A RESOLUTION OF THE UTILITY DEBT SECURITIZATION AUTHORITY PROVIDING FOR THE AMENDMENT OF THE AUTHORITY’S BY-LAWS

WHEREAS, by resolution adopted November 14, 2013, the Trustees of the Utility Debt Securitization Authority (the “Authority”) have previously adopted By-Laws (the “By-Laws”) of the Authority; and

WHEREAS, the Trustees have determined that it would be advisable to include provisions in the By-Laws relating to the operations of the Authority intended to preserve the separateness of the Authority from the businesses of both the Long Island Power Authority and its wholly owned subsidiary, Long Island Lighting Company d/b/a LIPA, or any other entity;

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

1. **Suspension of Section 7.1 of By-Laws.** Pursuant to Section 8.1 of the By-Laws, by unanimous consent of the Trustees, the requirement under Section 7.1 of the By-Laws of two days advance notice of intention to amend the By-Laws as herein provided is hereby waived.

2. **Amendment of By-Laws.** The By-Laws are hereby amended to add a new Article XI thereto in the form attached hereto as Exhibit A. The Secretary is hereby directed to revise the Table of Contents of the By-Laws to reflect the inclusion of such Article XI. As so amended, the By-Laws are hereby ratified and confirmed.

3. **Effective Date.** This Resolution shall take effect immediately upon its adoption by the Trustees.
ARTICLE XI - SEPARATENESS OF AUTHORITY

Section 11.1 Separate Operation. The Authority shall be operated in such a manner as the Trustees deem reasonable, necessary and appropriate to preserve the separateness of the Authority from the businesses of both the Long Island Power Authority and its wholly owned subsidiary, Long Island Lighting Company d/b/a LIPA (“LIPA”), or any other entity whatsoever.

Section 11.2 Specific Obligations. In furtherance of the obligation set forth in Section 11.1 above, the Trustees shall require the Authority to, and the Authority shall:

a. maintain correct, complete and separate books, records and books of account from those of Long Island Power Authority and LIPA, or any other entity whatsoever.

b. except as permitted by the documents executed in connection with the transaction contemplated by the Act, including those documents associated with the purchase of restructuring property (as defined in the Act) from Long Island Power Authority and the sale of bonds to finance that acquisition and for so long as those bonds are outstanding:

i. cause the funds and other assets of the Authority to be maintained so that they are identifiable, readily distinguishable and not commingled with those of the Long Island Power Authority or LIPA, or any other entity whatsoever.

ii. cause the bank accounts and funds of the Authority to be maintained in the Authority’s name and maintained separately from those bank accounts and funds of the Long Island Power Authority or LIPA, or any other entity whatsoever;

iii. conduct its business solely in its own name so as not to mislead others as to its identity and do so through its duly authorized officers or agents in the conduct of its business. Without limiting the generality of the foregoing, all oral and written communications, including, without limitation, letters, invoices, purchase orders, contracts, statements and applications, shall be made solely in the name of the Authority insofar as such documents are specifically related to the business of the Authority, and the Authority shall have separate stationery and other business forms;

iv. not refer to itself as a division or a department of the Long Island Power Authority or of LIPA, or of any other entity whatsoever;
v. not guarantee any obligations of the Long Island Power Authority, or LIPA, or any other entity whatsoever;

vi. not pledge its assets for the benefit of any other entity or make loans or advances to any entity;

vii. not hold itself out as having agreed to pay or become liable for the debts of the Long Island Power Authority, or LIPA, or any other entity whatsoever;

viii. not operate or purport to operate as an integrated, single economic unit with respect to the Long Island Power Authority, LIPA, or any other entity whatsoever, in such a way that would cause any such entity’s creditors not to rely on their separate identities in extending credit and entering into business transactions or that its business, assets and financial affairs would be inextricably intertwined with those of the Authority;

ix. not seek or obtain credit or incur any obligation to any third party based upon the assets of the Long Island Power Authority, LIPA, or any other entity whatsoever;

x. induce any such third party to reasonably rely on the creditworthiness of the Long Island Power Authority, LIPA, or any other entity whatsoever extending credit to the Authority;

xi. not fail to correct any known misrepresentation with respect to any of the foregoing;

xii. pay its own liabilities out of its own funds;

xiii. observe all of the organizational formalities required by the Act or by these By-Laws;

xiv. maintain an arm’s length relationship with any affiliate;

xv. pay the salaries of its own employees, if any, and maintain a sufficient number of employees, if any, in light of its contemplated operations;

xvi. allocate fairly and reasonably any overhead for shared office space;

xvii. use separate stationery, invoices, and checks;

xviii. maintain separate financial statements from those of the Long Island Power Authority, or LIPA, or any other entity whatsoever;
xix. file its own tax returns as may be required under applicable tax law, if any, settle any tax controversies with the appropriate taxing authorities, make any elections required or allowed under such applicable tax law, and to pay any taxes so required to be paid under applicable law; and

xx. not amend this Article of the By-Laws unless and until (1) the Bonds have been paid in full or (2) the Authority shall have received an opinion of counsel to the effect that this Article, as so amended, complies with the Act.