as Trustee.

Section 1111. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and, in the case of any successor Trustee, shall meet the requirements of paragraph (c) of Section 1109, in the case of a successor Paying Agent, shall meet the requirements of paragraph (a) of Section 1113, and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 1112. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and, in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

Section 1113. Resignation or Removal of Paying Agent and Appointment of Successor. (a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty days written notice to the Authority, the Trustee, and the other Paying Agents. Any Paying Agent may be removed by the Authority at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Representative. Any successor Paying Agent shall be appointed by the Authority, with the approval of the Trustee, and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 1114. Authenticating Agent. (a) With the consent of the Authority, the Trustee may appoint an additional person, firm or company to act as an authenticating agent, in addition to the Trustee, with power to act on its behalf and subject to its direction in the authentication and delivery of Bonds in connection with transfers and exchanges under Article III. For all purposes of the Resolution, the authentication and delivery of Bonds by an Authenticating Agent pursuant to this Section 1114 shall be deemed to be authentication and delivery of those Bonds by the Trustee and the provisions of Article III hereof shall be applicable to any Authenticating Agent, and all references therein to "Trustee" insofar as they pertain to the authentication, transfer of registration of Bonds shall also mean "Authenticating Agent" if such an entity has been appointed for such purposes.

(b) Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Authority. The Trustee may at any time terminate the agency of any Authenticating Agent, by giving written notice of termination to such Authenticating Agent and to the Authority. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Authenticating Agent acceptable to the Authority.

(c) Within ten days after such appointment of an Authenticating Agent or successor Authenticating Agent, the Trustee shall mail notice thereof to the Owners of the Bonds at the addresses appearing on the registry books.

(d) The Trustee shall pay to any Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments pursuant to Section 1105.

Section 1115. Several Capacities. Anything in the Resolution to the contrary notwithstanding, the same entity may serve as the Trustee, or any other Fiduciary, and in any combination of such capacities, to the extent permitted by law.

ARTICLE XII

MISCELLANEOUS

Section 1201. Defeasance. (a) If the Authority shall pay or cause to be paid to the Holders of all Bonds then Outstanding, the Principal Installments and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Authority, expressed in a Certificate of an Authorized Representative of the Authority and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondholders shall be discharged and satisfied and such Holders shall cease to be entitled to any lien, benefit or security under the Resolution. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all moneys, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Bonds or any portion thereof for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Any Outstanding Bonds or any portion thereof shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section either (A) as provided in the Supplemental Resolution authorizing their issuance or (B) if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in Article VI notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority as hereinafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal installments of and/or the interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the Principal Installments or Redemption Price, if applicable, and interest due and to become due on said Bonds or portion thereof on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not to be redeemed within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds or portion thereof (as

the same thereafter may change) are deemed to have been paid in accordance with this Section and stating such maturity or redemption date (as the same thereafter may change) upon which moneys are to be available for the payment of the Principal Installments or Redemption Price, if applicable, on said Bonds or portion thereof (other than Bonds which have been purchased by the Trustee at the direction of the Authority as hereinafter provided prior to the publication of the notice of redemption referred to in clause (i) hereof). The Trustee also shall mail, as soon as practicable, a notice to the Holders of any Bonds affected by any change contemplated by the preceding clause (iii), describing such change. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section to the retirement of said Bonds (or portions thereof) in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds (or portions thereof), all in the manner provided in the Resolution.

The Trustee shall, if so directed by the Authority (x) prior to the maturity date of Bonds (or portions thereof) deemed to have been paid in accordance with this Section which are not to be redeemed prior to their maturity date or (y) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with this Section which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the Trustee shall receive an Accountant's Certificate showing that the moneys and Defeasance Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds, in respect of which such moneys and Defeasance Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be, and a Bond Counsel's Opinion to the effect that such redemption or sale of such Defeasance Obligations will not adversely affect the exclusion of the interest on such Bonds (if issued on a tax-exempt basis) from gross income for purposes of federal income taxation and that such redemption or sale otherwise complies with or is permitted by the provisions of the Resolution. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section upon their maturity date or dates and the portion, if any, of such Bonds so purchased and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section on any date or dates prior to their maturity. In the event that on any date as a result of any purchases and cancellations of Bonds as provided in this Section the total amount of moneys and Defeasance Obligations remaining on deposit with the Trustee under this Section is in excess of the total amount which would have been required to be deposited with the Trustee or such date in respect of the remaining Bonds in order to satisfy clause (ii) of the first paragraph of this subsection (b) the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any lien or pledge securing said Bonds or otherwise existing under the Resolution. Neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds;

provided, however, that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested at the written direction of an Authorized Representative of the Authority in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any lien or pledge securing said Bonds or otherwise existing under the Resolution.

(c) Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of the principal of or interest on any Bonds which remain unclaimed for two years after the date when such principal or interest, respectively, has become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such principal or interest, as the case may be, becomes due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such principal or interest, as the case may be. Notwithstanding the foregoing or anything in the Resolution to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of the principal of or interest on any Bonds which remain unclaimed after such moneys were to be applied to the payment of such principal or interest, as the case may be, in accordance with the Resolution may be applied in accordance with the provisions of the Abandoned Property Law of the State, being Chapter 1 of the Consolidated Laws of the State, or any successor provision thereto, and upon such application, the Fiduciary shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority or the Comptroller of the State for the payment of such principal or interest, as the case may be. Before being required to make any such payment to the Authority or to apply such moneys in accordance with the Abandoned Property Law (or its successor) of the State, the Fiduciary shall, at the expense of the Authority, cause to be mailed to the Bondholders entitled to receive such moneys a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing, the balance of such moneys then unclaimed will be returned to the Authority or applied in accordance with the Abandoned Property Law (or its successor) of the State, as the case may be.

Section 1202. Evidence of Signatures of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys in-fact appointed in writing. Proof of the

execution of any such instrument, or of an instrument appointing any such attorneys, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in any manner satisfactory to the Trustee. Proof of the holding of Bonds on any date shall be provided by the registration books of the Authority maintained by the Trustee.

(b) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond and any Bond issued in exchange therefor in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 1203. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 1204. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 1205. Parties Interested Herein; Survival of Resolution for Benefit of Subordinated Indebtedness. (a) Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries, the Holders of the Bonds, and, only to the extent expressly provided in the Resolution, and Subordinated Indebtedness and the issuers of Credit Facilities and parties to Financial Contracts, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, the Holders of the Bonds, and, only to the extent expressly provided in the Resolution, the holders of Subordinated Indebtedness and the issuers of Credit Facilities and parties to Financial Contracts.

(b) Anything in the Resolution to the contrary notwithstanding, including but not limited to Section 1201, the Resolution shall remain in full force and effect to the extent and for so long as the provisions of the Resolution are required for the payment and security of Subordinated Indebtedness.

Section 1206. No Personal Liability on Bonds or Subordinated Indebtedness. Neither the Trustees of the Authority nor any person executing Bonds, Parity Reimbursement Obligations, Subordinated Indebtedness, Subordinated Reimbursement Obligations or Financial Contracts shall be liable personally thereon or be subject to any personal liability or accountability by the issuance or execution and delivery thereof.

Section 1207. Successors and Assigns. Whenever in the Resolution the Authority is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Authority shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

Section 1208. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

Section 1209. Payments on Saturdays, Sundays and Holidays. In any case where the date of any payment required to be made under the Resolution shall be a Saturday or a Sunday or shall be, at the place designated for such payment a legal holiday or a day on which banking institutions are authorized by law to close, then such payment shall not be made on such date but shall be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close.

Section 1210. Governing Law. The Resolution shall be governed by and interpreted in accordance with internal laws of the State without regard to conflicts of laws principles.

Section 1211. Findings and Determinations; Effective Date.

(a) *Finding and Determination.* None of the modifications and amendments effectuated by this amendment and restatement of the Resolution permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and, accordingly, each such modification or amendment may be made with the written consent of the Holders of at least a majority of the Bonds outstanding in accordance with Section 902 of the General Resolution.

(b) *Effectiveness of Amendments.* The amendments made by this amendment and restatement of the Resolution shall be effective upon the filing with the Trustee of consents (which have not been revoked), executed by Holders (or, to the extent provided by the Supplemental Resolution authorizing any Bonds, bond insurers or others deemed to be Holders or the underwriters of any series of Bonds), or upon the deemed consent pursuant to subsection (e) below of the Holders, of not less than a majority in principal amount of the Bonds then Outstanding. Following the effectiveness of such amendments, the officers and employees of the Authority shall take all action necessary or

appropriate to be published and mailed notice of such amendments as provided by Section 902 of the General Resolution.

(c) *Amendments.* The provisions of this amended and restated Resolution may be modified by subsequent Supplemental Resolution, adopted prior to the effective date of the amendments made by this Section, to the extent necessary or desirable, as determined by the Trustees, to give full effect to the substance of such provisions.

(d) *Deemed Consents.* Pursuant to Section 903 of the General Resolution, the original purchasers and Holders of Bonds issued on and after the effective date of this Supplemental Resolution, by their purchase and acceptance thereof, thereby (i) consent, and shall be deemed to have consented to, the modifications and amendments made by or pursuant to this amended and restated Resolution, and (ii) waive, and shall be deemed to have waived, any and all other formal notices, implementation or timing requirements that may otherwise be required under the Resolution, which consents shall be effective and binding unless and until revoked pursuant to and to the extent permitted by said Section 903 of the Resolution.

SCHEDULE 2.1

COMMITMENTS

NAME OF LENDER	COMMITMENT
JPMorgan Chase Bank, National Association	\$200,000,000.00
TOTAL	\$200,000,000.00

SCHEDULE 6.3

LITIGATION

NONE

SCHEDULE 6.21

MATERIAL EVENTS AND CIRCUMSTANCES SINCE DECEMBER 31, 2020

Since December 31, 2020 no material events and circumstances have occurred.

APPENDIX A

STANDARD CLAUSES FOR LIPA CONTRACTS

For the purposes of this Appendix A, the Long Island Power Authority and its operating subsidiary the Long Island Lighting Company d/b/a LIPA are hereinafter referred to as "LIPA."

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "*the contract*" or "*this contract*") agree to be bound by the following clauses which are hereby made a part of the contract (the word "*Contractor*" herein refers to any party other than LIPA, whether a contractor, consultant, licensor, licensee, lessor, lessee or other party):

NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of LIPA, and any attempts to assign the contract without LIPA's written consent are null and void. Contractor may, however, assign its right to receive payment without LIPA's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

COMPTROLLER'S APPROVAL. In accordance with Section 112 of the New York State Finance Law (the "*State Finance Law*"), this Agreement shall not be valid, effective or binding upon LIPA until it has been approved by the State Comptroller and filed in his office.

WORKER'S COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this Agreement shall be void and of no force and effect unless Contractor provides and maintains coverage during the life of this Agreement for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

NON-DISCRIMINATION REQUIREMENTS. In accordance with Article 15 of the Executive Law (also known as the Human Rights Law) and all other New York State and Federal statutory and constitutional non-discrimination provisions, Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, sex (including gender identity or expression), national origin, age, disability, marital status, sexual orientation, genetic predisposition or carrier status. Furthermore, in accordance with Article 220-e of the New York Labor Law, and to the extent that this Agreement shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, national origin, sexual orientation, genetic predisposition or carrier status; (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee for the performance of work under this Agreement.

NEW YORK STATE EXECUTIVE ORDER NO. 177 (PROHIBITING STATE CONTRACTS WITH ENTITIES THAT SUPPORT DISCRIMINATION) CERTIFICATION. The New York State Human Rights Law, Article 15 of the Executive Law, prohibits discrimination and harassment based on age, race, creed, color, national origin, sex, pregnancy or pregnancy-related conditions, sexual orientation, gender identity, disability, marital status, familial status, domestic violence victim status, prior arrest or conviction record, military status or predisposing genetic characteristics.

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The Human Rights Law may also require reasonable accommodation for persons with disabilities and pregnancy-related conditions. A reasonable accommodation is an adjustment to a job or work environment that enables a person with a disability to perform the essential functions of a job in a reasonable manner. The Human Rights Law may also require reasonable accommodation in employment on the basis of Sabbath observance or religious practices.

Generally, the Human Rights Law applies to:

- all employers of four or more people, employment agencies, labor organizations and apprenticeship training programs in all instances of discrimination or harassment;
- employers with fewer than four employees in all cases involving sexual harassment; and,
- any employer of domestic workers in cases involving sexual harassment or harassment based on gender, race, religion or national origin.

In accordance with Executive Order No. 177, the Bidder hereby certifies that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

Executive Order No. 177 and this certification do not affect institutional policies or practices that are protected by existing law, including but not limited to the First Amendment of the United States Constitution, Article 1, Section 3 of the New York State Constitution, and Section 296(11) of the New York State Human Rights Law.

WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law and shall comply with all requirements set forth in Article 8 or Article 9 of the Labor Law whichever Article applies.

NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 2878 of the Public Authorities Law, if this contract was awarded based upon the submission of bids, Contractor warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further warrants that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to LIPA a non-collusive bidding certification on Contractor's behalf.

INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, Contractor agrees, as a material condition of the contract, that neither Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC app. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or

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is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

SET-OFF RIGHTS. LIPA shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, LIPA's option to withhold for the purposes of set-off any moneys due to Contractor under this contract up to any amounts due and owing to LIPA with regard to this contract, any other contract with LIPA, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to LIPA for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. LIPA shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by LIPA, its representatives, or the State Comptroller.

RECORDS. Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "*the Records*"). The Records must be kept for six (6) years following the expiration or earlier termination of the contract. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. LIPA shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "*Statute*") provided that: (i) Contractor shall timely inform LIPA in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

DISCLOSURE OF LIPA RECORDS OR INFORMATION. If any third party requests that Contractor disclose LIPA records or information, as defined in subdivision 4 of section 86 of the Public Officers Law, to the extent permitted by law, Contractor shall notify LIPA of such request and LIPA shall determine, in accordance with Chapter 39 of the Laws of 2010, whether such LIPA records or information may be disclosed.

EQUAL EMPLOYMENT FOR MINORITIES AND WOMEN. In accordance with Section 312 of the New York Executive Law: (i) Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status and shall undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation; (ii) at the request of LIPA, Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status and that such union or representative will affirmatively cooperate in the implementation of Contractor's obligations herein; and (iii) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of this Agreement, all

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qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status. Contractor shall include the provisions of (i), (ii) and (iii) above, in every subcontract over twenty-five thousand dollars (\$25,000.00) for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of Contractor.

MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES. It is the policy of the Authority to provide Minority and Women-Owned Business Enterprises (M/WBEs) the greatest practicable opportunity to participate in the Authority's contracting activity for the procurement of goods and services. To effectuate this policy, Contractor shall comply with the provisions of this Schedule A and the provisions of Article 15-A of the New York Executive Law. The Contractor will employ good faith efforts to achieve the below-stated M/WBE Goals set for this contract, and will cooperate in any efforts of the Authority, or any government agency which may have jurisdiction, to monitor and assist Contractor's compliance with the Authority's M/WBE program.

Minority-Owned Business Enterprise (MBE) Subcontracting 0%

Women-Owned Business Enterprise (WBE) Subcontracting Goal 0%

Waivers shall only be considered in accordance with the provisions of Article 15-A of the Executive Law.

To help in complying, Contractor may inspect the current New York State Certification Directory of Minority and Women Owned Businesses, prepared for use by state agencies and contractors in complying with Executive law Article 15-A, (the Directory) at the same location where the Authority's bid document or request for proposals may be obtained or inspected and also at the Authority's office at 333 Earle Ovington Boulevard, Suite 403, Uniondale, NY 11553. In addition, printed or electronic copies of the Directory may be purchased from the New York State Department of Economic Development, Minority and Women's Business Division.

If requested, Contractor shall submit within ten (10) days of such request, a complete Utilization Plan, which shall include identification of the M/WBEs which the Contractor intends to use; the dollar amount of business with each such M/WBE; the Contract Scope of Work which the Contractor intends to have performed by such M/WBEs; and the commencement and end dates of such performance. The Authority will review the plan and, within twenty (20) days of its receipt, issue a written acceptance of the plan or comments on deficiencies in the plan.

The Contractor shall include in each Subcontract, in such a manner that the provisions will be binding upon each Subcontractor, all of the provisions herein including those requiring Subcontractors to make a good faith effort to solicit participation by M/WBEs.

If requested, the Contractor shall submit monthly compliance reports regarding its M/WBE utilization activity. Reports are due on the first business day of each month, beginning thirty (30) days after Contract award.

The Contractor shall not use the requirements of this section to discriminate against any qualified company or group of companies.

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CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Section 2880 of the Public Authorities Law and the guidelines adopted by LIPA thereto.

PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165 (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of Contractor to establish to meet with the approval of the State. In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of Contractor to meet with the approval of the State.

MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the New York Laws of 1992), Contractor hereby stipulates that Contractor either (i) has no business operations in Northern Ireland, or (ii) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Article 165 of, the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts. Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
One Commerce Plaza
Albany, New York 12245

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Minority and Women's Business Development Division
One Commerce Plaza
Albany, New York 12245

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The Omnibus Procurement Act of 1992 requires that by signing this Agreement, Contractor certifies that:

(a) Contractor has made commercially reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and woman-owned business enterprises, on this Project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended; and

(c) Contractor agrees to make commercially reasonable efforts to provide notification to New York State residents of employment opportunities on this Project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. Contractor agrees to document these efforts and to provide said documentation to the State upon request.

(d) Contractor acknowledges that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

RECIPROCITY AND SANCTIONS PROVISIONS. Contractor is hereby notified that if its principal place of business is located in a state that penalizes New York State vendors, and if the goods or services it offers are substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 amendments (Chapter 684, Laws of 1994) require that Contractor be denied contracts which it would otherwise obtain.

PURCHASES OF APPAREL. In accordance with State Finance Law 162 (4-a), LIPA shall not purchase any apparel from any Contractor unable or unwilling to certify that: (i) such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) Contractor will supply, with its bid (or, if not a bid situation, prior to or at the time of signing a contract with LIPA), if known, the names and addresses of each subcontractor and a list of all manufacturing plants to be utilized by the bidder.

CONTRACTOR AFFIRMATION OF COMPLIANCE AND CERTIFICATION OF DISCLOSURE. Contractor affirms that it understands and agrees to comply with the procedures of the Governmental Entity relative to permissible contacts as required by the State Finance Law § 139-j (3) and § 139-j (6)(b). Furthermore, Contractor certifies that the information disclosed pursuant to State Finance Law § 139-k (5) is complete true and accurate.

OPTIONAL TERMINATION BY THE AUTHORITY. LIPA reserves the right to terminate this contract in the event it is found that the certification filed by Contractor in accordance with New York State Finance Law § 139-k was intentionally false or intentionally incomplete. Upon such finding, LIPA may exercise its termination right by providing written notification to Contractor in accordance with the written notification terms of the contract.

CONTINGENT FEES. Contractor hereby certifies and agrees that (a) Contractor has not employed or retained and will not employ or retain any individual or entity for the purpose of soliciting or securing

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any LIPA contract or any amendment or modification thereto pursuant to any agreement or understanding for receipt of any form of compensation which in whole or in part is contingent or dependent upon the award of any such contract or any amendment or modification thereto; and (b) Contractor will not seek or be paid an additional fee that is contingent or dependent upon the completion of a transaction by LIPA.

NONPUBLIC PERSONAL INFORMATION. Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208). Contractor shall be liable for the costs associated with such breach if caused by Contractor's negligent or willful acts or omissions, or the negligent or willful acts or omissions of the Contractor's agents, officers, employees or subcontractors.

IRAN DIVESTMENT ACT CERTIFICATION. Contractor certifies under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law. In addition, Contractor agrees that no person on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law will be utilized as a subcontractor on this contract.

SEXUAL HARASSMENT PREVENTION CERTIFICATION. In accordance with New York State Finance Law Section 139-L, Contractor certifies that: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that the bidder has and has implemented a written policy addressing sexual harassment prevention in the workplace and provides annual sexual harassment prevention training to all of its employees. Such policy shall, at a minimum, meet the requirements of" New York State Labor Law Section 201-g.

ADMISSIBILITY OF REPRODUCTION OF CONTRACT. Notwithstanding the best evidence rule or any other legal principle or rule of evidence to the contrary, the Contractor acknowledges and agrees that it waives any and all objections to the admissibility into evidence at any court proceeding or to the use at any examination before trial of an electronic reproduction of this contract, in the form approved by the State Comptroller, if such approval was required, regardless of whether the original of said contract is in existence.