BOND PURCHASE AGREEMENT

UTILITY DEBT SECURITIZATION AUTHORITY

$[PAR]

RESTRUCTURING BONDS
SERIES 2013T (FEDERALLY TAXABLE)
SERIES 2013TE (FEDERALLY TAX EXEMPT)

This BOND PURCHASE AGREEMENT, dated [December __], 2013, is among the Utility Debt Securitization Authority (the “Issuer”) and Goldman, Sachs & Co. and Morgan Stanley & Co. LLC, on behalf of themselves and as the Representatives of the several Underwriters (as defined below).

The Issuer proposes to issue and sell $[PAR] aggregate principal amount of the above captioned bonds (the “Bonds”), identified in Schedule I hereto.

The term “Underwriters” as used herein shall be deemed to mean the entity or several entities named in Schedule II hereto and the term “Underwriter” shall be deemed to mean any one of such Underwriters. The term “Representatives” as used herein shall be deemed to mean the entity or several entities named in Schedule II hereto and the term “Representative” shall be deemed to mean any one of such Representatives. If the Representatives are the same as the Underwriters, then each shall be deemed to refer to such entity or entities. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named as a Representative in Schedule II hereto, any action under or in respect of this bond purchase agreement (“Bond Purchase Agreement”) may be taken by such entities jointly as the Representatives or by one of the entities acting on behalf of the Representatives and such action will be binding upon all the Underwriters.

Capitalized terms used but not defined herein shall have the meaning given such terms in the Indenture (hereinafter defined).

1. Background.

   (a) On June 21, 2013, the New York State Assembly and Senate adopted the LIPA Reform Act (Chapter 173, Laws of New York, 2013). On July 29, 2013, the Governor signed the LIPA Reform Act into law. On August 28, 2013, the time for filing any challenges to the LIPA Reform Act expired and no such challenges were filed.

   (b) On September 10, 2013, the Authority published the proposed Restructuring Cost Financing Order to provide the basis on which it could receive comments from the public on such Order. As required by Part B of the LIPA Reform Act (the “Securitization Law”), the Authority held two expedited public hearings on the proposed Restructuring Cost Financing Order on September 17, 2013.
(c) Following receipt and review of such comments, on September 18, 2013, the Authority finalized the Restructuring Cost Financing Order (as finalized, the “Financing Order”) for submission to the Authority’s Board of Trustees and the Public Authorities Control Board (the “PACB”).

(d) On October 3, 2013, the Authority Board of Trustees approved the Financing Order.

(e) On October 21, 2013, the PACB was deemed to have approved the Financing Order.

(f) On November 21, 2013, the time for filing any challenges to the Financing Order expired and no such challenges were filed.

(g) On November 21, 2013, the Board of Trustees of the Issuer approved resolutions authorizing the issuance of the Bonds and the execution and delivery of the Basic Documents (as defined below) to which the Issuer is party (the “Issuer Resolutions”).

(h) The Bonds will be issued pursuant to authority granted by the Securitization Law, the Financing Order and the Issuer Resolutions and secured by the Indenture (as defined below). Principal of and interest on the Bonds will be payable from the Collateral, including the Restructuring Property purchased by the Issuer from the Authority pursuant to the terms of the Restructuring Property Purchase and Sale Agreement (the “Sale Agreement”), between the Issuer and the Authority. The Collateral will be pledged by the Issuer to the Bond Trustee for the benefit of the Holders of the Bonds and the Bond Trustee as security for the payment of the Bonds, pursuant to the Utility Debt Securitization Authority Bond Indenture (the “Indenture”), between the Issuer and The Bank of New York Mellon, as trustee (the “Bond Trustee”).

(i) The Issuer, Long Island Lighting Company (d/b/a and referred to herein as “LIPA”) and the Authority have authorized the Indenture, the Sale Agreement, the Administration Agreement (the “Administration Agreement”), between LIPA, as Administrator, and the Issuer, the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), delivered by the Issuer and LIPA, as Servicer, the Servicing Agreement (the “Servicing Agreement”), between the Issuer and LIPA, as Servicer (the “Servicer”) (the Servicing Agreement, the Indenture, the Sale Agreement, the Administration Agreement and the Continuing Disclosure Agreement, being collectively referred to herein as the “Basic Documents”).

2. Official Statement and Compliance with Rule 15c2-12. The Issuer has made available to the Underwriters a Preliminary Official Statement, dated ____________, 2013 (the “Preliminary Official Statement”), including (i) Appendix B consisting of the form of approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, to be delivered upon the issuance of the Bonds, (ii) Appendix C consisting of the form of the opinion of Morgan Lewis & Bockius LLP, Transaction Counsel, relating to certain constitutional matters to be delivered upon the issuance of the Bonds and (iii) Appendix D consisting of the form of the opinion of Hawkins
Delafield & Wood LLP, Bond Counsel, relating to certain regulatory matters to be delivered upon the issuance of the Bonds (the “Opinion Appendices”, and together with the an appendix setting forth the defined terms used in the Preliminary Official Statement in Appendix A, the “Appendices”).

The Issuer hereby confirms that it has authorized the use of the Preliminary Official Statement by the Underwriters prior to the date hereof. The Issuer deemed the Preliminary Official Statement to be final (except, with respect to each series, that the initial principal amount of each tranche of the Bonds, the tranches, the scheduled maturity dates, the final maturity dates, the expected weighted average lives, the optional redemption provisions, the Expected Amortization Schedule and the Expected Sinking Fund Schedule described in the Preliminary Official Statement were subject to change, and the interest rates, prices or yields to the public, CUSIP numbers and underwriting discounts and commissions for each Tranche of each Series of the Bonds, (collectively the “Pricing Information”) were omitted) as of its date within the meaning of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission under the Exchange Act of 1934, as amended (the “Exchange Act”).

In addition, the Issuer hereby ratifies the Underwriters use prior to the date hereof of the term sheet containing the final Pricing Information established for the Bonds in the form attached hereto as Schedule I hereof, the “Pricing Term Sheet”. The Pricing Term Sheet, considered together with the Preliminary Official Statement, is referred to herein as the “Pricing Package”.

The Issuer agrees to provide the Underwriters with sufficient quantities, at the sole expense of the Issuer, of the Official Statement (as defined herein), in such form as the Underwriters shall request, dated the date hereof, in substantially the form of the Pricing Package, with only such changes therein as shall have been accepted by the Underwriters (such Official Statement, including the Appendices, hereinafter called the “Final Official Statement”) within [two (2) business days] after the date of this Agreement and in sufficient time to accompany any confirmation of sale of the Bonds.

The Underwriters agree to file the Final Official Statement and any amendments or supplements thereto before the end of the underwriting period with the Municipal Securities Rulemaking Board (“MSRB”) and, if requested, will provide the Issuer a copy of such filing as of the date of such filing.

At or before the time of the Issuer’s acceptance hereof, the Authority shall also deliver to the Representative the Letter of Representation of the Authority, substantially in the form attached hereto as Annex A (the “Letter of Representation”).

3. Issuer’s Representations. The Issuer makes the following representations as of the date of this Bond Purchase Agreement, to the several Underwriters, all of which will survive the purchase and offering of the Bonds:

   (a) The Issuer is, and will be on the Closing Date (as defined herein), duly existing as a corporate municipal instrumentality and political subdivision of the State and
is authorized and empowered by the Securitization Law to issue the Bonds and apply the proceeds thereof pursuant to the Securitization Law, the Financing Order and the Indenture.

(b) When delivered to and paid for by the Underwriter at the Closing Date in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding limited obligations of the Issuer enforceable against the Issuer in accordance with its terms except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally, by general equitable principles (whether enforceability is considered in a proceeding in equity or in law) and by an implied covenant of good faith and fair dealing, and will be entitled to the benefit and security of the Indenture.

(c) The information (except the information (i) relating to over-allotments and stabilization detailed on page [___], (ii) under the headings “Authority/Seller”, “Servicer and its Service Area” and “LIPA’s Relationship with the Authority and Third Party Service Providers” in the Summary Statement, (iii) under the headings “Offering Restrictions in Certain Jurisdictions”, “The Seller”, “Servicer and Administrator”, “Underwriting”, “Tax Matters”, “ERISA Considerations”, “Absence of Litigation – The Seller” and “Absence of Litigation – The Authority and LIPA” and the Opinion Appendices) in the Preliminary Official Statement (the “Issuer Information”), as of its date and at all times subsequent thereto up to the Applicable Time (as defined below), did not and in the Final Official Statement, both as of its date and at all times subsequent thereto up to the Closing Date, will not contain an untrue statement of a material fact and will not omit to state a material fact necessary to make the statements and information therein, in light of the circumstances under which they were made, not misleading.

(d) The Issuer Information in the Pricing Package, as of the Applicable Time and at all subsequent times until the “end of the underwriting period” does not and will not include any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstance in which they are made, not misleading. References to the term “Applicable Time” means ____ [a.m.], eastern time, on the date hereof. For purposes of this Bond Purchase Agreement, the term “end of the underwriting period” shall have the meaning given to such term in paragraph (f)(2) of Rule 15c2-12.

(e) The Issuer has duly authorized the issuance and sale of the Bonds, the use of the Preliminary Official Statement, the Pricing Term Sheet and Final Official Statement, and the execution and delivery by it of the Basic Documents. Each of the Basic Documents will be a valid and binding instrument, enforceable against the Issuer in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally, by general equitable principles (whether enforceability is considered in a proceeding in equity or in law) and by an implied covenant of good faith and fair dealing.
(f) The Issuer has full legal right, power and authority to enter into the Indenture, the Basic Documents and this Bond Purchase Agreement, to issue the Bonds and to carry out and consummate all other transactions contemplated by the Indenture and the Basic Documents, and the Issuer has complied with or will comply at the Closing Date with the Indenture, the Basic Documents, this Bond Purchase Agreement, the provisions of the Securitization Law and the Financing Order in all matters relating to such transactions.

(g) Other than any necessary filings required under the Securitization Law or the Financing Order, no approval, permit, consent, registrations or filings with or authorization of any governmental or public agency, authority or person having jurisdiction over the Issuer not already obtained (other than any approvals that might be required to be obtained under the securities laws of any jurisdiction, as to which the Issuer makes no representations or warranties) is required in connection with the adoption of the Issuer Resolution and the issuance and sale of the Bonds or the execution and delivery by the Issuer of, or the performance of its obligations under, this Bond Purchase Agreement, the Bonds, the Issuer Resolutions, the Basic Documents or any other agreement or instrument contemplated hereby or thereby.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending against the Issuer or of which the Issuer has otherwise received written official notice or which, to the best knowledge of the Issuer, is threatened against the Issuer which in any way questions the validity of the Securitization Law, the powers of the Issuer referred to in paragraph (f) above, the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement, or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Bond Purchase Agreement or which, in any way, would adversely affect the validity or enforceability of this Bond Purchase Agreement, the Bonds, the Issuer Resolutions, the Basic Documents or any other agreement or instrument to which the Issuer is a party contemplated hereby or thereby.

(i) The adoption of the Issuer Resolutions, the authorization, execution and delivery by the Issuer of this Bond Purchase Agreement, the Bonds, the Basic Documents and any other agreement or instrument to which the Issuer is a party contemplated hereby or thereby, the consummation of the transactions herein contemplated by the Issuer, the fulfillment of the terms hereof on the part of the Issuer to be fulfilled and compliance with the provisions of the Issuer Resolutions and of each of such instruments will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuer is a party or is otherwise subject, nor will such action result in any violation of the provisions of any applicable law, including the Securitization Law or any charter, resolution or regulation of the Issuer, or any existing order, judgment, decree, rule or regulation applicable to the Issuer (or any of its officials or officers in their respective capacities as such) of any court or of any federal, state or other regulatory or other governmental body having jurisdiction over the Issuer (or such officials or officers as such).
(j) Until the end of the underwriting period, the Issuer will advise the Authority and the Underwriters promptly (i) of the institution of any legal or regulatory proceedings affecting the Issuer of which the Issuer has knowledge affecting the use of the Pricing Package or the Official Statement in connection with the offer and sale of the Bonds and (ii) if the Issuer believes that the Issuer Information contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Underwriters will promptly advise the Issuer and the Authority of the date they believe the underwriting period for the Bonds has ended (which in the absence of such advice shall be deemed to be the Closing Date), and until and unless it shall be determined by the Underwriters that the underwriting period has ended on a different date, and has notified the Issuer and the Authority, in writing, of such different date prior to the Closing Date, such date shall be deemed the end of the underwriting period for purposes of this Bond Purchase Agreement.

(k) Other than as may be described in the Preliminary Official Statement and the Final Official Statement, there are no liens or encumbrances on the property in which a security interest is pledged under the Indenture, and the Issuer has not entered into any contract or arrangement of any kind which might give rise to any such lien or encumbrance.

(l) The Issuer has complied in all material respects with the written representations, acknowledgements and covenants relating to compliance with Rule 17g-5 under the Exchange Act, set forth in the (i) undertaking, dated as of ____________, 2013, by the Issuer to Moody’s (as defined below), (ii) letter, dated ____________, 2013, from the Issuer to S&P (as defined below), and (iii) letter, dated ____________, 2013, between Fitch (as defined below, and together with Moody’s and S&P, the “Rating Agencies”) and the Issuer (collectively, the “Rating Agency Letters”).

(m) Any certificate signed by any official or other representative of the Issuer and delivered to the Underwriters pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the Issuer to each of the Underwriters as to the truth of the statements therein made.

4. Offering, Purchase, Sale and Closing.

(a) The Underwriters agree to make a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Bonds at prices not in excess of the initial public offering price or prices (or yields below the initial public offering yield or yields) set forth on the inside cover page of the Final Official Statement and in Schedule I hereto. If such public offering does not result in the sale of all the Bonds, the Underwriters reserve the right to change such initial public offering prices or yields as the Underwriters deem necessary in connection with the marketing of the Bonds.

(b) Upon the terms and conditions and in reliance on the representations, warranties, covenants and indemnity set forth herein and in the Letter of Representations, the Issuer agrees to sell and the Underwriters agree to purchase the Bonds at the
purchase price of $____________ (which reflects the aggregate principal amount of the Bonds less an aggregate underwriters’ discount of $___________ (the "Purchase Price")). Such amount includes all expenses and charges of the Underwriters, including amounts to be paid for Underwriters’ counsel fees and expenses.

5. **Time and Place of Closing.** Delivery of the Bonds against payment of the aggregate purchase price therefor by wire transfer in federal funds shall be made at the place, on the date and at the time specified in Schedule II hereto, or at such other place, time and date as shall be agreed upon in writing by the Issuer and the Representatives. The hour and date of such delivery and payment are herein called the “Closing Date”. The Bonds shall be delivered to DTC or to The Bank of New York Mellon, as custodian for DTC, in fully registered global form registered in the name of Cede & Co., for the respective accounts specified by the Representatives not later than the close of business on the business day preceding the Closing Date or such other time as may be agreed upon by the Representatives, with the approval of the Issuer. The Issuer agrees to make the Bonds available to the Representatives for checking purposes not later than 12:00 p.m. New York Time on the last business day preceding the Closing Date at the place specified for delivery of the Bonds in Schedule II hereto, or at such other place as the Issuer may specify.

6. **Issuer’s Covenants.** The Issuer covenants and agrees with the several Underwriters that:

(a) The Issuer will cooperate in qualifying the Bonds for offer and sale under the Blue Sky or other securities laws of states designated by the Underwriters, provided that the Issuer shall not be required to do business or consent to service of process in any state or jurisdiction other than the State or to meet any other requirement deemed by the Issuer to be unduly burdensome and provided that provision for the Issuer’s out-of-pocket costs are made.

(b) The Issuer will not participate in the issuance of any amendment or supplement to the Final Official Statement or amendment or supplement to the Pricing Package, without prior notice to the Underwriters, or to which either Representative or Sidley Austin LLP who is acting as counsel for the Underwriters (“Counsel for the Underwriters”), shall reasonably object in writing.

(c) [During the period from the date of this Bond Purchase Agreement to the date that is five days after the Closing Date, the Issuer will not, without the prior written consent of the Representatives, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any indebtedness.]

(d) To the extent, if any, that any rating necessary to satisfy the condition set forth in Section 8(s) of this Bond Purchase Agreement is conditioned upon the furnishing of documents or the taking of other actions by the Issuer on or after the Closing Date, the Issuer shall furnish such documents and take such other actions.

(e) So long as any of the Bonds are outstanding, the Issuer will furnish to the Underwriters, from time to time, (i) a copy of any filings with the Authority or LIPA
pursuant to the Financing Order including, but not limited to, any Issuance Advice Letter or any notice of adjustment, and (ii) from time to time, any information concerning the Issuer as the Underwriters may reasonably request.

7. Indemnification.

(a) To the extent permitted by law [and as limited by the Basic Documents], the Issuer will indemnify and hold harmless the Authority and each Underwriter, their respective officers, directors, trustees, members, officials, and agents of the Authority and each Underwriter and each person, if any, who controls the Authority or any Underwriter within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act (collectively, the “Indemnified Parties”), from and against any and all losses, claims, damages and liabilities (or actions in respect thereof) joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and shall reimburse the Indemnified Parties for any reasonable legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) as and when incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in or included by reference in the Preliminary Official Statement and the Final Official Statement (or in each case, any amendment or supplement thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Issuer’s obligations under this paragraph are payable solely from, and to the extent of, Charges and resulting Charge Collections that are available (taking into account any necessary True-Up Adjustment) under the Indenture for such purpose, and provided, further, that the Issuer shall not be liable in any such case to the extent such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission if such statement or omission was made in reliance upon and in conformity with Underwriter Information as defined in Section 7(c) hereof. The indemnity agreement of the Issuer contained in this Section 7 and the representations of the Issuer contained in Section 3 shall remain operative and in full force and effect regardless of any termination of this Bond Purchase Agreement or of any investigation made by or on behalf of any Underwriter, its officers or its directors or any such controlling person, and shall survive the delivery of the Bonds.

(b) In case any action shall be brought against any Indemnified Party, in respect of which indemnity may be sought against the Issuer, such Indemnified Party shall promptly notify the Issuer in writing, but the failure to notify the Issuer of such action shall not relieve the Issuer from any liability hereunder to the extent that the Issuer is not materially prejudiced as a result of such failure to notify and in any event shall not relieve the Issuer from any liability which it may have to the Indemnified Party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, the Issuer shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such
defense shall be conducted by counsel chosen by the Issuer and reasonably satisfactory to the Indemnified Party or Parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the Issuer elects not to assume the defense of such action, the Issuer will reimburse such Indemnified Party or Parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action (including impleaded parties) include both the Indemnified Party and the Issuer and counsel for the Issuer shall have reasonably concluded that there may be a conflict of interest involved in the representation by a single counsel of both the Issuer and the Indemnified Party, the Indemnified Party or parties shall have the right to select separate counsel, whose reasonable fees and expenses shall be paid by the Issuer, to participate in the defense of such action on behalf of such Indemnified Party or parties (it being understood, however, that the Issuer shall not be liable for the fees and expenses of more than one separate counsel (in addition to local counsel) representing the Indemnified Parties who are parties to such action). The Issuer shall not be liable for any settlement of any such action effected without its prior written consent, but if settled with the written consent of the Issuer, or if there be a final judgment for the plaintiff in any such action, the Issuer agrees to indemnify and hold harmless such Indemnified Party and any such controlling person from and against any loss or liability by reason of such settlement or judgment. The Issuer shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(c) Each Underwriter shall severally and not jointly, indemnify, defend and hold harmless the Issuer, any person controlling the Issuer, its trustees and officers and any person controlling the Issuer, to the same extent as the indemnity from the Issuer to the Underwriters set forth in subsection (a), but only if such statement or omission arises out of or is based upon information about the Underwriters or the underwriting of the Bonds furnished in writing to the Issuer by such Underwriter, through the Representatives, expressly for use in connection with the preparation of the Preliminary Official Statement, the Final Official Statement or any amendment or supplement to any of them, the only such information being set forth in Schedule III hereto (the “Underwriter Information”). The indemnity agreement of the respective Underwriters contained in this Section 7 shall remain operative and in full force and effect regardless of any termination of this Bond Purchase Agreement or of any investigation made by or on behalf of the Issuer, their trustees or officers, any such Underwriter, or any such controlling person, and shall survive the delivery of the Bonds. If any action is brought against the Issuer, the Authority or any of their respective trustees or officers or any controlling persons of any of them based on the Final Official Statement and in respect of which indemnity may be sought against the Underwriters, the Underwriters shall have the rights and duties given to the Issuer, the Authority and their respective directors and officers and any controlling persons of any of them shall have the rights and duties given to the Indemnified Parties by subsection (b).
(d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an Indemnified Party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and the Authority on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (b), then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer and the Authority on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer and the Authority on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer and the Authority bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and the Authority on the one hand or the Underwriters on the other and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Issuer and the Authority (by its execution of the Letter of Representations) and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount equal to the excess of (i) the total underwriting fees, discounts and commissions received by it over (ii) the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this Section 7 are several and not joint and shall be in the same proportion as such Underwriter’s obligation to underwrite the Bonds is to the total number of Bonds set forth in Schedule II hereto. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

8. Conditions of Underwriters’ Obligations.

The obligations of the Underwriters to purchase the Bonds are subject to fulfillment of the following conditions before or on the Closing Date:
(a) The Bonds, the Basic Documents and this Bond Purchase Agreement shall have been duly authorized, executed and delivered in the forms heretofore approved by the Underwriters with only such changes as shall be mutually agreed upon by the Issuer, the Authority and the Representatives;

(b) The Letter of Representations shall have been duly authorized, executed and delivered;

(c) The Issuance Advice Letter, in a form consistent with the provisions of the Financing Order, shall have been filed with the Authority and shall have become effective;

(d) The Issuer’s representations hereunder and in the Servicing Agreement and the Authority’s representations in the Letter of Representation and in the Servicing Agreement shall be true in all material respects on and as of the Closing Date;

(e) Neither the Issuer nor the Authority shall have defaulted in the performance of any of its covenants hereunder or under the Letter of Representation, respectively;

(f) The “State Pledge”, as set forth in Section 9(a) of Part B of the Securitization Law, shall have been incorporated into the Indenture and the Bonds;

(g) Hawkins Delafield & Wood LLP, Bond Counsel, shall have furnished to the Underwriters its written opinion dated the Closing Date, substantially in the form set forth in Appendix B to the Preliminary Official Statement and the Final Official Statement and a supplemental opinion of Bond Counsel, dated the Closing Date, substantially in the form set forth in Exhibit A hereto, which opinions shall either be addressed to the Underwriters or reliance letters with respect to such opinions shall be addressed and provided to the Underwriters;

(h) Morgan Lewis & Bockius LLP, Transaction Counsel, shall have furnished to the Underwriters their written opinions dated the Closing Date, substantially in the forms set forth in Appendix C and Appendix D to the Preliminary Official Statement and the Final Official Statement as to constitutional matters;

(i) Lynda Nicolino, Esq., General Counsel and Secretary to LIPA and LILCO, shall have furnished to the Representatives her written opinion dated the Closing Date, substantially in the form set forth in Exhibit B-1 and B-2, inclusive, hereto, and a supplemental opinion dated the Closing Date, substantially in the form set forth in Exhibit C hereto, which opinions shall either be addressed to the Underwriters or reliance letters with respect to such opinions shall be addressed and provided to the Underwriters;

(j) Hawkins Delafield & Wood LLP, Bond Counsel, shall have furnished to the Underwriters its written opinions dated the Closing Date, substantially in the forms set forth in Exhibit D hereto;
(k) Morgan Lewis & Bockius LLP, Transaction Counsel, shall have furnished to the Underwriters its written opinions dated the Closing Date, substantially in the forms set forth in Exhibit E-1 to E-[3], inclusive, hereto;

(l) Sidley Austin LLP, Counsel for the Underwriters, shall have furnished to the Underwriters its written opinion dated the Closing Date, substantially in the form set forth in Exhibit F, hereto;

(m) Squire Sanders (US) LLP, disclosure counsel to the Issuer, the Authority and LIPA, shall have furnished to the Underwriters their written opinion dated the Closing Date, substantially in the form set forth in Exhibit G hereto;

(n) Carter Ledyard & Milburn, LLP, counsel for the Bond Trustee shall have furnished to the Representatives their written opinion dated the Closing Date, concerning certain matters relating to the Trustee, substantially in the form set forth in Exhibit H hereto;

(o) On or before the Closing Date, KPMG LLP shall have furnished to the Underwriters one or more agreed upon procedure reports regarding certain calculations and computations relating to the Bonds, in form or substance reasonably satisfactory to the Underwriters, in each case in respect of which the Underwriters shall have made specific requests therefor and shall have provided acknowledgment or similar letters to KPMG LLP reasonably necessary in order for KPMG LLP to issue such reports;

(p) Subsequent to the respective dates as of which information is given in each of the Preliminary Official Statement and the Final Official Statement, there shall not have been any change specified in the letters required by subsection (o) of this Section 8 which is, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds as contemplated by the Final Official Statement;

(q) At the Closing Date, (i) the Bonds shall be rated “Aaa”, “AAA”, and “AAA” by Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and Fitch, Inc. (“Fitch”), respectively, and the Issuer shall have delivered to the Underwriters a letter from each such rating agency, or other evidence reasonably satisfactory to the Underwriters, confirming that the Bonds have such ratings, and (ii) none of Moody’s, S&P and Fitch shall have, since the date of this Bond Purchase Agreement, downgraded or publicly announced that it has under surveillance or review, with possible negative implications, its ratings of the Bonds;

(r) A certificate of the Issuer, dated the Closing Date, signed by an authorized officer of the Issuer, to the effect that (i) each of the representations of the Issuer contained in Section 3 hereof is true and correct on and as of the Closing Date as if such representations had been made on and as of the Closing Date, (ii) the Issuer has complied with all the terms of the Basic Documents to be complied with by it prior to or concurrently with the
Closing Date and (iii) the Issuer is aware of no event of default that has occurred and is continuing under the Basic Documents;

(s) A certificate of the Authority, dated the Closing Date, signed by an authorized officer of the Authority, to the effect that (i) each of the representations and warranties of the Authority contained in the Letter of Representation is true and correct in all material respects on and as of the Closing Date as if such representations and warranties had been made on and as of the Closing Date, and (ii) as of the Closing Date, there has been no material adverse change (whether or not arising from transactions in the ordinary course of business) in the business, properties, condition (financial or otherwise) or operations of the Authority from that set forth in or contemplated by the Final Official Statement;

(t) The Issuer shall have furnished or caused to be furnished or agreed to furnish to the Rating Agencies at the Closing Date such opinions and certificates as the Rating Agencies may reasonably request as a condition to their respective ratings referred to in subsection (q) of this Section 8;

(u) On or prior to the Closing Date, the Authority shall have delivered to the Underwriters evidence, in form and substance reasonably satisfactory to the Underwriters, of (i) a certificate that attaches a true, correct and complete copy of the Financing Order and certifies such copy to be the act and deed of the Authority and (ii) a certificate that states the Financing Order has not been altered, rescinded, amended, modified, revoked or supplemented as of the Closing Date.

(v) Executed copies of the Basic Documents shall have been furnished to the Underwriters;

(w) Certified copies of the Issuer Resolutions shall have been furnished to the Underwriters;

(x) A copy of the Issuer Order authorizing and directing the authentication and delivery of the Bonds by the Trustee shall have been furnished to the Underwriters;

(y) Such additional documentation (including certificates) as Bond Counsel or the Underwriters may reasonably request to evidence compliance with applicable Securitization Law, the Long Island Power Authority Act, being Title 1-A of Article 5 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”) or the Financing Order and the validity of the Bonds or the Basic Documents and this Bond Purchase Agreement shall have been furnished to the Representatives;

(z) Since the respective dates as of which information is given in the Pricing Package and as of the Closing Date there shall have been no (i) material adverse change in the business, property or financial condition of the Issuer or the Authority and its subsidiaries, taken as a whole, whether or not in the ordinary course of business, or (ii) adverse development concerning the business or assets of the Issuer or the Authority and its subsidiaries, taken as a
whole, which would be reasonably likely to result in a material adverse change in the prospective business, property or financial condition of the Issuer or the Authority and its respective subsidiaries, taken as a whole, whether or not in the ordinary course of business, or the Issuer or (iii) development which would be reasonably likely to result in a material adverse change in the Restructuring Property, the Bonds or the Financing Order;

(aa) On or prior to the Closing Date, the Issuer shall have delivered to the Underwriters evidence, in form and substance reasonably satisfactory to the Underwriters, that appropriate filings have been or are being made in accordance with the Securitization Law, the Financing Order and other applicable law reflecting the grant of a security interest by the Issuer to the Trustee in the collateral relating to the Bonds;

(bb) A Certificate from the Trustee as to matters reasonably requested by the Underwriters shall have been delivered to them by the Trustee; and

(cc) Such additional certificates, opinions and other documents as the Underwriters, Underwriter’s Counsel or Bond Counsel may reasonably request to evidence performance of or compliance with the provisions of this Bond Purchase Agreement and the transactions contemplated hereby and by the Final Official Statement, all such certificates and other documents to be satisfactory in form and substance to the Underwriters and Underwriter’s counsel, shall have been furnished to the Underwriters.

Any opinion letters delivered on the Closing Date to the Rating Agencies beyond those being delivered to the Representatives above shall either (x) include the Underwriters as addressees or (y) be accompanied by reliance letters addressed to the Underwriters referencing such letters.

If any of the conditions specified in this Section 8 shall not have been fulfilled when and as provided in this Bond Purchase Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Bond Purchase Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and Underwriters’ Counsel, all obligations of the Underwriters hereunder may be canceled by the Underwriters at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the Issuer in writing or by telephone or facsimile confirmed in writing.

9. Termination of Bond Purchase Agreement.

This Bond Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriters, by written notice given to the Authority and the Issuer prior to delivery of and payment for the Bonds, if prior to such time (i) there shall have occurred any change, or any development involving a prospective change, in or affecting either (A) the business, properties or financial condition of the Issuer or Authority or (B) the Restructuring Property, the Bonds, the Financing Order or the Securitization Law, the effect of which, in either case and in the reasonable judgment of the Underwriters, materially impairs the investment quality of the Bonds or makes it impractical or inadvisable to market the Bonds, (ii) trading in securities generally on the New York Stock Exchange shall have been suspended or limited or a
limitation on prices shall have been established on such Exchange or any general restrictions on
the distribution of securities shall have occurred, (iii) a banking moratorium shall have been
declared either by federal or State authorities, (iv) there shall have occurred a material disruption
in commercial banking or securities settlement, payment or clearing systems, (v) there shall have
occurred any outbreak or escalation of hostilities, declaration by the United States of a national
emergency or war or (vi) there shall have occurred any terrorist act in the United States or any
other calamity (including any natural calamity, such as an earthquake) or crisis or any change in
financial, political or economic conditions in the United States or elsewhere, if the effect of any
such event specified in clause (ii), (iii), (iv), (v) or (vi), in the reasonable judgment of the
Underwriters, makes it impracticable or inadvisable to proceed with the offering or delivery of
the Bonds as contemplated by the Final Official Statement (exclusive of any amendment or
supplement thereto objected to by the Underwriters pursuant to Section 11 of this Bond Purchase
Agreement).

If the Underwriters terminate their obligation to purchase the Bonds because any
of the conditions specified in Section 8 shall not have been fulfilled at or before the Closing Date
or because one of the events specified in this Section 9 has occurred, such termination shall not
result in any liability on the part of the Issuer or the Underwriters, except as otherwise provided
in Sections 7 and 12 hereof.

10. Filing of Official Statement. Within one business day after receipt of the
Final Official Statement from the Issuer, but by no later than the Closing Date, the Underwriters
shall, at their own expense submit the Final Official Statement to EMMA (as defined below).
The Underwriters will comply with the provisions of MSRB Rule G-32, including without
limitation the submission of Form G-32 and the Final Official Statement, and notify the Issuer
of the date on which the Official Statement has been filed with EMMA.

“EMMA” means the MSRB's Electronic Municipal Market Access system, or any
other electronic municipal securities information access system designated by the MSRB
for collecting and disseminating primary offering documents and information.

11. Supplements or Amendments to Official Statement. The Issuer will not
adopt any amendment of or supplement to the Final Official Statement to which the Underwriters
or the Authority shall reasonably object in writing. During the underwriting period, if any event
shall occur as a result of which it is necessary, in the opinion of the Underwriters or
Underwriters’ Counsel, to amend or supplement the Final Official Statement in order to make the
statements therein, in the light of the circumstances under which they are made when the Final
Official Statement is delivered to a purchaser or a potential purchaser, not misleading, the Issuer
(or the Authority pursuant to the Letter of Representations) will cooperate, at the request of the
Underwriters, in the prompt preparation and delivery to the Underwriters, at the Issuer's expense,
of either amendments or supplements to the Final Official Statement so that the statements in the
Final Official Statement as so amended or supplemented will not, in the light of the
circumstances under which they are made when the Official Statement is delivered to a purchaser
or a potential purchaser, be misleading.
12. **Expenses.** All expenses and costs of the Issuer and the Authority incident to the performance of its obligations in connection with the authorization, issuance, sale of the Bonds to the Underwriters, including any costs of mailing or delivery and of printing of the Bonds, the Basic Documents, this Bond Purchase Agreement and the Preliminary Official Statement, the Pricing Package and the Final Official Statement, including any amendments thereof or supplements thereto, and all ancillary papers prepared in connection with the transactions contemplated by this Bond Purchase Agreement, in reasonable quantities, including any photocopying thereof, underwriting fees (which will include reasonable out-of-pocket costs and fees and expenses of counsel to the Underwriter), reasonable out-of-pocket expenses of the Underwriters incurred in contemplation of the performance of this Bond Purchase Agreement, the fees and expenses of Bond Counsel, fees and expenses of the Trustee in connection with the issuance of the Bonds, the qualification of the Bonds under blue-sky laws (including counsel fees not to exceed $5,000), and fees charged by Rating Agencies for the rating of the Bonds, shall be paid by the Issuer, either from the proceeds of the Bonds or from Charges (as and to the extent consistent with the Indenture, the Financing Order and the Issuance Advice Letter). [Unless the Issuer and the Underwriters otherwise agree, the Issuer shall pay for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of Issuer personnel) incurred by or on behalf of the Issuer in connection with the marketing, issuance and delivery of the Bonds.]

13. **Absence of Fiduciary Relationship.** The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer (iii) the Underwriters have not assumed a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Bond Purchase Agreement and (iv) the Issuer has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.

14. **Execution in Counterparts.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same agreement.

15. **Notices and other Acts.** All notices, demands and formal actions hereunder will be in writing and mailed telexed, telecopied or delivered to:

The Representatives at the address specified in Schedule II hereto.

**The Authority:**

Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention:
The Issuer:

Utility Debt Securitization Authority
c/o Long Island Lighting Company d/b/a LIPA
[333 Earle Ovington Boulevard, Suite 403
[Uniondale, New York 11553
[Attention:]

16. **Successors.** This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the trustees and officers and directors and controlling persons referred to in Section 7 hereof, and no other person will have any right or obligation hereunder.

17. **Governing Law.** This Bond Purchase Agreement shall be governed by, and construed in accordance with, the laws of the State.

18. **Integration.** This Bond Purchase Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

19. **Miscellaneous.** This Bond Purchase Agreement is executed by the trustees or officers of the Issuer in their capacities as such trustees or officers. By the execution hereof, the Underwriters agree that no member, trustee, employee or officer of the Issuer shall be personally liable for the payment or the performance of any obligation of the Issuer hereunder. The Underwriters agree that no trustee, member or officer of the Issuer shall be personally liable for the payment of any claim or the performance of any obligation hereunder.

[The remainder of this page intentionally left blank]
IN WITNESS WHEREOF, the parties have executed and delivered this Bond Purchase Agreement as of the date first above written.

UTILITY DEBT SECURITIZATION AUTHORITY

By: __________________________________________
   Name: 
   Title: 

The foregoing Bond Purchase Agreement is hereby confirmed and accepted as of the date first above written.
As the Representatives of the Underwriters named in Schedule II hereto

GOLDMAN SACHS & CO.

By: _____________________________

MORGAN STANLEY & CO. LLC

By: _____________________________
   Name:_________________________
   Title:_________________________
Letter of Representations

December __, 2013

Utility Debt Securitization Authority
c/o Long Island Lighting Company d/b/a LIPA
[333 Earle Ovington Boulevard, Suite 403
[Uniondale, New York 11553]

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

and

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

as Representatives of the Underwriters
named in the Bond Purchase Agreement
dated December __, 2013

Dear Ladies and Gentlemen:

Long Island Power Authority (the “Authority”) hereby represents, on behalf of itself and Long Island Lighting Company (d/b/a and referred to herein as “LIPA”), to the Utility Debt Securitization Authority (the “Issuer”) and the Underwriters as follows:

(a) This Letter of Representation is furnished in connection with the Bond Purchase Agreement, dated ______________, 2013 (the “Bond Purchase Agreement”) between the Issuer and the Underwriters named therein relating to the sale of the Issuer’s Restructuring Bonds, Series 2013T (Federally Taxable) and Series 2013TE (Tax Exempt) (collectively, the “Bonds”), as more fully described in the Final Official Statement of the Authority relating to the Bonds. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Bond Purchase Agreement.

(b) The Authority is a body corporate and politic and a political subdivision of the State, duly created and established and validly existing under the provisions of the Long Island Power Authority Act, Title 1-A of Article 5 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”).

(c) Under the Securitization Law, the Authority has all requisite legal right, power and authority to adopt the Financing Order and perform its obligations with respect thereto. The execution, delivery and performance by the Authority of this Letter of
Representations and the Basic Documents to which it is party (the “Authority Documents”), and the adoption of the Financing Order have been duly authorized by all necessary action on the part of the Authority. The Authority and LIPA have, or will have as of the date of execution or adoption thereof, all requisite legal right, power and authority to engage in the transactions to which it is or is to be a party as contemplated by this Letter of Representations and the Authority Documents. The Authority has authorized the distribution and use by the Underwriters of the Preliminary Official Statement, the Pricing Package and the Final Official Statement.

(d) The Authority Documents are in full force and effect and constitute valid and legally binding agreements of the Authority enforceable against the Authority or LIPA, as applicable, in accordance with their terms except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally, by general equitable principles (whether enforceability is considered in a proceeding in equity or in law) and by an implied covenant of good faith and fair dealing.

(e) The Authority has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Restructuring Property to the Issuer as provided in the Sale Agreement and the Financing Order, and as described in the Preliminary Official Statement and the Final Official Statement. The sale of the Restructuring Property by the Authority to the Issuer (i) is desirable in the conduct of the business of the System (as defined in the Authority’s Electric System General Revenue Bond Resolution, adopted on May 13, 1998, as supplemented (the “General Bond Resolution”)) and (ii) does not materially impair the ability of the Authority to comply with Section 701 of the General Bond Resolution.

(f) The Preliminary Official Statement, as of its date and at all time subsequent thereto up to the Applicable Time, does not and the Final Official Statement, as of its date and at all times subsequent thereto up to the Closing Date, will not contain an untrue statement of a material fact and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, that the foregoing representations and warranties in this paragraph (f) shall relate solely to the information contained in the Preliminary Official Statement and Final Official Statement under (i) the headings “Authority”, “Servicer and its Service Area” and “LIPA’s Relationship with the Authority and Third Party Service Providers” contained in the Summary Statement and (ii) under the headings “The Seller”, “Servicer and Administrator” and “Absence of Litigation – Authority and LIPA” (collectively, the “Authority Information”).

(g) The Authority Information in the Pricing Package, as of the Applicable Time and at all subsequent times until the “end of the underwriting period”, does not and will not include any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstance in which they are made, not misleading.

(h) The Authority and LIPA confirm that the Underwriters’ use of the Authority Information contained in the Pricing Package and the Final Official Statement in connection with the public offering of the Bonds was authorized by the Authority. With respect
to the Authority Information, the Authority deemed such portions of the Preliminary Official Statement to be final as of its date within the meaning of Rule 15c2-12;

(i) The Authority Documents and this Letter of Representations have been duly authorized, executed and delivered by the Authority and LIPA to the extent each is a party to such agreements. The Authority Documents and this Letter of Representations when executed and delivered, assuming the due authorization, execution and delivery of the other parties thereto, shall constitute legal, valid and binding special obligations of the Authority or LIPA, as the case may be, enforceable in accordance with their respective terms except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally, by general equitable principles (whether enforceability is considered in a proceeding in equity or in law) and by an implied covenant of good faith and fair dealing. The Financing Order has been duly and lawfully adopted, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms.

(j) The adoption of the Financing Order, the execution, delivery and performance of the Authority Documents and this Letter of Representations and the consummation of the transactions contemplated hereby and by the Financing Order and the Authority Documents, under the circumstances contemplated by such documents, do not and will not (i) in any material respect conflict with or constitute on the part of the Authority or LIPA, as the case may be, a breach of or default under any agreement, indenture, mortgage, lease or other instrument to which the Authority or LIPA, as the case may be, is a party or by or to which it or its revenues, properties, assets or operations are bound or subject, (ii) in any material respect conflict with or result in a violation by the Authority of the Constitution of the United States or the State or the Securitization Law or the Act or any other law, ordinance, regulation, order, decree, judgment or ruling by or to which it or its revenues, properties, assets or operations are bound or subject, or (iii) except as provided in the Financing Order or the Authority Documents, result in the creation or imposition of any material lien, charge or encumbrance of any nature whatsoever upon any of the Authority’s or LIPA’s revenues, properties or assets.

(k) All approvals, consents and other actions by, and all filings or registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter required as a condition precedent to the performance by Authority or LIPA of its obligations under this Letter of Representations and under the Authority Documents have been obtained and are in full force and effect; provided that the Authority shall not be responsible for compliance with or the consequences of failure to comply with applicable “Blue Sky” laws.

(l) Except as may be described in the Preliminary Official Statement and Final Official Statement under the headings “Absence of Litigation – Authority and LIPA”, there is no litigation or other proceeding pending or, to the knowledge of the Authority, threatened before or by any court, agency or other administrative body (either State or Federal), nor any other event or circumstance, which, if decided adversely to the Authority or LIPA, would have a material adverse effect on the power or ability of the Authority to perform its obligations hereunder or under the Authority Documents or to consummate the transactions
to which the Authority or LIPA is or is to be a party as contemplated hereby or the Authority Documents.

(m) Within the past five years, neither the Authority nor LIPA has failed to comply, in any material respects, with any previous undertakings (as such term is used in Rule 15c2-12) in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

(n) So long as any of the Bonds are outstanding, the Authority and LIPA will furnish to the Underwriters or the Representatives, if requested by the Representatives, (i) a copy of any filings made by or on behalf of the Issuer pursuant to the Financing Order or the Securitization Law and (ii) from time to time, any information concerning the Authority as the Underwriters may reasonably request.

(o) (i) To the extent permitted by law, the Authority will indemnify and hold harmless the Issuer and each Underwriter, their respective officers, directors, trustees, members, officials, and agents of the Issuer and each Underwriter and each person, if any, who controls the Authority or any Underwriter within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act of 1934, as amended (the “Exchange Act”) (collectively, the “Indemnified Parties”), from and against any and all losses, claims, damages and liabilities (or actions in respect thereof) joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and shall reimburse the Indemnified Parties for any reasonable legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) as and when incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in or included by reference in the Authority Information in the Preliminary Official Statement and the Final Official Statement (or in each case, any amendment or supplement thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, further, that the Authority shall not be liable in any such case to the extent such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement of a material fact contained in or included by reference in the Authority Information in the Preliminary Official Statement and the Final Official Statement (or in each case, any amendment or supplement thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, further, that the Authority shall not be liable in any such case to the extent such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission if such statement or omission was made in reliance upon and in conformity with Underwriter Information as defined in the Bond Purchase Agreement. The indemnity agreement of the Authority contained in this paragraph (p) and the representations and warranties of the Authority contained in the Letter of Representations shall remain operative and in full force and effect regardless of any termination of this Bond Purchase Agreement or of any investigation made by or on behalf of any Underwriter, its officers or its directors or any such controlling person, and shall survive the delivery of the Bonds.

(ii) In case any action shall be brought against any Indemnified Party, in respect of which indemnity may be sought against the Authority, such Indemnified Party shall promptly notify the Authority in writing, but the failure to notify the Issuer of such action shall not relieve the Authority from any liability hereunder to the extent that the Authority is not materially prejudiced as a result of such failure to notify and in any event shall not relieve
the Authority from any liability which it may have to the Indemnified Party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, the Authority shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by the Authority and reasonably satisfactory to the Indemnified Party or Parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the Authority elects not to assume the defense of such action, the Authority will reimburse such Indemnified Party or Parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action (including impleaded parties) include both the Indemnified Party and the Authority and counsel for the Authority shall have reasonably concluded that there may be a conflict of interest involved in the representation by a single counsel of both the Authority and the Indemnified Party, the Indemnified Party or parties shall have the right to select separate counsel, whose reasonable fees and expenses shall be paid by the Authority, to participate in the defense of such action on behalf of such Indemnified Party or parties (it being understood, however, that the Authority shall not be liable for the fees and expenses of more than one separate counsel (in addition to local counsel) representing the Indemnified Parties who are parties to such action). The Authority shall not be liable for any settlement of any such action effected without its prior written consent, but if settled with the written consent of the Authority, or if there be a final judgment for the plaintiff in any such action, the Authority agrees to indemnify and hold harmless such Indemnified Party and any such controlling person from and against any loss or liability by reason of such settlement or judgment. The Authority shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(iii) Each Underwriter shall severally and not jointly, indemnify, defend and hold harmless the Authority, any person controlling the Issuer, the Issuer, its trustees and officers and any person controlling the Issuer, to the same extent as the indemnity from the Issuer to the Underwriters set forth in subparagraph (i), but only if such statement or omission arises out of or is based upon information about the Underwriters or the underwriting of the Bonds furnished in writing to the Issuer by such Underwriter, through the Representatives, expressly for use in connection with the preparation of the Preliminary Official Statement, the Final Official Statement or any amendment or supplement to any of them, the only such information being set forth in Schedule III to the Bond Purchase Agreement (the “Underwriter Information”). The indemnity agreement of the respective Underwriters contained in this paragraph (p) shall remain operative and in full force and effect regardless of any termination of this Bond Purchase Agreement or of any investigation made by or on behalf of the Issuer, their directors, managers or officers, any such Underwriter, or any such controlling person, and shall survive the delivery of the Bonds. If any action is brought against the Issuer, the Authority or any of their respective directors or officers or any controlling persons of any of them based on
the Official Statement and in respect of which indemnity may be sought against the Underwriters, the Underwriters shall have the rights and duties given to the Issuer, the Authority and their respective directors and officers and any controlling persons of any of them shall have the rights and duties given to the Indemnified Parties by subparagraph (ii).

(iv) If the indemnification provided for in this paragraph (p) is unavailable to or insufficient to hold harmless an Indemnified Party under subparagraphs (i), (ii) or (iii) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and the Authority on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (b), then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer and the Authority on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer and the Authority on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer and the Authority bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and the Authority on the one hand or the Underwriters on the other and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The relative benefits received by the Issuer and the Authority (by its execution of the Letter of Representations) and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subparagraph (iv) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subparagraph (iv). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subparagraph (iv) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subparagraph (iv), no Underwriter shall be required to contribute any amount in excess of the amount equal to the excess of (x) the total underwriting fees, discounts and commissions received by it over (y) the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this paragraph (p) are several and not joint and shall be in the same proportion as such Underwriter’s obligation to underwrite the Bonds is to the total number of Bonds set forth in Schedule II to the Bond Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.
(p) To the extent any of the foregoing representations relates to an agreement, certificate or other document which has not been executed and delivered as of the date of this Letter of Representations, such representations shall be deemed made as of the date of such execution and delivery.

(q) The Authority acknowledges and agrees that in connection with the execution by the Underwriters and the Issuer of the Bond Purchase Agreement, the offering of the Bonds and the process leading thereto (i) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Authority, (ii) the Underwriters have not assumed a fiduciary responsibility in favor of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising the Authority on other matters) or any other obligation to the Authority except the obligations expressly set forth in the Bond Purchase Agreement and (iii) the Authority has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.
LONG ISLAND POWER AUTHORITY

By:
Title:

LONG ISLAND LIGHTING COMPANY
D/B/A LIPA

By:
Title:

Acknowledged and agreed to:
GOLDMAN, SACHS & CO.

MORGAN STANLEY & CO. LLC

By:
Title:
Before you invest, you should read the Official Statement. Any underwriter or any dealer participating in the offering will arrange to send you the Official Statement if you request it by calling toll free at ________________.

**PRICING TERM SHEET**

$[PAR]
UTILITY DEBT SECURITIZATION AUTHORITY
RESTRUCTURING BONDS
SERIES 2013T (FEDERALLY TAXABLE)
SERIES 2013 TE (FEDERALLY TAX EXEMPT)

**Syndicate:**

Joint Bookrunners: Goldman, Sachs & Co. and Morgan Stanley & Co. LLC

Required Ratings:* (Moody’s/S&P/Fitch) Aaa (sf)/AAA (sf)/AAA sf

Scheduled Closing Date / Settlement Date: December __, 2013

Interest Payment Dates: June 15 and December 15, commencing [December 15, 2014]**

### $[2013T PAR]
UTILITY DEBT SECURITIZATION AUTHORITY
RESTRUCTURING BONDS
SERIES 2013T (FEDERALLY TAXABLE)

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<th>Tranche</th>
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<th>Expected Weighted Average Life (years)</th>
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<th>Final Maturity Date***</th>
<th>No. of Semi-Annual Principal Payments</th>
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<th>Public Offering Price</th>
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*A securities rating is not a recommendation to buy, sell, or hold the Bonds and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

**If such date is not a Business Day, the next Business Day without additional interest.

***CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to the correctness of the CUSIP numbers on the Bonds or as indicated above.
## Utility Debt Securitization Authority

**Restructuring Bonds Series 2013TE (Federally Tax Exempt)**

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**Redemption Provisions:**

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***Subject to sinking fund installments as set forth herein.
EXPECTED SINKING FUND SCHEDULE*
SCHEDULE II

Representatives:

Goldman, Sachs & Co.
200 West Street
New York, New York 10282

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

Underwriters:

Joint Bookrunners: Goldman, Sachs & Co. and Morgan Stanley & Co. LLC.


Time and Place of Closing:

December __, 2013, ____ a.m. eastern time at the New York, New York offices of ________________.

Principal Amount of Bonds to be Purchased:

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<th>Underwriter</th>
<th>Principal Amount</th>
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<td>BMO Capital Markets Corp.</td>
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<td>TD Securities (USA) LLC</td>
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SCHEDULE III

DESCRIPTIVE LIST OF UNDERWRITER PROVIDED INFORMATION

A: Preliminary Official Statement

[TBD]

B. Final Official Statement

[TBD]