
**UTILITY DEBT SECURITIZATION AUTHORITY,
as Bond Issuer**

AND

**LONG ISLAND LIGHTING COMPANY d/b/a LIPA,
as Servicer**

AMENDMENT

Dated April 14, 2016

to

RESTRUCTURING PROPERTY SERVICING AGREEMENT

Dated as of December 18, 2013

THIS AMENDMENT, dated April 14, 2016 (the “Amendment”), to the RESTRUCTURING PROPERTY SERVICING AGREEMENT, dated as of December 18, 2013 by and between UTILITY DEBT SECURITIZATION AUTHORITY (the “Bond Issuer”), a body corporate and politic, constituting a public benefit corporation, and LONG ISLAND LIGHTING COMPANY, d/b/a LIPA, a corporation duly organized and existing and qualified to do business under the laws of the State of New York (the “Servicer”),

WITNESSETH THAT:

WHEREAS, the Bond Issuer and the Servicer have heretofore entered into a Restructuring Property Servicing Agreement, dated as of December 18, 2013 (the “Existing Servicing Agreement”); and

WHEREAS, pursuant to Section 7.01 of the Existing Servicing Agreement, an amendment to the Existing Servicing Agreement may be entered into by the Bond Issuer and the Servicer which Amendment and shall take effect upon receipt of the consent of the Bond Trustee (as defined in the Existing Servicing Agreement), the consent of, or failure to object by, the Long Island Power Authority (the “Authority”) and the satisfaction of the Rating Agency Condition (as defined in the Existing Servicing Agreement); and

WHEREAS, all acts, conditions and things necessary or required by the Constitution and statutes of the State of New York, or otherwise, to exist, happen, and be performed as prerequisites to the execution and delivery of this Amendment, do exist, have happened, and have been performed; and

WHEREAS, all consents and notices required to be obtained and given as conditions to the execution of this Amendment pursuant to the Existing Servicing Agreement and all other documents relating to the Bonds (as defined in the Existing Servicing Agreement) have been obtained and given.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Bond Issuer agrees with the Servicer, with the written consent of the Trustee, as follows:

ARTICLE I

AUTHORIZATION; DEFINITIONS

SECTION 1.01. Amendment. This Amendment amends the Existing Servicing Agreement, and is entered into in accordance with Section 7.01 of the Existing Servicing Agreement; and except as modified, amended and supplemented by this Amendment, the provisions of the Existing Servicing Agreement are in all respects ratified and confirmed and shall remain in full force and effect.

SECTION 1.02. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning given to such terms in the Existing Servicing Agreement.

ARTICLE II

AMENDMENT TO THE EXISTING SERVICING AGREEMENT

SECTION 2.01. Amendment to Section 5 of Annex 1 to the Existing Servicing Agreement. Section 5 of Annex 1 to the Existing Servicing Agreement is hereby amended in its entirety to read as follows:

SECTION 5. True-Up Adjustments.

(a) The Servicer will make adjustments to the Charge at least annually, beginning November 15, 2016 and continuing until the last Scheduled Maturity Date of the Bonds (or any series of Bonds). The Annual True-up (defined below) will be performed on a mandatory basis; the Mid-year Review (defined below) will also be performed on a mandatory basis and the Mandatory Mid-year True-up (defined below) will only be required to be performed if the Servicer projects under collections to be experienced up to the end of the next succeeding Mid-year Calculation Period (as defined below), provided that the Servicer may elect to perform a Voluntary Mid-year True-up (defined below) in any year as provided below. For each Annual True-up, Mandatory Mid-year True-up or Voluntary True-up adjustment (each a “True-Up Adjustment”), the Servicer will file with the Securitization Authority a notice of adjustment to the Charge approximately 30 days prior to the effective date of such adjustment.

(b) Annually, the Servicer will file a notice of adjustment (the “Annual True-up”) (i) to correct for any over-collections or under-collections to date and anticipated to be experienced to the end of the then current Annual Calculation Period, as defined below (the next succeeding December 15), and (ii) to ensure that the expected collections of the Charge during the period commencing on each November 15 and ending on the following November 14 are adequate to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule and to make timely payment on all other Ongoing Financing Costs due during the period beginning on the next December 16 and ending on the following December 15 (each such period, an “Annual Calculation Period”). Before April 15, 2016 and each April 15 thereafter, the Servicer will perform a mid-year review (each a “Mid-year Review”) to ensure that the expected collections of the Charge are adequate to pay timely principal and interest on the Bonds when due and to make timely payment on all other Ongoing Financing Costs to the end of the then current Annual Calculation Period. If the Mid-year Review results in a projection that the Charge Collections will be

insufficient to make such payments, the Servicer must file a notice of adjustment (the “Mandatory Mid-Year True-Up Adjustment”) to ensure that Charge during the period beginning on May 15 and ending on the following May 14 is adequate to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule and to make timely payment on all other Ongoing Financing Costs due during the period beginning on the next June 16 and ending on the following June 15 (each such period a “Mid-year Calculation Period”) . If it is determined that a Mandatory Mid-year True-up is not required, the Servicer may nevertheless voluntarily elect to file a notice of adjustment (i) to correct for any over-collections to date and anticipated to be experienced up to the end of the then current Mid-year Calculation Period and (ii) to ensure that the Charge during the period beginning on May 15 and ending on the following May 14 is adequate to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule and to make timely payment on all other Ongoing Financing Costs due during the next Mid-year Calculation Period (a “Voluntary Mid-year True-up”). Any such notice of adjustment for a Mandatory Mid-year True-up or a Voluntary Mid-year True-up shall be filed no later than April 15 of such year, any such adjustment to become effective on May 15 of such year. Additionally, the Servicer may, and to the extent required by the next sentence, shall, file at any time an additional optional notice of adjustment to ensure that the expected collections of the Charge are adequate to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule and to make timely payment on all other Ongoing Financing Costs (an “Optional True-up”). In addition, in the event LIPA sells no energy to non-governmental Customers during any calendar month ending prior to April 1, 2017, the Servicer shall file a notice of adjustment no later than the last day of the month immediately following such calendar month to ensure the expected collections of the Charge are adequate to pay timely principal and interest on the Bonds due on or prior to June 15, 2017 pursuant to the Expected Amortization Schedule and to make timely payment on all other Ongoing Financing Costs that are due on or prior to June 15, 2017.

(c) Following the last Scheduled Maturity Date of the Bonds (or any series of Bonds), if any such Bonds remain outstanding after such Scheduled Maturity Date, the Servicer will file quarterly notices of adjustments to the Charge to ensure that the Charge Collections will be sufficient to pay timely interest and principal in full on the Bonds (or any series of Bonds) that remain outstanding after such Scheduled Maturity Date and to make

timely payment on all other Ongoing Financing Costs on the next payment date.

(d) All adjustments will be designed to cause (i) the outstanding principal balance of the Bonds (or any series of Bonds) to be equal to the scheduled balance (based on the Expected Amortization Schedule) with respect to such Bonds (or any series of Bonds); (ii) the amount in the Reserve Subaccount to be equal to the Required Reserve Level; (iii) with respect to the Annual True-up only, any amount in the Excess Funds Subaccount to be targeted to be zero by the Payment Date immediately preceding the effective date of the next Annual True-up or by the Final Maturity Date on the Bonds, if the next Payment Date is the Final Maturity Date of all of the Bonds (or any series of Bonds); and (iv) with respect to a Voluntary Mid-year True-up only, any amount in the Excess Funds Subaccount to be targeted to be zero by the Payment Date immediately following the effective date of the next Mid-year Review or by the Final Maturity Date on the Bonds, if the next Payment Date is the Final Maturity Date of all of the Bonds (or any series of Bonds).

(e) For the period prior to the last Scheduled Maturity Date of the Bonds (or any series of Bonds), the Servicer will calculate the adjustments for the Annual True-up to be effective as of each November 15 in the following manner:

(1) Calculate under-collections or over-collections of Charge Collections from all prior Collection Periods on a cumulative basis by subtracting (a) the sum of (i) principal and interest paid and scheduled to be paid on the Bonds through the end of the current Annual Calculation Period and (ii) all Ongoing Financing Costs paid and expected to be payable through the end of the current Annual Calculation Period from (b) the Charge Collections to date and amounts released from the Reserve Subaccount that are in excess of the Required Debt Service Reserve Level as well as all Charge Collections projected to be received prior to the end of the current Annual Calculation Period.

(2) Calculate the amount of Charges that must be billed through November 14 of the next succeeding calendar year such that the Charges are sufficient (a) to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule during the Annual Calculation Period ending on December 15 of the next succeeding calendar year, and (b) to make timely

payment on all other Ongoing Financing Costs, given (i) projected energy consumption, (ii) projected uncollectibles, and (iii) projected lags in collection of billed Charges through at least the end of such next succeeding Annual Calculation Period.

(3) Sum amounts in steps (1) and (2) above.

(4) Divide the resulting amount in step (3) above by the forecasted energy billing units for the twelve month period ending on such November 14 of the next succeeding calendar year to determine the Charge to be in effect until the effective date of the next True-up Adjustment.

(f) For the period prior to the last Scheduled Maturity Date of the Bonds (or any series of Bonds), the Servicer will perform the Mid-year Review before April 15 following the effective date of each Annual True-up, calculated in the following manner:

(1) Determine the Charge Collections from the applicable Annual Calculation Period, taking into account actual collections and collections projected to be received prior to the end of the current Annual Calculation Period.

(2) Calculate the amount of Charges that must be billed prior to the effective date of the next Annual True-up such that the Charges are sufficient (a) to pay timely principal and interest on the Bonds when due during the current Annual Calculation Period pursuant to the Expected Amortization Schedule and (b) to make timely payment on all other Ongoing Financing Costs during such Annual Calculation Period, given (i) projected energy consumption, (ii) projected uncollectibles, and (iii) projected lags in collection of billed Charges through at least the end of such Annual Calculation Period.

(3) If the amount resulting from the calculation in step (2) is greater than step (1), the Servicer will institute a Mandatory Mid-year True-up in the manner described below.

(g) For the period prior to the last Scheduled Maturity Date of the Bonds (or any series of Bonds), the Servicer will calculate the adjustments for the Mandatory Mid-year True-up in the following manner:

(1) Calculate the amount of Charges that must be billed prior to May 15 of the next succeeding calendar year such that the Charges are sufficient (a) to pay timely principal and interest on the Bonds when due pursuant to the Expected Amortization Schedule during the Mid-year Calculation Period ending on June 15 of the next succeeding calendar year and (b) to make timely payment on all other Ongoing Financing Costs during such Mid-year Calculation Period, given (i) projected energy consumption, (ii) projected uncollectibles, and (iii) projected lags in collection of billed Charges through at least end of such Mid-year Calculation Period.

(2) Divide the amount in step (1) above by the forecasted energy billing units to determine the Charge to be in effect until May 15 of the next succeeding calendar year.

(h) For the period prior to the last Scheduled Maturity Date of the Bonds (or any series of Bonds) if the Servicer elects to implement a Voluntary Mid-year True-up, the Servicer shall calculate the adjustments for the Voluntary Mid-year True-up in the same manner described in clause (e) above with respect to an Annual True-up provided that references in such clause (e) to an Annual Calculation Period shall be deemed to refer to a Mid-year Calculation Period and references in clause (e)(4) to the effective date of the next True-up Adjustment shall be deemed to refer to May 15 of the next succeeding calendar year.

(i) Each Adjustment Notice shall include a description of the adjustment calculation, the mathematical formulas used for such calculations and the amounts of each variable used in such formulas.

(j) If necessary to provide for timely payment of scheduled principal of and interest on the Bonds and the payment and recovery of other Ongoing Financing Costs, the Servicer shall prepare and file an Adjustment Notice with the Authority for each Optional True-up. Such filings shall be made at least 30 days prior to the proposed effective date of the proposed adjustments.

(k) Notices.

(1) Notices to the Bond Issuer, Bond Trustee and Rating Agencies. Whenever the Servicer files an Adjustment Notice with the Authority, the Servicer shall send a copy of such filing to the Bond Issuer, the Bond Trustee, the Administrator, the

Allocation Agent and the Rating Agencies concurrently therewith, post a copy of such filing on the 17g-5 Website and within thirty (30) days of such filing, to the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board. If any True-Up Adjustment described in any such Adjustment Notice filing does not become effective on the applicable date for any reason, the Servicer shall notify the Bond Issuer, the Allocation Agent, the Bond Trustee and the Rating Agencies by the end of the second Business Day after such applicable date.

(2) Notices to Customers.

(A) After each revised Charge has gone into effect pursuant to a True-Up Adjustment, the Servicer shall, to the extent and in the manner and time frame required by applicable Authority Regulations, if any, cause to be prepared and delivered to customers any required notices announcing such revised Charges.

(B) The Servicer shall comply with the requirements of the LIPA Reform Act and the Financing Order with respect to the identification of the Charges on Bills. In addition, at least once each year, the Servicer shall (to the extent that it does not separately identify the Charges as being owned by the Bond Issuer in the Bills regularly sent to Customers) cause to be prepared and delivered to such Customers a notice stating, in effect, that the Restructuring Property and the Charges are owned solely by the Bond Issuer and not the Servicer. Such notice shall be included either as an insert to or in the text of the Bills delivered to such Customers or shall be delivered to Customers by electronic means or such other means as the Servicer may from time to time use to communicate with its own Customers.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Law and Place of Enforcement. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws provisions thereof; and all suits and actions arising out of this Amendment shall be instituted in a court of competent jurisdiction in the State of New York.

SECTION 3.02. Effective Date; Counterparts. The Authority has advised the Servicer and the Bond Issuer that it does not object to this Amendment to the Existing Servicing Agreement and has consented to the execution and delivery of this Amendment. In accordance with Section 7.01 of the Existing Servicing Agreement, this Amendment shall take effect upon receipt of the consent of the Bond Trustee hereto and the satisfaction of the Rating Agency Condition which shall be evidenced by delivery of a certificate of an Authorized Representative of the Authority that such Rating Agency Condition has been satisfied. This Amendment may be simultaneously executed in counterparts. Each such counterpart so executed shall be deemed to be an original, and all together shall constitute but one and the same instrument.

[Signature Page of Amendment Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

UTILITY DEBT SECURITIZATION
AUTHORITY

By: /s/ Thomas Falcone
Name: Thomas Falcone
Title: Chief Executive Officer

LONG ISLAND LIGHTING COMPANY
d/b/a LIPA

By: /s/ Thomas Falcone
Name: Thomas Falcone
Title: Chief Executive Officer

CONSENT OF
THE BANK OF NEW YORK MELLON, AS TRUSTEE

The Bank of New York Mellon, as Trustee (the “Trustee”) pursuant to the Bond Indenture, dated as of December 18, 2013, between Utility Debt Securitization Authority (the “Bond Issuer”) and the Trustee, relating to the Bond Issuer’s Restructuring Bonds, Series 2013, hereby consents to the terms and provisions of the Amendment, dated as of April 14, 2016, between the Bond Issuer and Long Island Lighting Company d/b/a LIPA, as the Servicer, to the Restructuring Property Servicing Agreement dated as of December 18, 2013.

THE BANK OF NEW YORK MELLON,
as Trustee

By: /s/ Joseph M. Lawlor
Name: Joseph M. Lawlor
Title: Vice President

Dated: April 14, 2016