ORGANIZATIONAL RESOLUTION

of the

UTILITY DEBT SECURITIZATION AUTHORITY

A RESOLUTION OF THE UTILITY DEBT SECURITIZATION AUTHORITY PROVIDING FOR THE ADOPTION OF BY-LAWS AND INVESTMENT GUIDELINES AND APPOINTMENT OF OFFICERS; PROVIDING FOR THE SELECTION OR RATIFYING THE SELECTION OF CERTAIN COUNSEL, CERTAIN UNDERWRITERS, A BOND TRUSTEE AND A FINANCIAL ADVISOR; AUTHORIZING OFFICERS OF THE AUTHORITY TO DO ALL ACTS NECESSARY, CONVENIENT OR DESIRABLE FOR CARRYING OUT THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, the Utility Debt Securitization Authority (the “Securitization Authority”) has been established pursuant to Part B of Chapter 173 of the Session Laws of 2013 of The State of New York (the “Act”) and the Trustees of the Securitization Authority desire to take certain actions with respect to, and to make other authorizations related to, the organization of the Securitization Authority; and

WHEREAS, the Act provides a legislative foundation for the issuance of bonds (the “Bonds”) by the Securitization Authority in order to purchase certain restructuring property (as defined in the Act) from the Long Island Power Authority (the “Power Authority”) in order to permit the Power Authority to refinance certain of its debt, which is expected to result in savings to consumers in the Power Authority’s service area; and

WHEREAS, pursuant to the Act, the Power Authority on October 3, 2013 approved and adopted a restructuring cost financing order (the “Financing Order”) which provides for the sale of such restructuring property to the Securitization Authority, and the issuance by the Securitization Authority of up to $3,500,000,000 principal amount of Bonds and, in order to be in a position to take advantage of favorable market conditions as soon as the Act’s securitization process allows, the Power Authority has directed its counsel and consultants to prepare forms of agreements and documents necessary in connection with sale of such restructuring property and the issuance of such Bonds and has submitted the same to the rating agencies expected to rate the Bonds; and

WHEREAS, the Financing Order contemplates and authorizes an Administration Agreement to be entered into between the Power Authority’s subsidiary Long Island Lighting Company d/b/a LIPA as Administrator (hereinafter “LIPA”) and the Securitization Authority pursuant to which LIPA will provide the Securitization Authority with clerical, bookkeeping and other administrative services as well as perform certain of the Securitization Authority’s obligations under the Public Authorities Law of the State and each of several agreements relating to the sale of the restructuring property and the issuance of the Bonds; and
WHEREAS, the Securitization Authority has considered proposals from law firms with substantial experience in securitization transactions and has determined to retain Nixon Peabody LLP to act as special counsel to the Securitization Authority in connection with the issuance and sale of the restructuring property the issuance of the Bonds and related agreements and transactions (collectively referred to herein as the “Securitization Transaction”); and

WHEREAS, in order to facilitate the prompt issuance of the Bonds and, given that the interests of the Securitization Authority and the Power Authority relating to the proposed transactions are aligned and not in conflict, the Power Authority has recommended and requested that the Securitization Authority designate the Power Authority’s Bond Counsel, Transaction Counsel, Disclosure Counsel and Financial Advisor to also act in such capacities to the Securitization Authority in connection with the Securitization Transaction; and

WHEREAS, the Securitization Authority has determined to appoint the General Counsel of Long Island Power Authority as Counsel to the Securitization Authority in connection with the Securitization Transaction; and

WHEREAS, in anticipation of the appointment of the Trustees and the organization of the Securitization Authority, the Power Authority invited proposals from potential bond trustees and paying agents in relation to the anticipated issuance of the Bonds, evaluated such proposals and has recommended that The Bank of New York Mellon be designated as Trustee and Paying Agent for the Bonds; and

WHEREAS, the Power Authority has further recommended and requested that the Securitization Authority, based on responses to the Power Authority’s Request For Proposals, designate Goldman, Sachs & Co. and Morgan Stanley & Co. LLC as Co-Senior Underwriters for the Bonds; and

WHEREAS, the Securitization Authority wishes to adopt a Mission Statement in accordance with the requirements of the Public Authorities Law; and

WHEREAS, moneys of the Securitization Authority will be held and invested in accordance with a proposed bond indenture and the Securitization Authority wishes to establish guidelines relating to the investment thereof in accordance with the Public Authorities Law of the State of New York;

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE SECURITIZATION AUTHORITY, AS FOLLOWS:

1. **Adoption of By-Laws.** The Trustees hereby adopt the By-Laws attached as Exhibit A hereto.
2. **Appointment of Officers.** The Trustees hereby appoint the following individuals to the following offices:

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<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Paul Francis</td>
<td>Chair</td>
</tr>
<tr>
<td>Robert Gurman</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Michael Taunton</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Lynda Nicolina</td>
<td>Secretary</td>
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3. **Appointment of Counsel.** The Trustees hereby appoint Lynda Nicolina, Esq. (General Counsel to the Power Authority) to serve as Counsel to the Securitization Authority in connection with the Securitization Transaction.

4. **Appointment of Special Counsel.** The Trustees hereby appoint Nixon Peabody LLP to serve as Special Counsel to the Securitization Authority in connection with the Securitization Transaction.

5. **Appointment of Bond Counsel.** The Trustees hereby approve the selection of Hawkins Delafield & Wood LLP (Bond Counsel to the Power Authority) to serve as Bond Counsel to the Securitization Authority in connection with the Securitization Transaction.

6. **Appointment of Transaction Counsel.** The Trustees hereby approve the selection of Morgan, Lewis & Bockius LLP (Transaction Counsel to the Power Authority) to serve as Transaction Counsel to the Securitization Authority in connection with the Securitization Transaction.

7. **Appointment of Disclosure Counsel.** The Trustees hereby approve the selection of Squire Sanders LLP (Disclosure Counsel to the Power Authority) to serve as Disclosure Counsel to the Securitization Authority in connection with the Securitization Transaction.

8. **Appointment of Financial Advisor.** The Trustees hereby approve the selection of Public Financial Management, Inc. (Financial Advisor to the Power Authority) to serve as Financial Advisor to the Securitization Authority in connection with the Securitization Transaction.

9. **Appointment of Certain Underwriters.** The Trustees hereby approve the selection of Goldman, Sachs & Co. and Morgan Stanley & Co. LLC to serve as Co-Senior Managing Underwriters for the Bonds. The Co-Managers for the Bonds shall be selected as authorized by subsequent action of the Trustees.

10. **Appointment of a Bond Trustee and Paying Agent.** The Trustees hereby approve the selection of The Bank of New York Mellon to serve as Bond Trustee and Paying Agent to the Securitization Authority in connection with the Bonds.
11. **Adoption of Mission Statement.** In accordance with and pursuant to Section 2824-A of the Public Authorities Law, the Trustees hereby adopt the Mission Statement attached hereto as Exhibit B.

12. **Adoption of Investment Guidelines; Other Guidelines and Procedures.** The Trustees hereby adopt the Investment Guidelines attached hereto as Exhibit C. The Trustees hereby authorize and direct LIPA as Administrator to prepare and file the reports required of the Securitization Authority from time to time pursuant to the Public Authorities Law of the State, review applicable requirements of law and report to the Securitization Authority as to such additional guidelines and procedures as may be appropriate or necessary for the Securitization Authority.

13. **Bank Accounts; Miscellaneous.** LIPA as agent for the Securitization Authority is hereby authorized to apply for a taxpayer identification number for the Securitization Authority, establish such bank accounts and take such other preliminary actions in anticipation of the Securitization Transaction as may be determined to be necessary and convenient in consultation with the Chair and Chief Financial Officer.

14. **Authorizations.** The Chair, Chief Financial Officer and Secretary (each an “Authorized Officer”) are each designated as agents of the Trustees and the Securitization Authority and each are authorized and empowered to take all action and steps and to execute all instruments, documents, certificates, indemnification agreements and contracts (on behalf of the Trustees and the Securitization Authority) that are necessary, convenient or desirable for carrying out the transactions and other matters contemplated by this Resolution, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution and the Act. In addition, the Trustees authorize each Authorized Officer to retain on behalf of the Securitization Authority such auditors, accountants, financial consultants, verification agents and other professional advisors as may from time to time be necessary, convenient or desirable in connection with the issuance of the Bonds. All acts heretofore performed on behalf of the Securitization Authority which are in conformity with the purposes and intents of this Resolution shall be, and the same hereby are in all respects, ratified, approved and confirmed.

15. **Effective Date.** This Resolution shall take effect immediately upon its adoption by the Trustees.
BY-LAWS
BY-LAWS

OF THE

UTILITY DEBT SECURITIZATION AUTHORITY
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BY-LAWS

OF THE

UTILITY DEBT SECURITIZATION AUTHORITY

ARTICLE I – THE AUTHORITY

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

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

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

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

ARTICLE II – TRUSTEES

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

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

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

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

Section 2.5. Fiduciary Duty. Each Trustee shall have a fiduciary duty to act in the best interests of the Authority, including its creditors and the owners of bonds issued by the
Authority, and such other duties as may be specified in the Act and these By-Laws or other agreements of the Authority.

ARTICLE III – TRUSTEES’ MEETINGS

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

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

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

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

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

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

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

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

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

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

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

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

Section 4.5. Secretary. The Secretary shall attend all meetings of the Trustees and act as Secretary thereof and record all votes and shall keep a record of the proceedings of the Trustees in a Minute Book to be kept for that purpose. The Secretary shall cause notice to be given of all meetings of the Trustees and shall be custodian of the records of the actions of the Trustees and shall keep in safe custody the seal of the Authority and shall have the authority to affix such seal to all documents and papers authorized to be executed by the Trustees or officers of the Authority requiring such seal to be affixed. The Secretary shall attest to the signatures of the Trustees and officers of the Authority and shall have the authority to cause copies to be made of all minutes, resolutions, records and documents of the Authority and to deliver certificates under seal to the effect that such copies are true and accurate and that all persons dealing with the
Authority may rely on same. The Secretary shall possess such powers and perform such other
duties as customarily pertain to the office or may be from time to time assigned by the Chair,
subject, however, at all times to the supervision, control of and any limitations prescribed by the
Chair.

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

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

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

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

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

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

Any Officer shall have authority to make final certification and payment of all duly
authenticated and authorized items of expenditures for payment from any Authority funds from
whatever source derived, and, whenever the Chair is required to sign vouchers, requisitions and
other instruments made by the Authority, either the Chief Financial Officer or the Secretary shall approve the same for submission to the Chair for signature.

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

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

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

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

**ARTICLE V – COMMITTEES**

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

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

Section 5.3. **Finance and Audit Committee.** The Finance and Audit Committee shall review and make recommendations to the Trustees as to the engagement of and compensation to be paid to the Authority’s independent certified accountants and the Authority’s general
accounting and internal control systems and policies and practices. The Finance and Audit Committee will have responsibility to directly oversee the performance of the audits performed by the Authority's independent accountants and to review the results of the annual internal control review and changes in accounting policies that may be required. The Finance and Audit Committee will present these results and changes with their recommendation to the Trustees. Any audit of the Authority by the State or any other agency which is conducted and results in the issuance of interim and/or formal reports shall also be reported to the Finance and Audit Committee for conveyance to the Trustees. The Finance and Audit Committee shall also review and make recommendations concerning the Authority’s annual budget, the management and investment of all funds of the Authority, the Authority’s financial and investment policies, and proposals for the issuance of debt by the Authority and make recommendations.

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

ARTICLE VI – FISCAL MANAGEMENT

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

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

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

ARTICLE VII – AMENDMENTS

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

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

ARTICLE IX – INDEMNIFICATION OF TRUSTEES, OFFICERS AND EMPLOYEES

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

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

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

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

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

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

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

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

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

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

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

(b) The Authority shall require each person receiving amounts under paragraph (a) of this Section 9.4 to agree in writing that the same shall be repaid if the person receiving such advance is ultimately found not to be entitled to indemnification, or to the extent the expenses so advanced by the Authority exceed the indemnification to which he or she is ultimately found to be entitled.
Section 9.5. Indemnification on Final Disposition. (a) A person who has been wholly successful, on the merits or otherwise, in the defense of an action or proceeding shall be deemed to have met the applicable standard of conduct and shall be entitled to indemnification against reasonable expenses as described in Section 9.2, and the Authority shall make such indemnification without necessity for any authorization, findings or other action by the Trustees prior to such indemnification. (b) A Trustee, officer or employee who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: (i) if there is a quorum of Trustees who are not parties to such action or proceeding, the Authority shall make a finding as to whether the requesting Trustee, officer or employee has met the applicable standard of conduct; or (ii) if such a quorum of Trustees is not obtainable with due diligence, the Authority shall obtain an opinion in writing of outside legal counsel as to whether such standard of conduct has been met by the requesting Trustee, officer or employee. If a quorum of Trustees makes such finding or outside legal counsel gives such opinion, the Authority shall authorize, and the Authority shall make, indemnification as provided in Section 9.2, upon a determination by the Trustees (or a person or body designated by the Trustees) that expenses sought be indemnified were reasonable and actually and necessarily incurred as a result of the action or proceeding, and that any amounts paid in settlement (unless approved by the Trustees prior to such settlement) were reasonable in the circumstances.

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

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

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

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

(d) Unless and until this Article shall be amended, supplemented or repealed in accordance with Article IX, including, without limitation, paragraph (e) below, the provisions of this Article shall constitute a contract between the Authority and each Trustee, officer or employee for indemnification in accordance with the provisions of this Article, which contract shall survive the termination of the term of service of such Trustee, officer or employee. In the event that any Trustee, officer or employee shall be aggrieved by a determination of the
Authority or the Trustees or outside counsel made under this Article, or by a failure of the
Authority or Trustees to act as provided herein, he or she shall be entitled to seek appropriate
relief against the Authority in any court of competent jurisdiction within the State of New York
in accordance with the standards for indemnification set forth herein.

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

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

ARTICLE X – MISCELLANEOUS

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

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

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

The sole mission of the Utility Debt Securitization Authority is to authorize, issue and sell restructuring bonds, and to pay interest and principal on such bonds, in order to finance the purchase of restructuring property created pursuant to restructuring cost financing order adopted by the Long Island Power Authority and to pay upfront and ongoing financing costs in connection therewith and thereby (i) permit Long Island Power Authority to purchase, redeem or defease certain outstanding debt and reduce the debt service on such debt, and (ii) lower the costs of electricity utility service for consumers in the LIPA service area, all as provided in and more particularly set forth in Part B of Chapter 173 of the Laws of New York, 1973 and to otherwise effectuate the purposes declared in section one of such Part B.

Date adopted: November 14, 2013
UTILITY DEBT SECURITIZATION AUTHORITY
GUIDELINES FOR INVESTING, SECURING, MONITORING
AND REPORTING ON AUTHORITY FUNDS AVAILABLE FOR INVESTMENT
ADOPTED BY THE BOARD OF TRUSTEES OF THE
UTILITY DEBT SECURITIZATION AUTHORITY ON
NOVEMBER 14, 2013

ARTICLE I

STATEMENT OF PURPOSE: TITLE

Section 101. Statement of Purpose. These Guidelines are adopted pursuant to
the provisions of the Act and Section 2925 of the Public Authorities Law of the State. These
Guidelines shall cover all funds of the Utility Debt Securitization Authority (the “Authority”).
These Guidelines are within the legal investment parameters established by the Act and Section
2925 of the Public Authorities Law of the State.

Section 102. Title. Outside of this document, these Guidelines may be referred
to as the “Investment Guidelines”.

ARTICLE II

DEFINITION OF TERMS

Section 201. Definitions. Any capitalized terms used but not defined in these
Guidelines shall have the meanings set forth in the Indenture (as defined below). For all
purposes of these Guidelines, the terms listed below shall have the following meanings:


“Administrator” shall mean Long Island Lighting Company d/b/a LIPA as
“Administrator” under an Administration Agreement to be entered into between the Authority
and Long Island Lighting Company d/b/a LIPA.

“Authority Trustees” shall mean the trustees of the Authority pursuant to the Act.

“Bank” shall mean any bank or its holding company which in either case is (i) a
member of the Federal Reserve, (ii) has a capital of at least $50,000,000, (iii) is rated at least
within the second highest rating category without regard to gradations within such category by
Moody’s Investors Service or Standard & Poor’s, and (iv) has been approved by the Chair or the
Chief Financial Officer of the Authority. Wholly owned subsidiaries of such banks or holding
companies shall be included within this definition, provided that the obligations of said wholly
owned subsidiaries are guaranteed by such banks or holding companies. “Bank” shall also mean
any foreign bank which is a member of the Federal Reserve Board or is required to report to the
Comptroller of the Currency or the Banking Commissioner of the state where the branch of the
foreign bank is located.
“Bond Proceeds” shall mean the Bond proceeds of the Authority available for investment.

“Bonds” shall mean any bonds issued by the Authority pursuant to the Act.

“Bond Trustee” shall mean The Bank of New York Mellon, as trustee under the Indenture.

“Certificate of Deposit” shall mean a deposit of account by the Authority at a Bank with a defined dollar amount, term, rate and place of payment, which shall be collateralized as set forth herein.

“Counsel” shall mean the General Counsel of the Long Island Power Authority or such other counsel as may be appointed by the Authority Trustees.

“Custodian” shall mean a Bank designated or approved by the Authority to hold collateral pertaining to investments by or securities purchased by the Authority. With respect to the holding of securities purchased pursuant to a Repurchase Agreement, or securing a deposit of funds of the Authority, such Custodian may not be the party, or an agent of the party, with whom the Authority has entered into such Repurchase Agreement or deposit arrangement.

“Demand Deposit” shall mean any funds invested by the Authority with a Bank.

“Depository” shall mean a Bank designated by the Authority to hold deposits of the funds of the Authority.

“Eligible Investments” shall have the meaning as set forth in the Indenture, a copy of the definition of which shall be attached hereto as Appendix A upon the execution and delivery of the Indenture.

“Financial Advisor” shall mean any investment banker, broker, agent, dealer or other financial advisor or agent engaged in rendering advice to the Authority regarding its Bonds and/or the investment of funds of the Authority.

“Guidelines” shall mean these guidelines, as they may be amended from time to time.

“Indenture” shall mean the Utility Debt Securitization Authority Bond Indenture to be entered into between the Authority and The Bank of New York Mellon, as trustee with respect to Bonds, as it may be amended and supplemented, and in effect from time to time.

“Investment Advisor” shall mean any investment banker, broker, agent, dealer or other investment advisor or agent engaged in rendering advice pursuant to a personal services contract to the Authority regarding the investment of the Authority’s moneys.

“Primary Dealer” shall mean any governmental bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York and included
in the most current “List of the Primary Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York”.

“Recording Agent” shall mean the Federal Reserve Bank, the Depository Trust Company or any other nationally recognized firm authorized to hold securities in book entry form.

“Repurchase Agreement” shall mean two simultaneous transactions, one the purchase of securities by the Authority from a Bank or a Primary Dealer, the other the commitment on the Bank’s or Primary Dealer’s part to repurchase the securities at an agreed price at some mutually agreed upon future date.

“State” shall mean the State of New York.

“Time Deposits” shall mean any funds invested by the Authority with a Bank for a specified period of time other than in a Certificate of Deposit.

Section 202. Construction of Language. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

ARTICLE III

PERMITTED INVESTMENTS - SPECIFIC FUNDS

Section 301. Authority Funds. All available Bond Proceeds and other Authority monies, including without limitation, all monies held under the Indenture shall be invested only in Eligible Investments.

ARTICLE IV

INVESTMENT AND COLLATERAL REQUIREMENTS

Section 401. Eligible Investments. Eligible Investments which are purchased directly by the Authority must be delivered to the Authority or its Custodian or the Bond Trustee, and payment for Eligible Investments shall only be made upon delivery of such Eligible Investments. If the Eligible Investments are in book-entry form, the Authority shall require that the record books of the Recording Agent be adjusted to record the interests of the Custodian or the Bond Trustee and the record books of the Custodian or the Bond Trustee be adjusted to record the interest of the Authority.

Section 402. Agreements relating to Collateral. To the extent that any Eligible Investments are required to be collateralized by the terms of the Indenture, such Eligible Investments shall be collateralized in accordance with the Indenture and the following provisions:

(i) The applicable collateral shall be delivered to either the Bond Trustee or a Custodian selected and approved in writing by the Authority, except as otherwise authorized in Section 403(c).
(ii) A written agreement shall be entered into which shall specify the type, amount and nature of the collateral to be provided, the frequency of the valuation of any such collateral, the right and ability to substitute securities as collateral, the events of default which would permit the Authority or its Custodians or Bond Trustee to liquidate or purchase the underlying securities and the party who is to have title to the underlying collateral during the terms of the agreement.

Section 403. Custodians; Valuation of Collateral or Security.

(a) Custodians whose function is to hold collateral shall receive authorization from the Authority or the Bond Trustee (as appropriate) prior to delivering or transferring obligations held as collateral out of the Authority’s or the Bond Trustee’s account. Delivery or transfer of collateral shall be made only upon receipt of funds or substitute collateral. Such Custodians shall confirm to the Administrator whenever activity has occurred in the Authority’s custodial accounts.

(b) A Custodian holding collateral for the Authority shall be a member of the Federal Reserve Bank or shall maintain accounts with member banks to accomplish book-entry transfer of securities to the credit of the Authority. Transfer of securities, whether by book-entry or physical delivery, shall be confirmed in writing to the Authority by such Custodian.

(c) For any investment required to be collateralized, the collateral must be delivered to the Custodian. This requirement may be waived by the Chair for all such investments, except Repurchase Agreements. All collateral must be valued to market at least monthly, unless otherwise provided.

ARTICLE V

CERTAIN REQUIREMENTS FOR BANKS ACTING AS CUSTODIANS AND/OR BOND TRUSTEES

Section 501. Required Reports.

(a) The Authority shall require that each Bank with which the Authority has Demand Deposits, Time Deposits or Certificates of Deposit shall deliver to the Authority at least annually, (i) a copy of the Bank’s FDIC annual report and, if applicable, the Federal Reserve Bank annual report and (ii) an audit report prepared by such Bank’s external auditor in accordance with generally accepted auditing standards.

Section 502. Access for Authority Auditors. The Authority shall require that any Custodian which is holding securities for the account of or in trust for the Authority, or pledged to the Authority or the Bond Trustee, permit the Authority or its agents to access such Custodian’s books and records to conduct an audit of such securities.

Section 503. Record of Investments. A record of each of the Authority’s investments shall be maintained by the Administrator. Such records shall identify the security, the fund for which the investment is held, the place where the investment is maintained, the date
of disposition and amount realized, and the market value of collateral and the Custodian of collateral.

ARTICLE VI

DIVERSIFICATION OF INVESTMENTS; APPROVAL OF INVESTMENTS;
SELECTION OF INVESTMENT FIRMS

Section 601. Diversification Standard. To the extent that more than 35% of the Authority’s total invested funds are invested with any single institution, the Administrator shall so advise the Trustees.

Section 602. Approval of Investments. All investments shall be reviewed and recommended by the Administrator and shall be approved by the Chief Financial Officer or any Trustee or by such other persons as the Authority may provide by resolution and are subject to the approval of the Administrator in accordance with the Indenture. The Administrator shall be responsible for the development and maintenance of an operating procedures manual relating to investments.

Section 603. Selection of Investment Firms. The Administrator is authorized to and shall maintain a list of firms to be selected from for each type of investment made by the Authority. Such list shall be revised from time to time, as required.

ARTICLE VII

REQUIREMENT OF INVESTMENTS BY WRITTEN CONTRACTS

Section 701. Written Contracts. With the exception of open market purchases of Eligible Investments, investments shall be made pursuant to written contracts unless the Authority Trustees by resolution waive such requirement for the Authority with respect to a specific investment or transaction because it is not practical or not a regular business practice. In the event that such written contract requirement is waived, the resolution authorizing the waiver shall detail the procedures covering such investment or transaction.

Section 702. Contract Provisions. Each written contract shall provide for sufficient security of the Authority’s financial interest as required by the provisions of these Guidelines. Each such contract shall describe (a) the use, type and amount of collateral or insurance for each investment, (b) the method for valuation of any required collateral and procedure for regular monitoring of that valuation, and (c) the monitoring, control, deposit and retention of investments and any required collateral, including, in the case of a Repurchase Agreement, physical or book-entry delivery of the purchased obligations to the Authority or its Custodian (which shall not be the party, or an agent of the party, with whom the Authority enters into such Repurchase Agreement) or other action necessary to obtain title to such obligations.

Section 703. Form of Contracts. The form of all written contracts shall be approved by the Counsel.
Section 704. **Execution of Contracts.** All investment contracts to which the Authority is a party shall be approved and executed by the Chair or the Chief Financial Officer or his or her designee.

**ARTICLE VIII**

**AUDIT AND REPORTS**

Section 801. **Annual Independent Audit.** The Authority shall secure annual independent audits of all investments.

Section 802. **Quarterly Reports.** Within forty-five days after the conclusion of each quarter of the Authority’s fiscal year, the Administrator shall prepare and deliver to the Authority Trustees a report on the Authority’s investments. Such reports shall include a description of new investments and the Primary Dealer(s), firms, or Bank(s) with whom the investment was transacted, the inventory of existing investments and when applicable the selection of Investment Advisors, auditors, brokers, agents, firms for purposes of Section 603 and Primary Dealers.
Section 803. **Annual Investment Report.**

(a) Within one hundred eighty (180) days after the close of each fiscal year, the Administrator shall prepare and the Authority Trustees shall approve an annual investment report. Such report will include these Guidelines and any amendments to these Guidelines since the last investment report, an explanation of these Guidelines and any amendments to these Guidelines since the last investment report, the results of the annual independent audit of the investments, an evaluation of the portfolio of the Authority by an independent auditor, the annual investment income record of the Authority and a list of the total fees, commissions or other compensations, by payee, paid to each Investment Advisor since the last annual investment report, and an annual consolidation of any other material contained in the quarterly reports.

(b) This annual investment report, after being approved by the Authority Trustees, shall be submitted to the Division of the Budget with copies to the Department of Audit and Control, the Senate Finance Committee and the Assembly Ways and Means Committee.

(c) Copies of the Annual Investment Report shall be available to the public upon reasonable request at the Authority's main office.

**ARTICLE IX**

**MISCELLANEOUS PROVISIONS**

Section 901. **Operating Procedures Manual.** The Authority shall cause the Administrator to develop and maintain an operating procedures manual which shall include:

(a) The establishment and maintenance of a system of internal controls;

(b) Methods for adding, changing or deleting information contained in the investment record, including a description of the documents to be created and verification tests to be conducted;

(c) A data base or record incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio; and

(d) Requirements for periodic reporting and accountability.

Section 902. **Conflicting Provisions.** In the event that there is any conflict between the provisions of these Guidelines and the provisions of the Indenture, the provisions in the Indenture shall control.

Section 903. **Action by Administrator.** Any action that is required to be taken by the Authority pursuant to these Guidelines may be taken by the Administrator, as agent of the Authority.

Section 904. **Amendments.** Any modification or amendment to these Guidelines may be made by a Resolution adopted by the Authority at any duly constituted
Authority meeting; provided, however, that no such modification or amendment to these Guidelines shall abrogate the rights and duties of the existing Authority contracts with third parties; and further provided that the Chair or the Chief Financial Officer may make non-material changes in these Guidelines.

Section 905. **No Recourse under these Guidelines.** No provision in these Guidelines shall be the basis of any claim against any Authority Trustee, officer, agent or employee of the Authority in his individual or official capacity or against the Authority itself.

Section 906. **Effect upon Existing Contract.** These Guidelines shall not abrogate the rights and duties of the Authority’s contracts with third parties executed prior to the effective date of these Guidelines.

Section 907. **Effect of Failure to Comply.** Failure to comply with these Guidelines shall not invalidate any investment or affect the validity of the authorization of any Authority Trustee or the Chief Financial Officer, or their designee to make such investments.
APPENDIX A

[Final Indenture definition of “Eligible Investments” to be attached upon execution of the Indenture]

“Eligible Investments” mean instruments and investment property denominated in United States currency which mature (i) on or before the Business Day preceding the next Payment Date or, if and when established, any special payment date pursuant to Section 2.08(c), and (ii) in the case of investments in the General Subaccount and the Excess Funds Subaccount after June 15, which mature on or before the Business Day preceding the next June 30 (or such earlier date(s) as the Servicer shall specify to the Bond Trustee in writing) to permit Excess Remittances to be paid therefrom pursuant to Section 3.03(c) of the Servicing Agreement and Section 8.02(e), and meet the criteria described below:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand deposits, time deposits or certificates of deposit and bankers’ acceptances of Eligible Institutions (including the Bond Trustee in its commercial capacity);

(c) commercial paper having, at the time of the investment or contractual commitment, a rating of not less than “A-1” from Standard & Poor’s, not less than “P-1” by Moody’s and not less than “F1” by Fitch (including commercial paper issued by the Bond Trustee);

(d) money market funds which have the highest rating from each of the Rating Agencies from which a rating is available (including funds for which the Bond Trustee or any of its Affiliates is an investment manager or advisor);

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or certain of its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or a registered broker-dealer, acting as principal and that meets certain ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any broker/dealer being referred to in this definition as a “broker/dealer”), the unsecured short-term debt obligations of which are rated at least “P-1” by Moody’s, “A-1+” by Standard & Poor’s and, if Fitch provides a rating thereon, “F-1+” by Fitch, and the long-term debt obligations of which are rated at least “Aa3” by Moody’s, in each case at the time of entering into this repurchase obligation, or

(ii) an unrated broker/dealer acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least “P-1” by Moody’s, “A-1+” by Standard & Poor’s and, if Fitch provides a rating thereon, “F-1+” by Fitch, and the long-term debt obligations of which are rated at least “Aa3” by Moody’s, in each case at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies, as evidenced by Issuer Order accompanied by evidence of such permission reasonably satisfactory to the Bond Trustee.