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REIMBURSEMENT AGREEMENT

between

LONG ISLAND POWER AUTHORITY

and

BARCLAYS BANK PLC

dated as of August 1, 2023

Relating to:

\$128,000,000

Long Island Power Authority

Electric System General Revenue Bonds, Series 2023D

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**Contract No. C-001030**

## TABLE OF CONTENTS

### Page

#### ARTICLE I

##### DEFINITIONS

|              |                        |    |
|--------------|------------------------|----|
| Section 1.1. | Definitions.....       | 2  |
| Section 1.2. | Accounting Terms ..... | 14 |
| Section 1.3. | Terminology .....      | 14 |

#### ARTICLE II

##### LETTER OF CREDIT; FEES

|               |                                                                    |    |
|---------------|--------------------------------------------------------------------|----|
| Section 2.1.  | Amount and Terms of Letter of Credit.....                          | 15 |
| Section 2.2.  | Reimbursement for Drawings upon Letter of Credit .....             | 15 |
| Section 2.3.  | Fees .....                                                         | 17 |
| Section 2.4.  | Expenses .....                                                     | 17 |
| Section 2.5.  | Manner and Time of Payment.....                                    | 17 |
| Section 2.6.  | Application of Funds.....                                          | 18 |
| Section 2.7.  | Substitute Letter of Credit.....                                   | 18 |
| Section 2.8.  | Interest.....                                                      | 18 |
| Section 2.9.  | Payment Due on Non-Business Day to Be Made on Next Business Day .. | 19 |
| Section 2.10. | Late Payments .....                                                | 20 |
| Section 2.11. | Source of Funds .....                                              | 20 |
| Section 2.12. | Letter of Credit Conclusive.....                                   | 20 |
| Section 2.13. | Increased Costs .....                                              | 20 |
| Section 2.14. | Bank Bonds.....                                                    | 22 |
| Section 2.15. | Absolute Obligations .....                                         | 23 |
| Section 2.16. | [Reserved] .....                                                   | 23 |
| Section 2.17. | [Reserved] .....                                                   | 23 |
| Section 2.18. | Failure to Extend.....                                             | 23 |
| Section 2.19. | Term and Termination of Reimbursement Agreement.....               | 23 |

#### ARTICLE III

##### CONDITIONS PRECEDENT

|              |                                           |    |
|--------------|-------------------------------------------|----|
| Section 3.1. | Closing Documents .....                   | 24 |
| Section 3.2. | Representations Correct; No Default ..... | 25 |

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

|              |                                                |    |
|--------------|------------------------------------------------|----|
| Section 4.1. | Organization.....                              | 26 |
| Section 4.2. | Authorization, Conflicts, Binding Effect ..... | 26 |
| Section 4.3. | Litigation; Adverse Facts .....                | 26 |
| Section 4.4. | Title to Properties; Liens.....                | 27 |

|               |                                                       |    |
|---------------|-------------------------------------------------------|----|
| Section 4.5.  | Disclosure .....                                      | 27 |
| Section 4.6.  | Payment of Taxes .....                                | 27 |
| Section 4.7.  | Disclosure Materials .....                            | 27 |
| Section 4.8.  | Authority Documents; Subsidiary Documents .....       | 27 |
| Section 4.9.  | Reaffirmation of Representations and Warranties ..... | 27 |
| Section 4.10. | Regulatory Compliance .....                           | 28 |
| Section 4.11. | Registration, Consent and Approval .....              | 28 |
| Section 4.12. | Liens.....                                            | 28 |
| Section 4.13. | Sovereign Immunity.....                               | 28 |
| Section 4.14. | No Default.....                                       | 28 |
| Section 4.15. | ERISA.....                                            | 28 |
| Section 4.16. | Enforceability.....                                   | 29 |
| Section 4.17. | No Default under Other Agreements .....               | 29 |
| Section 4.18. | Status under Certain Laws .....                       | 29 |
| Section 4.19. | Environmental Law.....                                | 29 |
| Section 4.20. | General Resolution.....                               | 30 |
| Section 4.21. | Interest.....                                         | 30 |
| Section 4.22. | Financial Information.....                            | 30 |

## ARTICLE V

### AFFIRMATIVE COVENANTS OF THE AUTHORITY

|               |                                             |    |
|---------------|---------------------------------------------|----|
| Section 5.1.  | Maintenance of Existence, Etc.....          | 31 |
| Section 5.2.  | Access and Reporting .....                  | 31 |
| Section 5.3.  | Further Assurances.....                     | 33 |
| Section 5.4.  | Application of Proceeds.....                | 33 |
| Section 5.5.  | Compliance with Legal Requirements.....     | 34 |
| Section 5.6.  | Payment of Debt .....                       | 34 |
| Section 5.7.  | Authority Documents.....                    | 34 |
| Section 5.8.  | Rate Covenant.....                          | 34 |
| Section 5.9.  | Creation of Debt and Liens .....            | 34 |
| Section 5.10. | Maintenance of Insurance .....              | 35 |
| Section 5.11. | ERISA.....                                  | 35 |
| Section 5.12. | Compliance with Laws, Etc .....             | 36 |
| Section 5.13. | Taxes .....                                 | 36 |
| Section 5.14. | Maintenance of Rate Stabilization Fund..... | 38 |
| Section 5.15. | Covenants of Subsidiary .....               | 38 |
| Section 5.16. | Sovereign Immunity.....                     | 38 |
| Section 5.17. | Environmental Covenant .....                | 38 |
| Section 5.18. | Investment of Funds.....                    | 39 |
| Section 5.19. | Ratings .....                               | 39 |
| Section 5.20. | PILOT .....                                 | 39 |
| Section 5.21. | Credit Facilities .....                     | 39 |
| Section 5.22. | Remarketing Agent .....                     | 40 |
| Section 5.23. | Licenses and Permits.....                   | 40 |
| Section 5.24. | Maintenance of Ratings .....                | 40 |

|               |                    |    |
|---------------|--------------------|----|
| Section 5.25. | Tender Agent ..... | 40 |
|---------------|--------------------|----|

## ARTICLE VI

### NEGATIVE COVENANTS OF THE AUTHORITY

|              |                                              |    |
|--------------|----------------------------------------------|----|
| Section 6.1. | Negative Covenants .....                     | 40 |
| Section 6.2. | Acquisitions .....                           | 43 |
| Section 6.3. | Substitute Credit Facility .....             | 43 |
| Section 6.4. | Mergers, Consolidations and Sales .....      | 43 |
| Section 6.5. | Transactions with Affiliates .....           | 44 |
| Section 6.6. | Tax Covenant .....                           | 44 |
| Section 6.7. | No Debt to Be Issued by LIPA Subsidiary..... | 44 |
| Section 6.8. | No Disposition of LIPA Subsidiary .....      | 45 |
| Section 6.9. | Offering Documents.....                      | 45 |

## ARTICLE VII

### DEFAULT; EVENTS OF DEFAULT AND REMEDIES

|              |                           |    |
|--------------|---------------------------|----|
| Section 7.1. | Events of Default .....   | 45 |
| Section 7.2. | Remedies.....             | 48 |
| Section 7.3. | Set Off .....             | 49 |
| Section 7.4. | Remedies Cumulative ..... | 50 |

## ARTICLE VIII

### MISCELLANEOUS

|               |                                                 |    |
|---------------|-------------------------------------------------|----|
| Section 8.1.  | Notices .....                                   | 50 |
| Section 8.2.  | Amendments, Waivers, Etc.....                   | 51 |
| Section 8.3.  | Indemnification .....                           | 52 |
| Section 8.4.  | Liability of the Bank .....                     | 52 |
| Section 8.5.  | Successors and Assigns.....                     | 53 |
| Section 8.6.  | Governing Law .....                             | 53 |
| Section 8.7.  | Survival of Warranties .....                    | 53 |
| Section 8.8.  | Severability .....                              | 53 |
| Section 8.9.  | Counterparts; Electronic Signatures .....       | 54 |
| Section 8.10. | Time of Essence .....                           | 55 |
| Section 8.11. | Headings .....                                  | 55 |
| Section 8.12. | Independence of Covenants .....                 | 55 |
| Section 8.13. | Current Rating.....                             | 55 |
| Section 8.14. | Entire Agreement .....                          | 55 |
| Section 8.15. | No Personal Liability .....                     | 55 |
| Section 8.16. | Usury .....                                     | 56 |
| Section 8.17. | Participations.....                             | 56 |
| Section 8.18. | Discretion of Bank as to Manner of Funding..... | 56 |
| Section 8.19. | No Waiver, Remedies.....                        | 57 |
| Section 8.20. | Comptroller's Approval; Standard Clauses .....  | 57 |

|               |                                                              |    |
|---------------|--------------------------------------------------------------|----|
| Section 8.21. | USA PATRIOT Act .....                                        | 57 |
| Section 8.22. | Anti-Money Laundering; OFAC; PATRIOT Act .....               | 57 |
| Section 8.23. | Assignment to Federal Reserve Bank .....                     | 58 |
| Section 8.24. | Waiver of Jury Trial; Consent to Jurisdiction and Venue..... | 58 |
| Section 8.25. | Redaction .....                                              | 59 |
| Section 8.26. | No Fiduciary Relationship .....                              | 59 |
| Section 8.27. | Arm's Length Transaction.....                                | 59 |
| Section 8.28. | Bail-In Action Acknowledgment .....                          | 59 |

|           |                                                                   |
|-----------|-------------------------------------------------------------------|
| Exhibit A | — Form of Letter of Credit                                        |
| Exhibit B | — Form of Certificate of Authority                                |
| Exhibit C | — Form of Certificate of LIPA Subsidiary                          |
| Exhibit D | — Form of Opinion of Bond Counsel                                 |
| Exhibit E | — Form of Opinion of Counsel to the Authority and LIPA Subsidiary |
| Exhibit F | — Form of Notice of Termination                                   |

|            |                    |
|------------|--------------------|
| Appendix A | — Standard Clauses |
|------------|--------------------|

|           |
|-----------|
| Fee Annex |
|-----------|

## **REIMBURSEMENT AGREEMENT**

This REIMBURSEMENT AGREEMENT dated as of August 1, 2023, is between LONG ISLAND POWER AUTHORITY, a corporate municipal instrumentality of the State of New York (the “Authority”), and BARCLAYS BANK PLC (together with its successors and assigns, the “Bank”).

### **WITNESSETH:**

WHEREAS, the Authority has authorized the issuance from time to time of its Electric System General Revenue Bonds designated as the Electric System General Revenue Bonds, Series 2023D (the “Series 2023D Bonds”), in the aggregate principal amount of \$128,000,000 (i) for the payment of certain costs of system improvements and (ii) to pay costs relating to the issuance of the Series 2023D Bonds;

WHEREAS, the Series 2023D Bonds are being issued pursuant to the Long Island Power Authority Act, being Title 1-A of Article 5 (§1020 et. seq.) of the Public Authorities Law of the State of New York, as amended (the “Act”), the General Resolution (as hereinafter defined), and a Certificate of Determination, dated the Closing Date (the “Certificate of Determination”);

WHEREAS, in order to support the payment of the principal of, the Purchase Price of, the Redemption Price (but not including premium, if any) of, and interest on the Series 2023D Bonds as the same shall become due and payable pursuant to the provisions of the Resolution (as hereinafter defined), the Authority has requested that the Bank issue in favor of the Tender Agent (as hereinafter defined), for the account of the Authority and for the benefit of the holders from time to time of the Series 2023D Bonds, an irrevocable transferable letter of credit, substantially in the form attached hereto as Exhibit A (the “Letter of Credit”) in the initial stated amount of \$130,062,028;

WHEREAS, the Series 2023D Bonds are being issued for the purpose of refunding a portion of the Authority’s currently outstanding Electric System General Revenue Bonds, Series 2014C and all of the Authority’s currently outstanding Electric System General Revenue Bonds, Series 2015C (collectively, the “Refunded Bonds”);

WHEREAS, in order to induce the Bank to issue the Letter of Credit, the Authority has agreed to reimburse the Bank for all amounts advanced by it under the Letter of Credit and to pay interest on such amounts as well as certain costs, fees and expenses, all as provided herein;

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants contained herein, and in order to induce the Bank to issue the Letter of Credit, the parties agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** For purposes of this Reimbursement Agreement, capitalized terms used herein which are not defined herein have the meanings set forth in the General Resolution. In addition, the following terms have the following meanings:

“Act” has the meaning set forth in the recitals hereto.

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

“Alternate Credit Facility” means a letter of credit or similar obligation, arrangement, or instrument issued or provided by a bank, insurance company, or other financial institution that provides (to the extent and subject to the terms and conditions set forth therein) credit enhancement for payment of principal of and interest on the Series 2023D Bonds when the same become due and payable during the term thereof and is issued in substitution for the Letter of Credit in accordance with, and pursuant to, Section 6.3 hereof, as the same may be amended or supplemented from time to time.

“Alternate Liquidity Facility” means a letter of credit or similar obligation, arrangement, or instrument issued or provided by a bank, insurance company, or other financial institution that provides (to the extent and subject to the terms and conditions set forth therein) liquidity support for payment of principal of and interest on the Series 2023D Bonds when the same become due and payable during the term thereof and is issued in substitution for the Letter of Credit in accordance with, and pursuant to, Section 6.3 hereof, as the same may be amended or supplemented from time to time.

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

“Authority Documents” means (a) the General Resolution, (b) the Supplemental Resolution, (c) the Certificate of Determination, (d) the Tender Agency Agreement, (e) the Series 2023D Bonds, (f) this Reimbursement Agreement, (g) each of the Bank Documents to the extent the Authority is a party thereto, (h) the Financing Agreement; (i) the Remarketing Agreement, and (j) any other instrument or document to which the Authority is a party relating to the transactions, contemplated by any of the foregoing documents.

“Authorized Representative” means in the case of both the Authority and the LIPA Subsidiary, their respective Chairman, Chief Executive Officer, Chief Financial Officer, Controller or Chief Operating Officer, or such other person or persons so designated by resolution of the Authority or the LIPA Subsidiary, as the case may be.

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

Liquidity Advances or Term Loans made hereunder or Debt that would otherwise be classified hereunder as “Put Debt.”

“Bank” has the meaning set forth in the introductory paragraph hereof.

“Bank Agreement” has the meaning set forth in Section 5.21 hereof.

“Bank Bonds” means those Series 2023D Bonds which have been tendered and not remarketed and purchased by the Bank as provided in Article A IV of Appendix A to the Certificate of Determination with proceeds of a Liquidity Drawing under the Letter of Credit until such Series 2023D Bonds are remarketed by the Remarketing Agent.

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

“Bank Rate” means the rate of interest per annum with respect to any Liquidity Advance: (i) for any day commencing on and including the date the Liquidity Advance is made up to and including the ninetieth (90<sup>th</sup>) day next succeeding the date such Liquidity Advance is made, equal to the Base Rate from time to time in effect; (ii) for any day commencing on and including the ninety-first (91<sup>st</sup>) day after the date such Liquidity Advance is made up to and including the one hundred eightieth (180<sup>th</sup>) day next succeeding the date such Liquidity Advance is made, equal to the sum of the Base Rate from time to time in effect plus 1.00%; (iii) for any day commencing on and including or after the one hundred eighty-first (181<sup>st</sup>) day next succeeding the date the Liquidity Advance is made and at all times thereafter, equal to the Term Loan Rate from time to time in effect; provided, however, that in no event shall the Bank Rate be less than the per annum interest rate applicable to any Series 2023D Bonds then outstanding; provided further, however, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “Bank Rate” shall mean the Default Rate.

“Base Rate” means, for any day, a fluctuating rate of interest equal to the greatest of (i) the Prime Rate in effect at such time plus 2.50%, (ii) the Federal Funds Rate in effect at such time plus 2.50%, (iii) 150% of the yield on actively traded 30-year U.S. Treasury Bonds, and (iv) 8.00%. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, Federal Funds Rate or U.S. Treasury Bond yield, as the case may be. Each determination of the Base Rate by the Bank shall be conclusive and binding on the Authority absent manifest error.

“Basel III” means “Basel III - A Global Regulatory Framework for More Resilient Banks and Banking Systems, December 2010” and “Basel III - International Framework for Liquidity Risk Measurement Standards and Monitoring, December 2010” promulgated by the Basel Committee on Banking Supervision, as the same may be amended from time to time.

“Bond Counsel” means (i) Nixon Peabody LLP or (ii) another attorney or firm of attorneys nationally recognized in the area of municipal bonds which shall be acceptable to the Bank.

“Bond Rating Evidence” has the meaning set forth in Section 3.1(g) hereof.

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

“Business Day” means any day of the year on which banks in New York, New York or the presentation office of the Bank at which Drawings are presented are not required or authorized to remain closed and on which the Tender Agent, the Bank, the New York Stock Exchange, Inc. and the Federal Reserve Bank are open.

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

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

“CERCLA” has the meaning set forth in Section 4.19 hereof.

“Certificate of Determination” means the Certificate of Determination, dated the Closing Date, executed by the Authority and pertaining to the Series 2023D Bonds.

“Closing Date” means the date on which the Letter of Credit is issued, subject to the satisfaction or waiver by the Bank of all of the conditions precedent set forth in Section 3.1 hereof.

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

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

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

“Conversion Date,” with respect to each Liquidity Advance, means the earlier to occur of (x) the Stated Expiration Date and (y) the six-month anniversary of the date that such Liquidity Advance is made or deemed made by the Bank as provided in Section 2.2(b) of this Reimbursement Agreement, or, if such day is not a Business Day, then the next preceding Business Day.

“Credit Enhancement Drawing” means any demand for payment under the Letter of Credit made pursuant to an “Interest Drawing Certificate” in the form of Annex C to the Letter of Credit, a “Redemption Drawing and Reduction Certificate” in the form of Annex D to the Letter of Credit, a “Stated Maturity Drawing Certificate” in the form of Annex F to the Letter of Credit or an “Acceleration Drawing Certificate” in the form of Annex J to the Letter of Credit, and submitted by the Trustee or Tender Agent, as applicable.

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

“Custody Agreement” means that certain custody Agreement dated as of August 1, 2023, between the Bank and The Bank of New York Mellon, as custody agent, as amended and supplemented from time to time in accordance with the terms thereof.

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

“Debt Rating” means the long-term unenhanced, unsecured debt ratings assigned by the Rating Agencies to any Bonds or other senior lien debt of the Authority.

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

The following assumptions apply in determining Debt Service:

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

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

(iii) Variable Rate Debt. In determining the amount of interest payable on Variable Rate Debt for any future period (the “Determination Period”), such interest shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the greatest of (A) the rate or rates which were assumed by the Authority in the Authority Budget for such Determination Period to be borne by Variable Rate Debt during such Determination Period, (B) the average of the rate of interest which was in effect on

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

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

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

“Default Rate” means a fluctuating per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus 4.00%.

“Disclosure Materials” means the Official Statement, and any amendments or supplements thereto relating to the Series 2023D Bonds.

“Documents” means the Bank Documents and the Authority Documents.

“Dodd Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as the same may be amended from time to time, and all statutes, rules, guidelines or directives promulgated thereunder.

“Drawing” has the meaning assigned to that term in the Letter of Credit.

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

“Embargoed Person” has the meaning set forth in Section 8.22 hereof.

“EMMA” has the meaning set forth in Section 8.25 hereof.

“Environmental Laws” has the meaning set forth in Section 4.19 hereof.

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

“Event of Default” has the meaning set forth in Section 7.1 hereof.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average (rounded upward, if necessary, to a whole multiple of one hundredth of one percent) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Authority, absent manifest error.

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

“Financing Agreement” means the Financing Agreement, dated as of May 1, 1998, as amended and supplemented, between the Authority and the LIPA Subsidiary.

“Fiscal Year” means the fiscal year used by the Authority, which, as of the Closing Date, is for the period from and including January 1 to and including December 31.

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

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time, applied on a basis consistent with those used in preparation of the audit report referred to in Section 5.2 hereof.

“General Resolution” means the Electric System General Revenue Bond Resolution adopted by the Authority on May 13, 1998, as supplemented and amended, including as supplemented by the Supplemental Resolution, and as may be further amended and supplemented from time to time in accordance with the terms hereof and thereof.

“Governmental Authority” means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government.

“Governmental Body” means the United States of America or any state or political subdivision thereof, any other nation or political subdivision thereof or any agency, department,

commission, board, bureau or instrumentality of any of them which exercises jurisdiction over the Authority or any of its Subsidiaries or any of their assets or the conduct of the business of the Authority or any of its Subsidiaries in any such jurisdiction.

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

“Incorporated Provisions” has the meaning set forth in Section 5.21 hereof.

“Indemnitees” has the meaning set forth in Section 8.3 hereof.

“Initial Stated Amount” has the meaning set forth in Section 2.1(a) hereof.

“Legal Action” has the meaning set forth in Section 4.3 hereof.

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

“Letter of Credit” has the meaning set forth in the recitals hereto.

“Letter of Credit Fee” has the meaning set forth in the Fee Annex.

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

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

“Liquidity Advance” means each Liquidity Drawing under the Letter of Credit which is converted to a Liquidity Advance pursuant to the terms of Section 2.2(b) of this Reimbursement Agreement.

“Liquidity Drawing” means any demand for payment under the Letter of Credit made pursuant to a “Liquidity Drawing Certificate” in the form of Annex E to the Letter of Credit and submitted by the Trustee or Tender Agent, as applicable.

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

“Losses” means liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including, without limitation, reasonable and necessary attorneys’ fees and expenses).

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

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

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

“OFAC” has the meaning set forth in Section 8.22(b) hereof.

“Official Statement” means the official statement or other disclosure document or documents disseminated in connection with the issuance and sale of the Series 2023D Bonds, including any supplement or amendment thereto.

“Operating Agreements” means (i) the Operations Services Agreement; (ii) the Amended and Restated Power Supply Agreement between the LIPA Subsidiary and National Grid Generation LLC, dated as of October 2, 2012; and (iii) the Energy Management Agreement between the LIPA Subsidiary and Pace Global Energy Management, dated as of January 1, 2010.

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

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

“Owners” has the meaning set forth in the General Resolution.

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

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

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

“Participant” means any financial institution or other Person now or hereafter directly or indirectly participating in the rights and obligations of the Bank pursuant to Section 8.17 hereof.

“PATRIOT Act” has the meaning set forth in Section 8.21 hereof.

“Payment Obligations” means any and all obligations of the Authority to pay or reimburse the Bank contained in or evidenced by any Authority Document, including, without limitation, all Reimbursement Obligations and interest accrued thereon, the fees relating to the Letter of Credit, and all other obligations of the Authority to the Bank arising under, or in relation to, or evidenced by, this Reimbursement Agreement.

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

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

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

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a trust, joint venture, company or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

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

“Plan” means, with respect to the Authority or any Subsidiary thereof at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Authority is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Authority is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

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

“Prime Rate” means on any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate.” The “prime rate” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the

Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“Privatization” means (i) any sale, transfer, lease (including, without limitation, any long-term lease or sale/lease and leaseback) or other disposition (whether in a single transaction or a series of transactions) of all or any substantial part of the System, the Property or other assets of the Authority or the LIPA Subsidiary to any private entity or private concern, that results in the Authority no longer owning or controlling the operation of the System, (ii) any sale or other disposition of, or encumbrance or grant of a security interest in, any common or preferred stock or other evidence of the Authority’s equity interest in any of its Subsidiaries, that results in the Authority and the LIPA Subsidiary no longer owning or effectively controlling the ownership and operation of the System, or (iii) the Authority or the LIPA Subsidiary transferring, ceding or losing control (whether by force of law, by contract or otherwise) of the ability to manage, determine or control the operations and management of the System or a substantial (as defined in Section 6.4(a) hereof) part of its Property and the services relating thereto (as in effect on the Closing Date); *provided that*, contracting with a third party service provider for management and operation services of the same types contracted for in the Operating Agreements shall not be deemed to be the transferring, ceding or loss of control of the ability of the Authority or the LIPA Subsidiary to manage, determine or control the operations and management of the System or any substantial part of its Property and the services relating thereto so long as (x) such contract shall not provide such third party service provider or any Person other than the Authority and the LIPA Subsidiary with any legal, equitable, tax, beneficial or other ownership or leasehold interest in the System or in any other Property of the Authority or the LIPA Subsidiary or in any Revenues and (y) all additions to the System and other Property of the Authority or the LIPA Subsidiary purchased or constructed in conjunction or for the use with any part of the System or other Property of the Authority or the LIPA Subsidiary remains and shall be the property of the Authority or the LIPA Subsidiary. A Privatization shall be deemed to occur on the date the relevant action or event takes effect and not on the date of any contract or law providing for such action or event to become effective on a future date; *provided, further that*, Privatization shall not include (i) the optional capital additions permitted by the Service Provider (as such term is defined in the Operations Services Agreement) pursuant to Section 4.2(a)(7) of the Operations Services Agreement and (ii) capital additions made pursuant to Utility 2.0 plan required by Section 4.2(a)(5) of the Operations Services Agreement.

“Project” means the projects financed with the proceeds of the Series 2023D Bonds.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Purchase Price” when used in connection with the Series 2023D Bonds, has the meaning given to that term in the Certificate of Determination.

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

redemption or prepayment, mandatory sinking fund payments or other similar form of amortization.

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

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

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

“Rate Stabilization Fund Requirement” has the meaning set forth in Section 5.14 hereof.

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

“Reimbursement Agreement” means this Reimbursement Agreement, as amended, modified or restated from time to time in accordance with its terms, including the Fee Annex attached hereto and all of the Exhibits attached hereto, all of which are incorporated herein by this reference and made a part hereof. When used in the plural, “Reimbursement Agreements” means this Reimbursement Agreement and any other similar agreement entered into with respect to any other Electric System General Revenue Bonds pursuant to the Supplemental Resolution.

“Reimbursement Obligations” means the obligations of the Authority under this Reimbursement Agreement to reimburse the Bank for Drawings under the Letter of Credit, including, without limitation, Liquidity Advances and Term Loans, and all interest accrued thereon in accordance with this Reimbursement Agreement.

“Remarketing Agent” means the remarketing agent for the Series 2023D Bonds appointed from time to time in accordance with the Certificate of Determination.

“Remarketing Agreement” means the Remarketing Agreement by and among the Authority, the Trustee and the Remarketing Agent, as amended from time to time, relating to the Series 2023D Bonds.

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

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

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

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

“Series 2023D Bonds “ has the meaning set forth in the recitals hereto.

“State” means the State of New York.

“Stated Amount” means the amount set forth in the Letter of Credit as the “Stated Amount,” as such amount is reduced and reinstated from time to time in accordance with the terms of the Letter of Credit.

“Stated Expiration Date” has the meaning set forth in the Letter of Credit.

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

“Subordinated Resolution” means the Electric System General Subordinated Revenue Bond Resolution adopted by the Authority on May 20, 1998, as amended and supplemented from time to time.

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

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

“Subsidiary Documents” means (a) the Financing Agreement and (b) any other document to which the LIPA Subsidiary is a party relating to this transaction.

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

“Supplemental Resolution” means the resolution entitled “Twenty-Ninth Supplemental Electric System General Revenue Bond Resolution,” adopted by the Authority on December 18, 2019, as amended on May 20, 2020, as it may be further amended and supplemented, and includes the Certificate of Determination.

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

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

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

“Tender Agent” means the tender agent for the Series 2023D Bonds appointed from time to time in accordance with the General Resolution.

“Tender Agency Agreement” means the Tender Agency Agreement, between the Authority and the Tender Agent, as amended from time to time in accordance with its terms.

“Term Loan” means each term loan deemed made by the Bank to the Authority upon conversion of a Liquidity Advance in accordance with Subsection 2.2(c) of this Reimbursement Agreement and subject to the terms and conditions of this Reimbursement Agreement.

“Term Loan Rate” means the sum of the Base Rate from time to time in effect plus 2.00%.

“Termination Date” means the earlier of (a) the Stated Expiration Date of the Letter of Credit and (b) the date on which the Letter of Credit shall terminate pursuant to its terms or otherwise be terminated prior to the Stated Expiration Date.

“Trust Estate” means the Trust Estate as defined in the General Resolution.

“Trustee” means The Bank of New York Mellon, as trustee pursuant to the General Resolution, its successors and assigns, and any successor trustee appointed thereunder.

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

**Section 1.2. Accounting Terms.** As used herein, all accounting terms not otherwise defined have the meanings assigned to them under GAAP. If, after the Closing Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 5.2 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Reimbursement Agreement, either the Authority by notice to the Bank, or the Bank by notice to the Authority, may require that the Bank and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Authority and its Subsidiaries shall be the same as if such change had not been made. No delay by the Authority or the Bank in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Authority shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

**Section 1.3. Terminology.** References to “Articles,” “Sections,” “Subsections,” “Recitals,” and “Exhibits” shall be to articles, sections, subsections, recitals, and exhibits of this Reimbursement Agreement unless otherwise specifically provided. Any of the terms defined in this Reimbursement Agreement may be used in singular or plural form. As used herein, the singular includes the plural, and the masculine gender includes the feminine and neutral genders, and vice versa, unless the context clearly requires otherwise.

## ARTICLE II

### LETTER OF CREDIT; FEES

#### **Section 2.1. Amount and Terms of Letter of Credit.**

(a) The Bank agrees, on the terms and subject to the conditions hereinafter set forth and relying upon the representations and warranties set forth herein and incorporated into Section 4.9 hereof by reference, to issue the Letter of Credit in an initial stated amount equal to \$130,062,028 (the “Initial Stated Amount”), representing the principal amount of the Series 2023D Bonds in the amount of \$128,000,000 and interest thereon computed on the basis of an assumed interest rate of 12% per annum for a period of 46 days and a year of 365 days. The Letter of Credit shall be issued to the Tender Agent for the account of the Authority, and shall be substantially in the form of Exhibit A hereto, with such changes to such form as the Authority and the Bank shall agree in writing are necessary or advisable.

(b) The Stated Expiration Date for the Letter of Credit is set forth in the Letter of Credit; provided that such date shall be subject to extension upon the request of the Authority and with the written consent of the Bank in its sole discretion. Any request made by the Authority shall be made by written notice to the Bank no earlier than one hundred eighty (180) days and no later than sixty (60) days prior to the then existing Stated Expiration Date and the Bank shall consent to or deny the request for extension within thirty (30) days following its receipt of the Authority’s request for extension. If for any reason the Bank fails to consent to or deny the Authority’s request for an extension, the request shall be deemed to be denied by the Bank.

(c) If the Stated Amount of the Letter of Credit is reduced or reinstated after any such reduction as provided in the Letter of Credit, the Bank may at its option, deliver to the Tender Agent a substitute Letter of Credit duly issued by the Bank in an initial stated amount equal to the then current Stated Amount of the Letter of Credit as so reduced or reinstated, as the case may be, as provided in the Letter of Credit (but otherwise having terms identical to the Letter of Credit) upon surrender by the Tender Agent to the Bank of the Letter of Credit. Any substitute letter of credit issued pursuant to this Section 2.1(c) shall be dated the date of the Letter of Credit for which it is substituted.

#### **Section 2.2. Reimbursement for Drawings upon Letter of Credit.**

(a) Credit Enhancement Drawing. Each payment made by the Bank in connection with a Credit Enhancement Drawing under the Letter of Credit shall create a Reimbursement Obligation from the Authority to the Bank in the amount of such payment on the date that payment with respect to such Credit Enhancement Drawing is made. The Authority shall reimburse the Bank, without demand, presentment or notice of any kind, in an amount equal to the amount of each Credit Enhancement Drawing on the date that such Credit Enhancement Drawing is paid by the Bank.

(b) Liquidity Advances. Each payment made by the Bank in connection with a Liquidity Drawing shall be deemed to be an advance made by the Bank to the Authority in

the amount of such payment on the date that payment with respect to the Liquidity Drawing is made. Each such advance shall be referred to hereinafter as a "Liquidity Advance." The interest component of each Liquidity Drawing/Liquidity Advance, if any, included in the related Liquidity Drawing shall be due and payable by the Authority, together with interest accrued thereon as provided in Section 2.8 hereof, on the earlier of (y) the second Business Day next following the date of the Liquidity Drawing or (z) the date on which the related Series 2023D Bonds which were purchased with the proceeds of such Liquidity Drawing are remarketed or otherwise paid in full. The Authority shall reimburse the Bank, without demand, presentment or notice of any kind, in an amount equal to the amount of the principal component of each Liquidity Advance, together with interest accrued thereon as provided in Section 2.8 hereof, on the earliest of (i) the date on which the related Series 2023D Bonds which were purchased with the proceeds of such Liquidity Drawing are remarketed, (ii) the Conversion Date applicable to such Liquidity Advance, (iii) the Termination Date of the Letter of Credit (other than as a result of the Letter of Credit expiring in accordance with its terms on the Stated Expiration Date) or (iv) the date on which the Series 2023D Bonds as to which the Liquidity Drawing relates are redeemed, paid or cancelled in accordance with the General Resolution.

(c) Term Loans. The provisions of subsection (b) above notwithstanding, if, as of the Conversion Date applicable to a Liquidity Advance, none of the events referenced in clauses (i) through (iv) of the third sentence of Section 2.2(b) have occurred, then such Liquidity Advance may be converted into a Term Loan made by the Bank to the Authority in an amount equal to the principal portion of such Liquidity Drawing, which Term Loan shall be payable as to principal in semi-annual principal installments, as nearly equal as possible, commencing on the Conversion Date and on the first Business Day of the calendar month every six (6) months thereafter, with the final principal installment in an amount equal to the entire then outstanding principal amount of such Term Loan being due and payable on the fifth (5<sup>th</sup>) anniversary of the date the related Liquidity Drawing was made, and with interest payable monthly in arrears on the first Business Day of each calendar month after the calendar month in which the Conversion Date shall have occurred; provided, however, that such conversion to a Term Loan shall take place only if, as of the Conversion Date: (1) no event has occurred and is continuing, or would result from such conversion, which constitutes a Potential Default or Event of Default, (2) the representations and warranties contained in Article IV of this Reimbursement Agreement (other than those representations contained in Sections 4.5, 4.7 and 4.9 hereof) are true and correct in all material respects as of such date or to the extent that they relate to a specified earlier date, as of such specified date, (3) the Authority delivers to the Bank a written request for such Term Loan, (4) the principal amount of all outstanding and unpaid Liquidity Advances plus the outstanding principal amount of all Term Loans is not greater than the principal amount of all the outstanding Series 2023D Bonds (including Bank Bonds), and (5) the Authority shall have paid to the Bank on or before the Conversion Date an amount equal to interest accrued and unpaid with respect to the Liquidity Advance to be converted to such Term Loan. In addition, as a condition precedent to the conversion of any Liquidity Advance to a Term Loan, the Authority shall provide to the Bank a certificate of the Authority stating that the Authority is not in default of any material provision of any Authority Document.

(d) Prepayment. The Authority may prepay the then outstanding balance of any Liquidity Advance or Term Loan in whole, or in part in the minimum amount of one million dollars (\$1,000,000), at any time upon written notice to the Bank prior to 10:00 a.m., New York City time, on the third Business Day prior to the dates of prepayment, without penalty or premium, at the outstanding principal amount thereof, plus accrued interest to the date of prepayment.

**Section 2.3. Fees.** The Authority shall pay to the Bank the fees and reimburse the Bank for expenses in the amounts and on the dates and at the times set forth in the Fee Annex attached hereto. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Annex attached hereto. The terms of the Fee Annex attached hereto are hereby incorporated herein by reference as if fully set forth herein and all references herein to this "Reimbursement Agreement" shall be deemed to include the Fee Annex. All fees paid under this Reimbursement Agreement and the Fee Annex attached hereto will be fully earned when due and nonrefundable when paid.

**Section 2.4. Expenses.** The Authority shall pay to the Bank within thirty (30) days of demand by the Bank, all reasonable costs, charges, fees and expenses of the Bank (including, but not limited to, taxes, if any, and the reasonable fees and expenses of counsel for the Bank as provided herein and in the Fee Annex attached hereto) in connection with this Reimbursement Agreement or relating to the transactions contemplated hereby, including, without limitation, any such costs, charges, fees and expenses incurred in connection with: (a) the preparation and negotiation of this Reimbursement Agreement, the Bank Documents, the Authority Documents or any other Documents; (b) the closing of the transactions contemplated by this Reimbursement Agreement; (c) any amendment, waiver, consent or modification of, or with respect to, this Reimbursement Agreement, any Bank Document, any Authority Document or any other Document; (d) the perfection, protection, exercise or enforcement of any of the Bank's rights under this Reimbursement Agreement, any Authority Document, any Bank Document or any other Document; (e) any certificates required by the Bank from insurance specialists and other professionals; (f) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount under the Letter of Credit; or (g) enforcement by the Bank of any obligations of, or in collecting any payments due from, the Authority hereunder or under any other Bank Document, Authority Document or other Document or in connection with any refinancing or restructuring of the credit arrangements provided under this Reimbursement Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings, *provided, however*, that with respect to clause (g) only, the reasonableness of such costs, charges, fees and expenses shall be determined by the Bank in its sole discretion. The obligation of the Authority to pay all reasonable costs and expenses of the Bank shall continue notwithstanding any failure to satisfy the conditions of Article III hereof and shall survive the termination of the Letter of Credit and this Reimbursement Agreement.

**Section 2.5. Manner and Time of Payment.** Except as otherwise expressly provided herein, all payments to the Bank by the Authority under this Reimbursement Agreement and the Fee Annex shall be made to the Bank in immediately available funds by wire transfer to the account designated for that purpose pursuant to Section 8.1 hereof not later than 1:00 p.m. (New York City

time) on the date such payment is due. Funds received after such time shall be deemed to have been paid and received on the next succeeding Business Day and amounts not received on or before 1:00 p.m. on the date due shall bear interest at the Default Rate. All amounts payable to the Bank by the Authority hereunder shall be paid without demand, presentment or notice of any kind on the date due, *provided*, that payments to be made under (a) Sections 2.3 and 8.3 hereof shall be payable only upon written demand therefor by the Bank and shall be due thirty (30) days after receipt of notice by the Authority of such demand and (b) Sections 2.13 and 5.13 hereof shall be due and payable as provided respectively therein.

**Section 2.6. Application of Funds.** Amounts paid to the Bank by or on behalf of the Authority shall be applied (i) first, to the satisfaction of the interest portion of the Reimbursement Obligations and then of the principal portion of the Reimbursement Obligations, and (ii) second, to the satisfaction of any other outstanding Payment Obligations owing to the Bank in such order as the Bank chooses. From and after the occurrence of an Event of Default, any amounts paid to the Bank hereunder shall be applied by the Bank to amounts due and owing to the Bank under this Reimbursement Agreement in the manner determined by the Bank in its sole and absolute discretion. Any balance remaining after payment in full of all such amounts shall be disbursed by the Bank following the Termination Date to the Authority.

**Section 2.7. Substitute Letter of Credit.** Notwithstanding any provisions of this Reimbursement Agreement to the contrary, the Authority agrees not to terminate this Agreement or terminate, permanently reduce or replace the Letter of Credit prior to the Stated Expiration Date, except upon (i) the payment by the Authority to the Bank of any fee, including any termination fee, required by the terms of this Reimbursement Agreement and the Fee Annex, (ii) the payment to the Bank of all other Payment Obligations payable hereunder, (iii) the replacement of the Letter of Credit with an Alternate Credit Facility or the conversion of the Bonds to an interest rate mode that does not require a Credit Facility and (iv) the Authority providing the Bank and the Trustee with thirty (30) days' prior written notice of its intent to terminate the Letter of Credit. Any such termination of the Letter of Credit and this Agreement shall be in compliance with the terms and conditions of the General Resolution. The Authority agrees that any termination of the Letter of Credit as a result of the provision of any Alternate Credit Facility will require, as a condition thereto, that the Authority or the issuer of any Alternate Credit Facility shall provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Letter of Credit all Payment Obligations due and owing to the Bank hereunder.

**Section 2.8. Interest.**

(a) Interest. The Authority hereby agrees to pay interest as follows:

(i) On each Reimbursement Obligation resulting from a Credit Enhancement Drawing at the Default Rate from the date payment is made by the Bank with respect to such Credit Enhancement Drawing until such Reimbursement Obligation resulting from a Credit Enhancement Drawing is paid in full, and such interest shall be payable on demand.

(ii) On each Liquidity Advance at the Bank Rate from time to time in effect from the date such Liquidity Advance is deemed made until the date such

Liquidity Advance is paid in full or converted to a Term Loan, whichever occurs earlier, and such interest shall be payable monthly in arrears, on the first Business Day of each calendar month, and if any of the following dates shall occur, on the earliest to occur of such dates: (X) the date on which the Series 2023D Bonds purchased with the proceeds of the related Liquidity Drawing are remarketed, (Y) the Conversion Date for such Liquidity Advance if such event occurs between monthly interest payment dates or (Z) the Termination Date of the Letter of Credit.

(iii) On each Term Loan at the Term Loan Rate from time to time in effect from the Conversion Date for such Term Loan until such Term Loan is paid in full and shall be payable monthly in arrears on the first Business Day of each month, and if either of the following dates shall occur, on the first to occur thereof: (A) the date on which the Series 2023D Bonds purchased with the proceeds of the related Liquidity Drawing are remarketed, (B) the date of which the Series 2023D Bonds are converted to another Mode or (C) the Termination Date (other than the Stated Expiration Date of the Letter of Credit) of the Letter of Credit.

(iv) On all other Payment Obligations not specifically mentioned in subsections (i), (ii) or (iii) above, including, without limitation, all costs and expenses payable by the Authority under this Reimbursement Agreement, Liquidity Advances which have not been converted to Term Loans on the applicable Conversion Date and installments of principal and, to the extent permitted by law, interest with respect to Term Loans which have not been paid when due, and notwithstanding subsections (ii) and (iii) above, interest on any Liquidity Advance or Term Loan after the occurrence and during the continuance of an Event of Default, all Payment Obligations shall accrue at the Default Rate, and such interest shall be payable on demand.

(b) Computation of Interest. All interest payable hereunder on amounts other than fees shall be computed on the basis of a 365 day year and all fees due and owing the Bank hereunder shall be computed on the basis of a 360 day year, and, in each case, on the actual number of days elapsed in the period during which such interest or fee or other amounts due and owing hereunder accrues as specifically provided herein or therein, on any amount outstanding hereunder, the first date from which interest is stated to accrue hereunder shall be included and the date of payment of such amount to the Bank shall be excluded, unless such date of payment is the Termination Date, in which case, such date of payment shall be included. Due but unpaid interest shall be compounded monthly and, to the extent permitted by law, shall bear interest at the Default Rate per annum from and after compounding until paid in full. If any Payment Obligation is repaid at or prior to 4:00 p.m. (New York time) on the same day on which the related Drawing is paid, no interest shall be payable on such amount.

**Section 2.9.** Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Reimbursement Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

**Section 2.10. Late Payments.** If any Payment Obligation is not paid when due, or upon the occurrence and during the continuance of any Event of Default, such Payment Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate from time to time in effect, payable on demand.

**Section 2.11. Source of Funds.** All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

**Section 2.12. Letter of Credit Conclusive.** In case of any conflict or discrepancy between the terms and provisions of the Letter of Credit and terms and provisions of this Reimbursement Agreement or the General Resolution, the terms of the Letter of Credit shall determine the actual meaning of the Letter of Credit and this Reimbursement Agreement.

**Section 2.13. Increased Costs.**

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

(b) If the Bank or any Participant shall have determined that the applicability of any Change in Law by any court, central bank or other administrative or Governmental Authority, or compliance by the Bank, any corporation controlling the Bank, any Participant or any corporation controlling any Participant with any directive of or guidance from any central bank or other authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank, any corporation controlling the Bank, such Participant or any

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

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

(d) The Bank or Participant will use its best efforts to notify the Authority within 30 days of its obtaining actual knowledge of any event occurring after the date hereof that will entitle the Bank or such Participant or the respective controlling corporation of either, to compensation pursuant to this Section; provided that the failure of the Bank or Participant to notify the Authority within such 30-day period shall not relieve the Authority from any liability for payment of such compensation; provided further that the Authority shall not be required to compensate the Bank or such Participant or the respective controlling corporation of either pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that the Bank or any such Participant, as the case may be, provides notice to the Authority of the event giving rise to such increased cost or reduction (except that, if the event giving rise to such increased cost or reduction is retroactive, then the 180-day period referred to

above shall be extended to include the period of retroactive effect thereof). Any request for payment of increased costs pursuant to this Section shall be accompanied by a certificate of the Bank or Participant claiming compensation under this Section setting forth the additional amount or amounts to be paid to it hereunder and attaching such information in such detail as may be reasonably requested by the Authority, and such certificate and such information shall be conclusive in the absence of manifest error. In determining such amount, the Bank or Participant may use any reasonable average and attribution methods and shall include a reasonably detailed description of the amount resulting from the alleged event.

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

**Section 2.14. Bank Bonds.** (a) All the Series 2023D Bonds purchased with the proceeds of a Liquidity Drawing shall be registered in the name of the Bank or its nominee in accordance with the terms of the Custody Agreement as security for the Reimbursement Obligations, as is more specifically provided in Section A-410 of Appendix A to the Certificate of Determination. Interest received by the Bank as the Owner of Bank Bonds shall be applied to interest owing with respect to Liquidity Advances and Term Loans payable to the Bank and principal received by the Bank as the Owner of Bank Bonds shall be applied to principal owing with respect to Liquidity Advances and Term Loans. Upon the remarketing of any Bank Bond at a remarketing price at least equal to the principal amount of such remarketed Bank Bond plus interest accrued to the date of remarketing at the rate of interest applicable to the Series 2023D Bonds that are not Bank Bonds and confirmation that such remarketing price is held by the Trustee or the Tender Agent for the Bank, not later than the second Business Day following receipt of notice of remarketing, the Bank shall release such Bank Bond for remarketing as provided in the Certificate of Determination. If, upon the release of any Bank Bond for remarketing, the interest payment received by the Bank as a portion of the remarketing price for such Bank Bond is less than the interest payment which is due to the Bank in respect of the Liquidity Advance or Term Loan secured by such Bank Bond as of the remarketing date, the difference shall be immediately due and owing upon the remarketing of such Bank Bond, without demand, presentment or notice of any kind, and shall be payable by the Authority to the Bank on the date of the remarketing. Each Bank Bond shall be redeemed in the principal amounts and on the dates that the related Liquidity Advance is payable hereunder. Amounts payable by the Authority to the Bank pursuant to this Section 2.14 shall be reduced to the extent of any amounts actually received by the Bank in respect of principal of such Bank Bonds.

(a) **Right to Sell Bank Bonds.** The Bank expressly reserves the right to sell, at any time, Bank Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made by the Remarketing Agent) will be made only to institutional investors or other entities or individuals that customarily purchase commercial paper or securities in large denominations. The Bank agrees to notify the Authority and the Remarketing Agent in writing promptly of any such sale (other than a sale made by the Remarketing Agent) and to notify the transferee in writing that such Series 2023D Bond is no longer eligible to be tendered or deemed tendered for purchase pursuant to Section A-401 of the Certificate of Determination so long as it remains a Bank Bond and

that there shall not be a short-term rating assigned to such Series 2023D Bond so long as it remains a Bank Bond. Prior to selling a Bank Bond pursuant to this Section 2.14(b), the Bank shall obtain a written acknowledgment from such purchaser stating that such purchaser has no right to tender the Bank Bond.

**Section 2.15. Absolute Obligations.** Each Payment Obligation of the Authority shall be performed strictly in accordance with this Reimbursement Agreement (subject to any modifications, waivers or consents by the Bank in accordance with the terms hereof) under any and all circumstances, and shall not be affected by (a) any lack of validity or enforceability of this Reimbursement Agreement, any Bank Document or any Authority Document; (b) any amendment of, or any waiver or consent with respect to, this Reimbursement Agreement, any Bank Document or any Authority Document, not consented to by the Bank; (c) the existence of any claim, set-off, defense or other right which the Authority, the Trustee or any other Person may have at any time against the Trustee, the Bank, the Remarketing Agent, the Tender Agent, or any other Person; (d) any breach of contract or other dispute between the Authority or any other Person; (e) any statement, certificate, draft or other document presented under the Letter of Credit proving to be forged, fraudulent, untrue, inaccurate, invalid or insufficient in any respect; (f) any payment by the Bank under the Letter of Credit against presentation of a certificate which does not comply with the terms of the Letter of Credit; (g) any non-application or misapplication by the Trustee, the Tender Agent, the Remarketing Agent, or any other Person of the proceeds of any Drawing under the Letter of Credit or of the proceeds of the Series 2023D Bonds; (h) any delay, extension of time, renewal, compromise or other indulgence or modification agreed to by the Bank, with or without notice to or approval by the Authority, in respect of any of the obligations of the Authority to the Bank under this Reimbursement Agreement, any Bank Document or any Authority Document; (i) any exchange, release, surrender, impairment or non-perfection of any Lien on any collateral pledged or otherwise provided to secure any of the obligations contemplated herein or in any Bank Document or, any Authority Document; or (j) any invalidity of the Series 2023D Bonds.

**Section 2.16. [Reserved].**

**Section 2.17. [Reserved].**

**Section 2.18. Failure to Extend.** If the Stated Expiration Date of the Letter of Credit is not extended, the Authority agrees to use its best efforts to arrange for (i) the substitution of the Letter of Credit by an Alternate Liquidity Facility or an Alternate Credit Facility; (ii) the conversion of all of the Series 2023D Bonds supported by the Letter of Credit to an interest rate mode not requiring a Credit Facility or Liquidity Facility; or (iii) the redemption or defeasance of all of the Series 2023D Bonds supported by the Letter of Credit on or prior to the then existing Stated Expiration Date.

**Section 2.19. Term and Termination of Reimbursement Agreement.** The term of this Reimbursement Agreement shall commence on the Closing Date and (except as to the provisions hereof that by their terms are to survive termination) shall terminate on the later to occur of the Termination Date and the date on which all the Payment Obligations are paid in full. Notwithstanding the foregoing, if at any time any payment of any Payment Obligation is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of the Authority, the Authority's obligations hereunder, under the Fee Annex or under any other

Authority Document shall be reinstated until such time as all Payment Obligations have been paid in full.

### ARTICLE III

#### CONDITIONS PRECEDENT

The obligation of the Bank to issue the Letter of Credit and all other obligations of the Bank hereunder are conditioned upon the satisfaction by the Authority on or before the Closing Date of the conditions precedent set forth in Section 3.1 hereof.

**Section 3.1. Closing Documents.** On or before the Closing Date, the Bank shall have received and approved the following documents or materials, each of which shall be in form and substance satisfactory to the Bank and, where appropriate, duly executed (and acknowledged where necessary) and delivered by the appropriate parties thereto:

- (a) executed or certified copies, as applicable, of each of the Authority Documents;
- (b) certificates of the Chief Executive Officer or Chief Financial Officer of the Authority and the Chief Executive Officer, Chief Financial Officer or Secretary of the LIPA Subsidiary, each dated as of the Closing Date in the forms attached hereto as Exhibit B and Exhibit C, respectively;
- (c) an opinion of Bond Counsel dated the Closing Date, and addressed to the Bank, in the form attached hereto as Exhibit D;
- (d) an opinion of Counsel to the Authority and to the LIPA Subsidiary, dated the Closing Date, and addressed to the Bank, in the form attached hereto as Exhibit E;
- (e) certified copies of the organizational documents of the Authority certified by its Secretary or Chief Executive Officer;
- (f) certified copies of the organizational documents of the LIPA Subsidiary certified by its Secretary or Chief Executive Officer;
- (g) (i) evidence that, as of the Closing Date, the Series 2023D Bonds have been given a rating of not less than “A3”, “A-”, and “A-” by at least two of Moody’s, S&P, and Fitch, respectively, and (ii) the recent evidence that the Series 2023D Bonds or the Bonds have been given an unenhanced long-term debt rating of not less than “A3”, “A-”, and “A-” by at least two of Moody’s, S&P, and Fitch, respectively (the “Bond Rating Evidence”);
- (h) satisfactory evidence that (i) a separate CUSIP number has been assigned to the Bank Bonds and (ii) at least one of Moody’s and Fitch has assigned to the Bank Bonds a long-term rating equal to or higher than investment grade;
- (i) copies of all the Disclosure Materials;

(j) reimbursement for all fees and expenses incurred by the Bank in connection with issuance of the Letter of Credit and the transactions contemplated herein in accordance with Section 2.2 hereof and the Fee Annex attached hereto;

(k) evidence satisfactory to the Bank that no lawsuits or governmental actions other than those referenced in Section 4.3 hereof are pending against the Authority in respect of the Series 2023D Bonds, or in connection with the Documents;

(l) evidence that the State Comptroller has duly approved this Reimbursement Agreement in accordance with Section 112 of the New York State Finance Law and that this Reimbursement Agreement has been filed in his office (and the execution by the State Comptroller of this Reimbursement Agreement will be deemed to constitute such evidence);

(m) the Bank shall have received evidence satisfactory to it that contemporaneously with the issuance of the Letter of Credit, all amounts due and owing under the Refunded Bonds shall have been paid in full or provision therefor shall have been made; and

(n) such other documents, agreements, instruments, certificates and opinions as the Bank may reasonably require.

All documents, certificates, opinions, and instruments referred to above shall be in form and substance satisfactory to both the Bank and its counsel.

**Section 3.2. Representations Correct; No Default.** The Authority shall represent that as of the Closing Date and, with respect to subsections (a) and (b) below, on any Conversion Date in connection with any Term Loan:

(a) the representations and warranties contained herein and in each written document delivered by the Authority to the Bank in connection with this Reimbursement Agreement shall be true and correct in all material respects to the same extent as though made on and as of such date, except (i) to the extent that such representations and warranties specifically relate to an earlier date and to the extent that any such representation or warranty specifically relates to an earlier date, such representation or warranty shall be true and correct as of such date and (ii) that the representations contained in Section 4.22 hereof shall be deemed to refer to the most recent financial statements of the Authority and its consolidated Subsidiaries delivered to the Bank pursuant to Section 5.2(a)(ii) hereof;

(b) no Event of Default or Potential Default shall have occurred and be continuing and neither will result from the issuance of the Letter of Credit or the making of the Term Loan, as applicable; and

(c) no event or circumstance shall have occurred since December 31, 2022, which could reasonably be expected to materially and adversely affect the rights or remedies of the Bank hereunder, or the ability of the Authority or the LIPA Subsidiary to

perform its respective obligations hereunder or under any other Document to which it is a party or which could have a Material Adverse Effect.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

In order to induce the Bank to enter into this Reimbursement Agreement and to issue the Letter of Credit, the Authority represents and warrants to the Bank that the following statements are true and correct:

**Section 4.1. Organization.** The Authority is a duly organized, validly existing corporate municipal instrumentality of the State. The LIPA Subsidiary is a business corporation, duly incorporated, validly existing and in good standing under the laws of the State. Each of the Authority and the LIPA Subsidiary has all requisite power and authority, rights and franchises to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform its obligations under the Authority Documents.

**Section 4.2. Authorization, Conflicts, Binding Effect.** The execution, delivery and performance of the Authority Documents by the Authority are within the Authority's powers and have been duly authorized by all necessary action by the Authority including, if necessary, the adoption of any necessary regulations or resolutions by its Board. The execution, delivery and performance of the Authority Documents by the Authority or the LIPA Subsidiary, as applicable, will not violate (i) the Act or the Authority's or the LIPA Subsidiary's Bylaws or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award, or (ii) the provisions of any indenture, instrument or agreement to which the Authority, the LIPA Subsidiary or any other Subsidiary is a party or is subject, or by which it, or its property, is bound. The Authority is not in violation of or default under any such Legal Requirement, and no condition exists that would, with the giving of notice or lapse of time, or both, constitute such a violation or default. The Authority Documents have each been duly executed by the Authority and are legally valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws affecting creditors' rights generally and by general principles of equity.

**Section 4.3. Litigation; Adverse Facts.** Except as disclosed in the Disclosure Materials, there is no action, suit, investigation, proceeding or arbitration (whether or not purportedly on behalf of the Authority or the LIPA Subsidiary) at law or in equity or before or by any foreign or domestic court or other Governmental Authority (a "Legal Action"), pending or, to the knowledge of the Authority, threatened against or affecting the Authority or the LIPA Subsidiary, or any of their respective assets which could reasonably be expected to result in a Material Adverse Effect. Neither the Authority nor the LIPA Subsidiary is in violation of any applicable law, rule, regulation, order, writ, judgment, injunction, decree or award of any court or other agency or government, which violation has a Material Adverse Effect. Except as disclosed in the Disclosure Materials, there is no Legal Action pending or, to the knowledge of the Authority, threatened against or affecting the Authority or the LIPA Subsidiary, questioning the validity or the enforceability of any Authority Document or any Subsidiary Document, respectively.

**Section 4.4. Title to Properties; Liens.** The Authority and the LIPA Subsidiary have good, sufficient and legal title to all of their respective properties and assets. All of the properties of the Authority and the LIPA Subsidiary are free and clear of Liens, except for (i) Liens arising in connection with the Documents and (ii) such Liens as would not have a Material Adverse Effect. The Authority's properties and all revenues therefrom are exempt from taxation by the State or any of its subdivisions, municipalities or other governmental or taxing entities; *provided, however*, that the Authority is obligated under the Act to make certain PILOT payments.

**Section 4.5. Disclosure.** There is no fact known to the Authority (other than matters of a general economic nature) which has or could reasonably be expected to have a Material Adverse Effect, which has not been disclosed in this Reimbursement Agreement or in other documents, certificates and written statements furnished to the Bank in connection herewith.

**Section 4.6. Payment of Taxes.** All tax returns and reports of the Authority and the LIPA Subsidiary required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges, including PILOT payments, upon the Authority and the LIPA Subsidiary and upon their respective properties, assets, income and franchises which are due and payable have been paid when due and payable on a current basis, except to the extent that such taxes or PILOT payments are being contested by the Authority or the LIPA Subsidiary in good faith by appropriate proceedings with appropriate reserves.

**Section 4.7. Disclosure Materials.** The information contained in the Disclosure Materials or otherwise furnished by or on behalf of the Authority to the Bank in connection with the negotiation of this Reimbursement Agreement is correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made in the Disclosure Materials, in light of the circumstances under which they were made, not misleading; *provided, however*, that the Authority makes no representation as to information provided by the Bank for inclusion in the Official Statement.

**Section 4.8. Authority Documents; Subsidiary Documents.** Each of the Authority Documents and the Subsidiary Documents is in full force and effect and represents a valid and binding obligation of the Authority or the LIPA Subsidiary, as applicable, enforceable in accordance with its respective terms; no Event of Default and no Potential Default currently exists under any of the Authority Documents or the Subsidiary Documents except as previously disclosed in writing to the Bank, nor has the Authority, the LIPA Subsidiary or any other party thereto waived or deferred performance of any material obligation under any Authority Document or Subsidiary Document except as previously disclosed in writing to the Bank.

**Section 4.9. Reaffirmation of Representations and Warranties.** The Authority hereby makes to the Bank the same representations and warranties as are set forth by the Authority in each of (a) the General Resolution, (b) the Supplemental Resolution, (c) the Certificate of Determination, (d) the Tender Agency Agreement, (e) the Remarketing Agreement, (f) the Series 2023D Bonds, (g) each of the other Bank Documents to the extent the Authority is a party thereto, and (h) the Financing Agreement, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference into this Section 4.9 for the benefit of the Bank with the same effect as if each and every such representation and warranty and defined term were set forth in this Section 4.9 in its entirety. No amendment to such

representations and warranties or defined terms made pursuant to any Authority Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference in this Section 4.9 without the prior written consent of the Bank.

**Section 4.10. Regulatory Compliance.** The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of Drawings under the Letter of Credit will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

**Section 4.11. Registration, Consent and Approval.** The execution, delivery and performance by the Authority of this Reimbursement Agreement and the Authority Documents do not and with respect to the execution and delivery will not require registration with, or the consent or approval of, or any other action by, any federal, State or other governmental authority or regulatory body other than those which have been made or given and are in full force and effect (except for any federal securities laws or Blue Sky regulations, as to which no representation is given).

**Section 4.12. Liens.** The General Resolution creates, for the benefit and security of the Series 2023D Bonds (including the Bank Bonds) and the Reimbursement Obligations (together with other Bonds and other Parity Obligations), the legally valid, binding and irrevocable statutory lien on and pledge of the Revenues and the Trust Estate. There is no lien on the Trust Estate other than the liens created by or pursuant to the General Resolution and the Subordinated Resolution. Neither the General Resolution nor the Subordinated Resolution permits the issuance of any debt secured by the Revenues to rank senior to the Series 2023D Bonds or the Reimbursement Obligations. The payment of the principal of and interest on the Bank Bonds and the Reimbursement Obligations ranks on a parity with the payment of principal of and interest on Bonds and each is not subordinate to any payment secured by a lien on the Revenues or the Trust Estate or any other claim, and is prior as against all other persons having claims of any kind in tort, contract or otherwise, whether or not such persons have notice of the lien. No filing, registering, recording or publication of the General Resolution or any other instrument is required to establish the pledge under the General Resolution or to perfect, protect or maintain the lien created thereby on the Revenues and the Trust Estate.

**Section 4.13. Sovereign Immunity.** The defense of immunity (sovereign or otherwise) is not available to the Authority in any proceeding by the Bank to enforce any of the obligations of the Authority under this Reimbursement Agreement or the Authority Documents and, to the fullest extent permitted by law, the Authority consents to the initiation of any such proceeding in any federal or state court of competent jurisdiction located in the State.

**Section 4.14. No Default.** No Potential Default or Event of Default exists on the date hereof.

**Section 4.15. ERISA.** The Authority and its Subsidiaries are in compliance in all material respects with ERISA to the extent applicable to them and neither the Authority nor any Subsidiary thereof has received any notice from the PBGC or any other governmental entity or agency that such Person is not in compliance in all material respects with ERISA to the extent applicable to

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

**Section 4.16. Enforceability.** This Reimbursement Agreement and the other Authority Documents are the legal, valid and binding agreements of the Authority and, to the extent a signatory thereto, the LIPA Subsidiary, enforceable against them in accordance with their terms, except as may be limited by (a) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws or judicial decisions for the relief of debtors or the limitation of creditors’ rights generally and (b) equitable principles of general applicability.

**Section 4.17. No Default under Other Agreements.** None of the Authority, the LIPA Subsidiary or any other Subsidiary is in default with respect to any note, indenture, loan agreement, mortgage, lease, deed, or other agreement to which it is a party or by which it or its Property is bound, which default could materially and adversely affect any rights of the Bank under the Documents or could reasonably be expected to result in a Material Adverse Effect.

**Section 4.18. Status under Certain Laws.** Neither the Authority nor any of its Subsidiaries is an “investment company” or a person directly or indirectly controlled by or acting on behalf of an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

**Section 4.19. Environmental Law.** To the best of the Authority’s knowledge after reasonable diligence with respect thereto, except as otherwise described to the Bank in writing on or prior to the Closing Date, (i) neither the Authority nor any Subsidiary thereof has received any notice to the effect, or has any knowledge, that its Property or operations are not in compliance with any of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations including, without limitation, regulations promulgated under the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq. (“Environmental Laws”), or is the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to result in a Material Adverse Effect; (ii) there have been no releases of hazardous materials at, on or under any Property now or

previously owned or leased by the Authority or any Subsidiary that, singly or in the aggregate, have, or may reasonably be expected to result in, a Material Adverse Effect; (iii) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any Property now or previously owned or leased by the Authority or any Subsidiary that, singly or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect; (iv) neither the Authority nor any Subsidiary is the subject of any remedial investigation under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq. (“CERCLA”) that is reasonably expected to have a Material Adverse Effect; and (v) no conditions exist at, on or under any Property now or previously owned or leased by the Authority or any Subsidiary which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law, except to the extent such liability could not reasonably be expected to result in a Material Adverse Effect.

**Section 4.20. General Resolution.** The Reimbursement Obligations constitute Parity Reimbursement Obligations and Parity Obligations for all purposes of the General Resolution, which are secured by the pledge of and lien on the Trust Estate created by Section 501 of the General Resolution on a parity with the lien on the Trust Estate securing the payment of Bonds, the Series 2023D Bonds and other Parity Obligations. To the extent that any Letter of Credit Fee or other amount payable hereunder does not constitute a Reimbursement Obligation, such Letter of Credit Fee or other amount so payable shall be payable as Operating Expenses by the Authority. The Letter of Credit is a “Credit Facility” as defined in the General Resolution.

**Section 4.21. Interest.** None of the Documents provides for any payments that would violate any applicable law regarding permissible maximum rates of interest.

**Section 4.22. Financial Information.** The audited financial statements of the Authority and its consolidated Subsidiaries for the Fiscal Year ended December 31, 2021, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with GAAP, the financial position of the Authority and its consolidated Subsidiaries and its results of operations and changes in financial position at the dates and for the periods indicated. Since December 31, 2021, there has been no material adverse change in the business, financial position, or the results of operations of the Authority or the LIPA Subsidiary. Except as reflected in the financial statements referenced above or as described in the Disclosure Materials or as otherwise disclosed by the Authority to the Bank in writing, there are as of the date hereof no liabilities or obligations with respect to the Authority of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to the Authority or the LIPA Subsidiary. The Authority does not know of any basis for the assertion against the Authority or any of its Subsidiaries of any liability or obligation of any nature whatsoever that is not reflected in the financial statements referenced above or the Disclosure Materials which, in the aggregate, could be material to the Authority or any of its consolidated Subsidiaries.

## ARTICLE V

### AFFIRMATIVE COVENANTS OF THE AUTHORITY

Until the later of the Termination Date and the date that all the Payment Obligations are paid in full, unless the Bank otherwise expressly consents in writing:

**Section 5.1. Maintenance of Existence, Etc.** The Authority shall maintain and preserve its existence and all rights material to its function; maintain its assets in good order and repair; and conduct its business in an orderly manner without voluntary interruption. The Authority shall maintain its legal existence as a corporate municipal instrumentality of the State and shall maintain and preserve the legal existence of the LIPA Subsidiary as a wholly owned Subsidiary of the Authority. The Authority shall, and shall cause each Subsidiary to, maintain its legal existence except for mergers permitted by Section 6.4 hereof, or where the dissolution of a Subsidiary would not have a Material Adverse Effect.

**Section 5.2. Access and Reporting.** The Authority shall permit the representatives of the Bank at any time or from time to time during normal business hours, upon one (1) Business Day's notice, to inspect all of its properties, books and records and to discuss the affairs, finances and accounts of the Authority with its officers from time to time. The Authority shall maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. The Authority, at its expense, shall furnish or cause to be furnished to the Bank the following:

(a) (i) Within sixty (60) days after the end of each of the first three fiscal quarters of each Fiscal Year of the Authority, unaudited consolidated financial statements consisting of a statement of financial position of the Authority and its consolidated Subsidiaries as of the end of such fiscal period and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues of the Authority and its consolidated Subsidiaries for such fiscal period, prepared in accordance with GAAP, and in the case of such quarter of such Fiscal Year, setting forth in comparative form the corresponding figures (if any) for such fiscal quarter of the preceding Fiscal Year, prepared in accordance with GAAP, and (ii) within one hundred twenty (120) days after the end of each Fiscal Year, audited financial statements of the Authority and its consolidated Subsidiaries consisting of a statement of financial position and a statement of cash flows and a statement of revenues, expenses and accumulated (deficit)/net revenues for such Fiscal Year (including comparative form of the corresponding figures (if any) for the preceding Fiscal Year) all in reasonable detail (in the case of the report set out in (ii), prepared in accordance with GAAP and accompanied by the report of a nationally recognized firm of certified public accountants, and in all other cases prepared in accordance with GAAP for interim financial information). In connection with the requirements in clauses (i) and (ii) above, the Authority shall provide a letter from the Chief Financial Officer of the Authority addressed to the Bank stating that, insofar as they relate to accounting matters, no Event of Default and no Potential Default has come to his/her attention and was continuing at the end of such fiscal period or on the date of his/her letter or, if such an event, insofar as it relates to accounting matters, has come to his/her attention and was continuing as of such date, indicating the nature of such event and the action which

the Authority proposed to take with respect thereto and, in connection with the requirements in clause (ii) above, the Authority shall provide a letter from the nationally recognized firm of certified public accountants that prepared the report required by clause (ii) addressed to the Bank, stating that, insofar as they relate to accounting matters, no Event of Default and no Potential Default has come to such firm's attention and was continuing at the end of such fiscal period or on the date of such firm's letter or, if, insofar as they relate to accounting matters, such an event has come to such firm's attention and was continuing as of such date, indicating the nature of such event. Such letter shall also set forth the calculations supporting such statements in respect of Sections 5.8 and 5.14 hereof;

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

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

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

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

(f) Promptly upon their becoming available, copies of any non-routine periodic or special reports filed by the Authority with any governmental authority if such reports indicate any material adverse change in the business, operations, affairs or condition of the Authority and/or the LIPA Subsidiary, and copies of any material adverse notice or other material adverse communications from any governmental authority, its board or committee of its board which specifically relate to the operations of the Authority and/or the LIPA Subsidiary;

(g) Written notice of (i) any litigation, legal proceeding or dispute with any governmental agency or with any other party which if determined adversely to the Authority or the LIPA Subsidiary would have a material adverse effect on the Authority's

or the LIPA Subsidiary's performance of its obligations under this Reimbursement Agreement or any Authority Document or Bank Document or the transactions contemplated hereby or thereby, (ii) failure by the Authority or the LIPA Subsidiary to pay and discharge any of its material obligations and liabilities when due and (iii) any breach of warranty, lack of correctness of warranty, event of default, breach of covenant or any lack of validity or contest as to validity in any Document to which the Authority or the LIPA Subsidiary is a party;

(h) As soon as reasonably available, copies of any material notices, certificates or other communications given to or received from the Trustee, the Tender Agent, the Remarketing Agent or any Owner of Series 2023D Bonds pursuant to or in connection with the Authority Documents or the Bank Documents;

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

(j) Such other information respecting the operations and properties, financial or otherwise, of the Authority and the LIPA Subsidiary as the Bank may from time to time reasonably request.

The Authority shall be deemed to have complied with the requirements to provide the information set forth in this Section 5.2 to the extent such information (i) has been duly posted on the Authority's website ([www.lipower.org](http://www.lipower.org)) or (ii) has been duly filed with EMMA and is publicly available, in either case, within the time periods set forth above and the Authority shall have given the Bank notice of the same within the time periods set forth above.

**Section 5.3. Further Assurances.** From time to time hereafter, the Authority shall, and shall cause the LIPA Subsidiary to, execute and deliver such additional instruments, certificates or documents, and shall take all such actions as the Bank may reasonably request, for the purposes of implementing or effectuating the provisions of this Reimbursement Agreement and the Bank Documents, the Authority Documents or for the purpose of more fully perfecting or renewing the Bank's rights with respect to the rights, properties or assets subject to such Documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Authority which are or become a part thereof) pursuant hereto or thereto. Without limiting the generality of the foregoing, upon the exercise by the Bank of any power, right, privilege or remedy pursuant to this Reimbursement Agreement, the Bank Documents or the Authority Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Authority shall, and shall cause the LIPA Subsidiary to, execute and deliver all necessary applications, certifications, instruments and other documents and papers that may be required in order to obtain such governmental consent, approval, registration, qualification or authorization.

**Section 5.4. Application of Proceeds.** The Authority shall apply the proceeds of the Series 2023D Bonds solely and entirely to the purposes specified in the General Resolution and not in violation of any Legal Requirement.

**Section 5.5. Compliance with Legal Requirements.** The Authority shall comply and shall take all action necessary or advisable to cause others, including without limitation the LIPA Subsidiary, to comply in all material respects with all the Legal Requirements affecting the Authority and/or the LIPA Subsidiary, including all Legal Requirements, the non-compliance with which would materially adversely affect (a) the business, operations, assets, or condition (financial or otherwise) of the Authority or the LIPA Subsidiary and (b) the ability of the Authority or the LIPA Subsidiary to perform its obligations under the Authority Documents and the Bank Documents.

**Section 5.6. Payment of Debt.** The Authority shall (a) duly and punctually pay or cause to be paid all principal of and interest on any and all Debt of the Authority unless diligently contested in good faith and by appropriate proceedings by the Authority, subject to the exceptions, limitations and waivers set forth in the documents under which such Debt was incurred, (b) comply with and perform all conditions, terms and obligations of the notes or other instruments or agreements evidencing or securing such Debt, (c) promptly inform the Bank of any material default, or anticipated default, under any such note, agreement, or instrument, and (d) forward to the Bank a copy of any notice of default or notice of any event that might result in default under any such note, agreement or instrument.

**Section 5.7. Authority Documents.** The Authority agrees that it shall, and shall cause the LIPA Subsidiary to, perform and comply with each and every covenant and agreement required to be performed or observed by it or the LIPA Subsidiary, as the case may be, in the Authority Documents and the Bank Documents which provisions, as well as related defined terms contained therein, are hereby incorporated by reference in this Section 5.7 with the same effect as if each and every such provision were set forth herein in its entirety, all of which shall be deemed to be made for the benefit of the Bank and enforceable by the Bank against the Authority, and which covenants, agreements, definitions and provisions shall continue in effect with regard to the Bank without regard or giving effect to any amendment or modification of such provisions or any waiver of compliance therewith unless consented to in writing by the Bank.

**Section 5.8. Rate Covenant.** The Authority shall establish and maintain System fees, rates, rents, charges and surcharges sufficient in each Fiscal Year so that Revenues reasonably expected to be produced in such Fiscal Year will be at least equal to the sum of (i) 110% of Debt Service with respect to Bonds, Parity Obligations and Subordinated Indebtedness payable by the Authority in such Fiscal Year, (ii) 100% of the Operating Expenses payable in such Fiscal Year, (iii) 100% of the amount necessary to pay all PILOTs payable in such Fiscal Year and (iv) 100% of the amount necessary to pay all other Required Deposits, all other payments required pursuant to the General Resolution, the Subordinated Resolution, this Reimbursement Agreement, the other Documents and all other payments required for the System, for such Fiscal Year, including, but not limited to, payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 5.14 of this Reimbursement Agreement and payments of the principal of and interest on Permitted Subordinate Debt.

**Section 5.9. Creation of Debt and Liens.** The Authority shall not, and shall not permit the LIPA Subsidiary to: (i) issue, incur, assume, create or have outstanding any Debt payable from the Revenues or the Trust Estate; (ii) create, incur or permit to exist any Lien of any kind on the Revenues or the Trust Estate, other than, in either case, as expressly provided in or permitted by

this Reimbursement Agreement, the General Resolution and the Subordinated Resolution or (iii) create, incur, assume or permit to exist any Lien with respect to any assets or Property now owned or hereafter acquired which generate Revenues or are used in connection with the System, other than mechanic's or materialman's Liens which are created in the ordinary course of business.

**Section 5.10. Maintenance of Insurance.**

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

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

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

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

(e) No provision of this Section shall be construed to prohibit the Authority from self-insuring against any risk at the recommendation of an independent insurance consultant chosen by or acceptable to an Authorized Representative of the Authority; provided, however, that the Authority shall provide or cause to be provided adequate funding of such self-insurance if and to the extent recommended by such insurance consultant.

(f) The Authority shall file with the Bank annually a Certificate of an Authorized Representative of the Authority setting forth (i) a description in reasonable detail of the insurance then in effect pursuant to the requirements of this Section and that the Authority has complied in all respects with the requirements of this Section and (ii) if during such year any Property of the System has been damaged or destroyed and the amount necessary to repair such loss or damage is estimated to exceed the amount of insurance proceeds or expected Federal reimbursements covering such loss or damage by more than \$25,000,000 a summary of the loss or damage and the estimated reasonable and necessary costs of reconstruction or replacement.

**Section 5.11. ERISA.** The Authority shall, and shall cause each Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed may result in the imposition of a Lien against any of its Property, and shall promptly notify the Bank of (a) the occurrence of any reportable event (as defined in ERISA) for which the notice requirement has not been waived by the PBGC and which is reasonably likely to

result in the termination by the PBGC of any Plan, (b) receipt of any notice from PBGC of its intention to seek termination of any such Plan or appointment of a trustee therefor, and (c) its intention to terminate or withdraw from any Plan, other than a “standard termination” meeting the requirements of Section 4041(b) of ERISA. The Authority shall not, and shall not permit any Subsidiary to, terminate any such Plan or withdraw therefrom unless it shall be in compliance with all of the terms and conditions of this Reimbursement Agreement after giving effect to any liability to PBGC resulting from such termination or withdrawal.

**Section 5.12. Compliance with Laws, Etc.** The Authority shall, and shall cause each of its Subsidiaries to, comply in all material respects with all Governmental Requirements and Legal Requirements, except where the failure to do so would not have a Material Adverse Effect.

**Section 5.13. Taxes.**

(a) Any and all payments by the Authority hereunder shall be made in accordance with Section 2.4 hereof and shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto, and all liabilities with respect thereto, excluding, in the case of the Bank, (i) taxes imposed on its income and any withholdings in connection therewith, and franchise taxes imposed on it, by any jurisdiction under the laws of which the Bank is organized or any political subdivision thereof and taxes imposed on its income, and franchise taxes imposed on it, by any jurisdiction or any political subdivision thereof, and (ii) taxes imposed by Section 1471 through Section 1474 of the Internal Revenue Code of 1986, as amended (including any official interpretations thereof, regulations promulgated thereunder, and any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with) (collectively “FATCA”) on any “withholdable payment” payable to the Bank as a result of the failure of such Person to satisfy the applicable requirements as set forth in FATCA (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “Taxes”). If the Authority shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 5.13) the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

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

(c) The Authority shall indemnify the Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 5.13) paid by the Bank and any liability (including penalties, interest and expenses, other than those penalties, interest or expenses arising from the gross negligence or willful misconduct of the Bank) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor. The Bank shall notify the Authority in writing reasonably promptly after determining that Taxes or Other Taxes may be payable hereunder. From time to time hereafter, upon the request of the Bank, the Authority will deliver such additional receipts, certificates or documents for the purposes of evidencing the Authority's payment of Taxes and Other Taxes.

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

(e) Without prejudice to the survival of any other agreement of the Authority hereunder, the obligation of the Authority under this Section shall survive the termination of the Letter of Credit and this Reimbursement Agreement and the payment of all amounts owing to the Bank hereunder and under the other Documents; *provided*, that the Bank shall not be entitled to demand any payment under this Section 5.13 more than one year following the last day of the fiscal year of the Bank during which the liability in respect of such Taxes or Other Taxes was incurred; *provided further, however*, that the foregoing proviso shall in no way limit the right of the Bank to demand or receive any payment under this Section 5.13 to the extent that such payment relates to the retroactive application of any Taxes or Other Taxes if such demand is made within one year after the implementation of such Taxes or Other Taxes.

**Section 5.14. Maintenance of Rate Stabilization Fund.** The Authority shall at all times maintain on deposit in the Rate Stabilization Fund an amount not less than \$150,000,000 (the “Rate Stabilization Fund Requirement”); *provided, however*, that the failure to maintain such amount shall not constitute an Event of Default hereunder so long as (i) any such deficiency is cured within a period not exceeding thirty (30) days following the initial date of such deficiency, *provided, further*, however, that if such deficiency cannot be cured without increasing System fees, rates and charges, such deficiency shall be cured within one hundred twenty (120) days following the implementation of the increase in System fees, rates or charges but in no event later than one hundred eighty (180) days following the initial date of such deficiency and (ii) until such deficiency has been cured, no amounts of Revenues shall be used by the Authority for any purpose other than for the satisfaction of the obligations set forth in paragraphs FIRST through FIFTH of Section 505(a) of the General Resolution. Nothing contained in this Section 5.14 shall prohibit the Authority from curing any deficiency in the Rate Stabilization Fund by depositing unencumbered cash on hand from sources other than Revenues into the Rate Stabilization Fund subject to the grace periods set forth above.

**Section 5.15. Covenants of Subsidiary.** The Authority shall cause the LIPA Subsidiary to fully comply with any and all of its obligations, agreements and covenants set forth in the Financing Agreement and any other Document to which it is a party, including without limitation its obligation to maintain insurance under Section 6.11 of the Financing Agreement.

**Section 5.16. Sovereign Immunity.** To the extent permitted by law, in the event the Authority has or hereafter acquires under any applicable law any right of immunity from set-off or legal proceedings on grounds of sovereignty or otherwise, the Authority hereby waives such rights to immunity for itself in all disputes or legal actions brought by the Bank with respect to obligations of the Authority arising under this Reimbursement Agreement or any other Document to which the Authority or any of its Subsidiaries is a party.

**Section 5.17. Environmental Covenant.** The Authority shall, and shall cause the LIPA Subsidiary to:

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

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

(c) provide such information and certifications which the Bank may reasonably request from time to time to evidence compliance with this Section 5.17.

**Section 5.18. Investment of Funds.** The Authority shall cause all moneys held in the funds and accounts of the Authority established under the General Resolution, including without limitation the Revenue Fund, the Operating Expense Fund, the Debt Service Fund, the Parity Contract Obligations Fund, the Subordinated Indebtedness Fund, the Construction Fund, the Subsidiary Unsecured Debt Fund, the PILOTs Fund and the Rate Stabilization Fund, to be invested in Permissible Investments; *provided* that in no event shall any such investment be made by purchasing securities on margin or by otherwise investing or compounding the dollar amount of such investment by obtaining loans or issuing debt.

**Section 5.19. Ratings.** The Authority shall provide to the Bank on each anniversary of the Closing Date written reports from each of the Rating Agencies then maintaining the described ratings, indicating the then current long-term debt ratings on the Authority's unenhanced Bonds (or if there is no unenhanced Bonds outstanding, then the unenhanced senior long-term debt rating of the Authority). Additionally, the Authority shall promptly provide the Bank with written notice of any rating reduction, change, suspension, withdrawal or unavailability of any debt rating assigned to the Bonds or the Subordinated Indebtedness.

**Section 5.20. PILOT.** The Authority shall cause to be timely paid such amounts as are payable in respect of PILOT in accordance with the Act.

**Section 5.21. Credit Facilities.** In the event that the Authority has or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement, direct purchase agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make or provide funds to purchase, or otherwise extend credit or liquidity for, any obligations or indebtedness secured by a pledge, lien or charge upon any of the Revenues senior to or on a parity with the lien of the Series 2023D Bonds (each such agreement referred to herein as a "Bank Agreement"), which such Bank Agreement (or amendment thereto) provides such Person with more restrictive financial tests, covenants and ratios, different or more restrictive events of default or greater rights and remedies for default (including rights of acceleration, declaration of mandatory tender, or amortization of bank bonds), and/or greater rights with respect to the security for Parity Reimbursement Obligations than are provided to the Bank in this Reimbursement Agreement (collectively, the "Incorporated Provisions"), the Authority shall provide the Bank with a copy of each such Bank Agreement and such Incorporated Provisions shall automatically be incorporated into the respective Article of this Reimbursement Agreement and the Bank shall have the benefits of such Incorporated Provisions as if specifically set forth herein, but only for the period during which such Bank Agreement remains in force and effect. The Authority shall promptly enter into an amendment to this Reimbursement Agreement to include such Incorporated Provisions (provided that the Bank shall maintain the benefit of such Incorporated Provisions even if the Authority fails to provide such amendment). Notwithstanding the foregoing, this Section 5.21 does not apply to any provisions other than those set forth above and, in particular, does not apply to different or higher fees, different or higher interest rates or different or higher drawn pricing set forth in any such Bank Agreement. For purposes of clarification, "financial tests, covenants and ratios" refers to covenants to maintain coverage ratios

at certain levels prior to the incurrence of additional debt, covenants to maintain certain liquidity levels, covenants to maintain certain rating levels, rating thresholds with respect to events of default and similar financial covenants and agreements to deliver financial information and other information within a specified time period.

**Section 5.22. Remarketing Agent.** The Authority shall at all times cause a Remarketing Agent to be in place with respect to the Series 2023D Bonds. Any successor Remarketing Agent or its parent shall have capital of not less than \$500,000,000, and underlying ratings from Moody's and S&P of at least "A3" (or its equivalent) and "A-" (or its equivalent), respectively. If any Remarketing Agent fails to remarket the Series 2023D Bonds for thirty (30) consecutive days, the Authority will, at the direction of the Bank (and in compliance with the laws, regulations and policies to which the contracting and procurement activities of the Authority are subject), use commercially reasonable efforts to replace or cause to be replaced such Remarketing Agent and, appoint a successor Remarketing Agent reasonably acceptable to the Bank. Any remarketing agreement with a successor Remarketing Agent shall provide that (a) such successor Remarketing Agent may resign upon at least sixty (60) days prior written notice to the Trustee, the Bank, and the Authority, and (b) such successor Remarketing Agent shall use its best efforts to remarket the Series 2023D Bonds without regard to the Bank Rate (i.e., whether or not the rate to be borne by the Series 2023D Bonds is greater than the Bank Rate).

**Section 5.23. Licenses and Permits.** The Authority shall maintain all licenses and permits necessary to own and operate the System.

**Section 5.24. Maintenance of Ratings.** The Authority shall cause to be maintained at least: (i) two Debt Ratings at all times (provided, however, that (a) in no event may the Authority terminate or request a withdrawal of a Debt Rating in order to cure a Potential Default or Event of Default or to reduce the Letter of Credit Fee Rate and (b) if the Authority terminates or requests a withdrawal of the then lowest Debt Rating, such termination or withdrawal shall not in and of itself result in a change in pricing, including, without limitation, the Letter of Credit Fee Rate); and (ii) one long-term rating assigned to the Bank Bonds.

**Section 5.25. Tender Agent.** The Authority shall cause the Tender Agent to notify the Bank immediately upon any tender by the holders of the Series 2023D Bonds and a successful remarketing by the Remarketing Agent.

## ARTICLE VI

### NEGATIVE COVENANTS OF THE AUTHORITY

Until the later of the Termination Date and the date that all Payment Obligations are paid in full, unless the Bank otherwise expressly consents in writing:

**Section 6.1. Negative Covenants.** The Authority shall not:

(a) **Amendments to Organizational Documents.** Amend, supplement, or otherwise modify its organizational documents in any way which could reasonably be expected to materially impair its ability to carry out its obligations under this

Reimbursement Agreement, or adversely affect the rights and remedies of the Bank hereunder and under the Documents;

(b) Documents. Enter into or consent to any amendment to, modification of or waiver of compliance with the provisions of any of the Documents, except that the Authority may amend, modify or waive any term or provision with respect to any Document (other than this Reimbursement Agreement and the Fee Annex and, with respect to this Reimbursement Agreement and the Fee Annex, the amendments, supplements and modifications to which shall be governed by Section 8.2 hereof) in a manner (i) not relating to the duties, obligations or rights of the Bank under this Reimbursement Agreement, as determined in the Bank's reasonable discretion, or (ii) not having an adverse effect, as determined in the Bank's reasonable discretion, on (x) the ability of the Authority to pay when due the principal of or interest on the Series 2023D Bonds and the obligations of the Authority under this Reimbursement Agreement or (y) the security, rights or remedies of the Bank hereunder or under any other Document. In connection with any such amendment, modification or waiver, the Authority agrees to deliver to the Bank copies of all such amendments, modifications or waivers at least fifteen (15) calendar days prior to the effective date thereof. The Bank shall, within ten (10) calendar days after receiving such copies, inform the Authority in writing if, in the Bank's reasonable discretion, such amendment, modification or waiver requires the prior written consent of the Bank in accordance with this Section 6.1(b);

(c) Adverse Agreements. Enter into, or permit the LIPA Subsidiary to enter into, any contract, agreement or transaction which would reasonably be foreseen by the Authority to materially and adversely affect its or the LIPA Subsidiary's business, Property, assets, operations, condition (financial or otherwise), or its or the LIPA Subsidiary's ability to perform its obligations under any of the Documents;

(d) Loans or Guarantees. Make, or permit the LIPA Subsidiary to make, any advances, loans or other investments, other than those involving prime money market investments or investments otherwise authorized under the terms of this Reimbursement Agreement, the General Resolution, the Certificate of Determination, or the Subordinated Resolution, or guarantee the obligations of any Person;

(e) Redemption of Bonds. Exercise its rights under the General Resolution to permit or require the redemption of any of the Series 2023D Bonds prior to the maturity thereof, unless funds used for such purpose (other than with respect to premium) are available to the Authority to immediately reimburse the Bank hereunder; or

(f) Additional Debt. Except in the case of Refunding Bonds issued pursuant to Section 206 of the General Resolution, issue or permit the LIPA Subsidiary to issue any Bonds, Parity Obligations, Subordinated Indebtedness or other Debt payable from or secured by Revenues (collectively, "Additional Debt") unless the Bank receives the following:

(i) A Certificate of an Authorized Representative of the Authority setting forth (1) the Revenues for any twelve (12) consecutive calendar months out

of the eighteen (18) calendar months immediately preceding the month in which such Additional Debt is to be issued, (2) the Debt Service for all Outstanding Bonds and Subordinated Indebtedness and the amount payable under all Parity Obligations during such twelve-month period for which Revenues are determined in accordance with clause (1) above, excluding in each case any amount thereof paid from sources other than Revenues, and (3) the sum of the Required Deposits for such twelve-month period (excluding Required Deposits for the payment of Outstanding Bonds, Subordinated Indebtedness, and Parity Obligations which are captured in clause (2) above), all other payments required pursuant to the General Resolution, the Subordinated Resolution, any Credit Facility (and any related reimbursement agreement), Subordinated Credit Facility (and any related reimbursement agreement), or any other Document, and all other payments required for the System for such twelve-month period, including but not limited to payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 5.14 hereof and payments of the principal of and interest on Permitted Subordinate Debt, and showing that the amount set forth in clause (1) is at least equal to the sum of (x) 110% of the amount set forth in clause (2) and (y) 100% of the amount set forth in clause (3); or

(ii) A Certificate of a Rate Consultant setting forth (A) the estimated Revenues for each of the full Fiscal Years in the period beginning with the Fiscal Year in which such Additional Debt is to be issued and ending with the fifth full Fiscal Year after the date such Additional Debt is to be issued, (B) the estimated Debt Service for all Bonds and Subordinated Indebtedness and estimated amounts payable under all Parity Contract Obligations, during each Fiscal Year for which Revenues are estimated, (C) the projected Debt Service for all Bonds and Subordinated Indebtedness, including such Additional Debt, and projected amounts payable under Parity Contract Obligations, projected to be issued for any purpose during each Fiscal Year for which Revenues are estimated, and (D) the sum of the estimated and projected Required Deposits for each such Fiscal Year (excluding Required Deposits for the payment of Outstanding Bonds, Subordinated Indebtedness and Parity Obligations which are captured in clause (C) above), all other payments required pursuant to the General Resolution, the Subordinated Resolution, any Credit Facility (and any related reimbursement agreement), Subordinated Credit Facility (and any related reimbursement agreement), or any other Document, and all other payments required for the System for such twelve-month period, including but not limited to payments necessary to satisfy the Rate Stabilization Fund Requirement in accordance with Section 5.14 hereof and payments of the principal of and interest on Permitted Subordinate Debt, and showing that for each such Fiscal Year the amount set forth in clause (A) is at least equal to the sum of (x) 110% of the sum of the amounts set forth in clauses (B) and (C), and (y) 100% of the amount set forth in clause (D). The Rate Consultant may base its estimates and projections upon such factors as it shall consider reasonable, a statement to which effect shall be included in such Certificate.

For purposes of this Section 6.1(e), (1) Revenues shall include any amount withdrawn in any Fiscal Year from the Rate Stabilization Fund which was on deposit therein prior to such Fiscal Year, (2) Revenues shall not include any proceeds from the sale of assets of the LIPA Subsidiary or proceeds of insurance, and (3) any Debt Service for Bonds or Subordinated Indebtedness, Parity Contract Obligations and Required Deposits shall not include any amounts thereof expected by the Authority to be paid from any funds, other than the Revenues, reasonably expected by the Authority to be available therefor (including, without limitation, the anticipated receipt of proceeds of sale of Bonds or Subordinated Indebtedness, or moneys not a part of the Trust Estate, expected by the Authority to be used to pay the principal of Bonds, Parity Obligations, Subordinated Indebtedness or Subsidiary Unsecured Debt).

**Section 6.2. Acquisitions.** The Authority shall not, and shall not permit any Subsidiary to, make or commit to make acquisitions of any Person or substantially all of its assets (each an “Acquisition”); *provided, however*, that the Authority and any Subsidiary each may make Acquisitions if: (i) the Authority or such Subsidiary acquires by reason of such Acquisition either (x) assets used or useful in a business which is the same or similar to that currently conducted by the Authority or (y) the capital stock of a corporation or any other equity interest of any partnership or other firm engaged in such a same or similar business and after giving effect to such Acquisition, the corporation, partnership or other such firm so acquired becomes a Subsidiary; (ii) no Potential Default or Event of Default exists or would exist at the time of or after giving effect to such Acquisition; (iii) the Authority provides the Bank a statement, certified as true and correct by an Authorized Representative, which describes the feasibility and benefits of such Acquisition and includes a forecast of projected operating results for the remainder of the Fiscal Year in which such Acquisition takes place and the next succeeding Fiscal Year, in each case after giving effect to such Acquisition, such certificate to be accompanied by supporting financial projections based on reasonable assumptions; (iv) the Board of Directors or other governing body of such Person whose property or voting stock is being so acquired has approved the terms of such Acquisition; and (v) the Authority has provided the Bank such financial and other information regarding the Person whose property or voting stock is being so acquired, including historical financial statements, and a description of such Person, as the Bank may reasonably request.

**Section 6.3. Substitute Credit Facility.** The Authority shall not substitute an Alternate Liquidity Facility or Alternate Credit Facility for the Letter of Credit unless (i) the Authority shall have given the Bank at least thirty (30) days’ prior written notice, (ii) contemporaneously with the effectiveness of such Alternate Liquidity Facility or Alternate Credit Facility all obligations of the Authority owing to the Bank hereunder are paid in full, including without limitation any Reimbursement Obligations and any Bank Bonds held by the Bank are purchased at a Purchase Price equal to the principal amount thereof plus accrued and unpaid interest thereon and any termination fee due and owing hereunder to but excluding the date such Bank Bonds are so purchased by the Authority or such Alternate Liquidity Facility or Alternate Credit Facility becomes effective and (iii) the Authority has complied with Section 2.6 hereof.

**Section 6.4. Mergers, Consolidations and Sales.**

(a) The Authority shall not, and shall not permit any Subsidiary to be a party to any merger or consolidation, or sell, transfer, lease (including, without limitation, any long-term lease with respect to the System, the Property of the Authority or any substantial

portion thereof), or otherwise dispose of (whether in a single transaction or a series of transactions) all or any substantial part of its Property, including any disposition of Property as part of a sale and leaseback transaction, or in any event sell or discount (with or without recourse) any of its notes or accounts receivable; provided that the foregoing shall not operate to prevent (i) any such transaction that could not reasonably be expected to have a Material Adverse Effect, (ii) any Subsidiary from merging into the LIPA Subsidiary or into any other wholly-owned Subsidiary (in each case, so long as the LIPA Subsidiary or such Subsidiary, as applicable, is the surviving entity and remains a subsidiary of the Authority) or (iii) transactions related to Separately Financed Projects (so long as the Payment Obligations under this Reimbursement Agreement and any debt service on Bonds, Parity Obligations and all other Debt issued or incurred by or on behalf of the Authority secured by a senior lien on Revenues or Subordinated Indebtedness issued and outstanding are not and may not be payable from or secured by the revenues generated by such Separately Financed Project). The term “substantial” as used herein means, as to the Authority or any Subsidiary, the sale, transfer, lease or other disposition of 10% or more of the total assets of such Person (whether in a single transaction or a series of transactions); provided, however, that a disposition of the LIPA Subsidiary’s interest in the Nine Mile Point 2 Nuclear Power Plant shall not constitute the disposition of a substantial part of the assets of the Authority or the LIPA Subsidiary for purposes of this Section 6.4.

(b) Until the later of the (i) Termination Date and (ii) the date that all the Payment Obligations are paid in full, the Authority shall not permit the occurrence of any Privatization.

**Section 6.5. Transactions with Affiliates.** The Authority shall not, and shall not permit any Subsidiary to, enter into any transaction, including without limitation, the purchase, sale, lease or exchange of any Property, or the rendering of any service, with any Affiliate of the Authority except pursuant to the reasonable requirements of the Authority’s or such Subsidiary’s business and upon fair and reasonable terms no less favorable to the Authority or such Subsidiary than would be obtained in a comparable arm’s-length transaction with a Person not an Affiliate of the Authority or such Subsidiary.

**Section 6.6. Tax Covenant.** The Authority shall not take or omit to take any action which would cause interest on the Series 2023D Bonds to be included in the gross income of any Owner thereof for Federal income tax purposes by reason of subsection (b) of Section 103 of the Code. Without limiting the generality of the foregoing, no part of the proceeds of the Series 2023D Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the Series 2023D Bonds to be an “arbitrage bond” as defined in Section 148 of the Code and to be subject to treatment under subsection (b)(2) of Section 103 of the Code as an obligation not described in subsection (a) of said Section.

**Section 6.7. No Debt to Be Issued by LIPA Subsidiary.** From and after the Closing Date, the Authority shall not permit the LIPA Subsidiary or any other Subsidiary of LIPA to issue or incur any Debt, provided, however, that the foregoing shall not prohibit the LIPA Subsidiary or any other Subsidiary of LIPA from entering into obligations the payment of which would constitute (i) Operating Expenses, (ii) (x) Capital Leases which are payable from funds withdrawn from the Revenue Fund as permitted by Section 505(b) of the General Resolution or (y) Capital Leases

which constitute Parity Contract Obligations providing for total principal payments of not more than \$100,000,000 (iii) Supply Contracts in an aggregate principal amount of not more than \$250,000,000, or (iv) other Debt evidenced by bonds, indentures, notes or other similar instruments with Debt Service Components in an aggregate principal amount of not more than \$50,000,000; *provided, however*, that any such Capital Lease or Supply Contract (to the extent that payments thereunder are intended to be payable as a Parity Contract Obligation), or other Debt is issued or incurred in accordance with the limitations set forth in Section 207(e) of the General Resolution for “Parity Contract Obligations.”

**Section 6.8. No Disposition of LIPA Subsidiary.** The Authority shall not hereafter transfer, sell or otherwise dispose of or encumber or grant a security interest in, any common or preferred stock or other evidence of the Authority’s equity interest in the LIPA Subsidiary.

**Section 6.9. Offering Documents.** The Authority shall not change any reference to the Bank in the Disclosure Materials without the Bank’s prior written consent thereto. The Authority shall not make reference to any financial information relating to the Bank or the Bank’s long or short term debt ratings in any offering document without the Bank’s prior written consent thereto.

## ARTICLE VII

### DEFAULT; EVENTS OF DEFAULT AND REMEDIES

**Section 7.1. Events of Default.** “Event of Default” means any of the following events:

(i) The Authority shall fail to pay to the Bank when due (whether upon demand or otherwise) any of the Payment Obligations or shall fail to remit or deposit funds as and when required by this Reimbursement Agreement, by the General Resolution or by the Series 2023D Bonds; or

(ii) The Authority shall fail to observe any warranty made by it hereunder or to perform any covenant, condition or agreement hereunder or in any of the other Authority Documents on its part to be observed or performed (other than a failure referred to in clause (i) of this Section 7.1), and (A) in the case of the covenants set forth in Sections 5.1, 5.4, 5.8, 5.9, 5.13, 5.14, 5.16, 5.22, 5.23, 5.24, 6.1, 6.2, 6.3(ii), 6.4, 6.5, 6.7, or 6.8 hereof, such failure shall not have been cured prior to the earlier to occur of (1) the date of delivery of written notice of such failure to the Authority by the Bank, or (2) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure, and (B) in the case of all other covenants such failure shall not have been cured within thirty (30) days after the earlier to occur of (i) the date of delivery of written notice of such failure to the Authority by the Bank, and (ii) the date on which the Authority has actual knowledge of the circumstances constituting such failure and actual knowledge that such circumstances constitute such failure; or

(iii) The Authority or the LIPA Subsidiary shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee

or liquidator of the Authority or the LIPA Subsidiary or of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (E) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, (F) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Authority or the LIPA Subsidiary in any involuntary case under said Federal Bankruptcy Code, (G) be a party to, or the subject of, a moratorium or repudiation with respect to any of its debt, debt restructuring, debt adjustment, or other comparable extraordinary event or restriction or (H) take any action for the purpose of effecting any of the foregoing; or

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

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

(vi) The independent certified public accountants retained by the Authority shall fail or refuse to deliver an opinion, unqualified in scope (other than an opinion qualified as a result of a change in application of GAAP, such change being one with which such accountants concur) with respect to the financial statements of the Authority; or

(vii) (a) Any material provision of this Reimbursement Agreement, the Authority Documents, or any other Document (other than the Letter of Credit) (i) shall at any time for any reason cease to be valid and binding on the Authority

or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (ii) shall be declared to be null and void, or (b) the validity or enforceability thereof shall be contested by the Authority or the LIPA Subsidiary (with respect to those Documents to which it is a party), or (c) the Authority or the LIPA Subsidiary (with respect to those Documents to which it is a party) shall deny that it has any or further liability or obligation under this Reimbursement Agreement, any of the Authority Documents or any of the other Bank Documents; or

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

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

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

(xi) The Authority fails to make any payment with respect to any Series 2023D Bonds or any other Debt payable from Revenues when due or any Parity Contract Obligations or any Financial Contract that is secured or payable on a basis senior to or on a parity or subordinate to Payment Obligations, or any other event or condition shall occur which would permit any holder, credit provider or other entity to cause the principal of any such Bonds or Parity Contract Obligations or other Debt payable from Revenues, any Parity Contract Obligations or any Financial Contract, to become due prior to its stated maturity or scheduled payment date, whether pursuant to acceleration, mandatory tender, mandatory redemption or otherwise; or

(xii) The Authority or the LIPA Subsidiary, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of \$25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of \$25,000,000 (collectively, a "Material Plan") shall be filed under Title IV of ERISA by the Authority or the LIPA Subsidiary, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Authority or the LIPA Subsidiary, or

any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

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

(xiv) (a) The Authority or any of its Subsidiaries shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any indebtedness or any obligation under any Financial Contract of the Authority or any of its Subsidiaries secured by or payable from the Trust Estate that is senior to or on a parity with the Series 2023D Bonds or (b) any Governmental Authority having appropriate jurisdiction over the Authority shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Series 2023D Bonds or any other indebtedness or any obligation under any Financial Contract of the Authority secured by the Trust Estate or payable from Revenues; or

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

## **Section 7.2. Remedies.**

(a) Upon the occurrence of an Event of Default, the Bank may, in its sole discretion, by delivery of a Notice of Termination in the form of Exhibit F hereto, notify the Trustee of the occurrence of such Event of Default and may (i) send written notice thereof to the Trustee requiring purchase of the Series 2023D Bonds, (ii) declare all Payment Obligations to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by the Authority (provided that in the case of any Event of Default specified in Section 7.1(iii) or (iv) above, without any notice or any other act by the Bank, the Payment Obligations (including any Drawing thereafter occurring, immediately upon the Bank’s honoring of such Drawing) shall be immediately due and payable and the Bank shall have the right to send written notice thereof to the Trustee requiring the mandatory purchase of the Series 2023D Bonds), or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under this Reimbursement Agreement or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Documents, whether for specific performance of any agreement or covenant of

the Authority or in aid of the execution of any power granted to the Bank in the Documents, which action may include mandamus with respect to the Authority.

(b) The Letter of Credit shall automatically terminate on the 15th day following receipt by the Trustee of the Notice of Termination as set forth in Subsection (a) above. Upon the occurrence of any Event of Default and the giving by the Bank of notice to the Trustee to draw on the Letter of Credit and apply the proceeds to the mandatory tender of the Series 2023D Bonds or the payment of the redemption price of the Series 2023D Bonds, the Bank may declare (i) the outstanding principal amount of all Payment Obligations, and (ii) a sum equal to the then Stated Amount of the Letter of Credit, if any, immediately due and payable by the Authority to the Bank, without presentment, demand, protest or notice of any kind.

(c) In addition to those rights and remedies expressly provided in this Reimbursement Agreement, the Bank shall have all the rights and remedies provided in the Bank Documents, including, without limitation, all rights and remedies provided or available at law or in equity.

### **Section 7.3. Set Off.**

(a) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, without notice to the Authority (any such notice being expressly waived by the Authority) and to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Trust Estate of the Authority against and on account of any and all of the obligations of the Authority now or hereafter existing under this Reimbursement Agreement, or the Letter of Credit, irrespective of whether or not the Bank shall have made any demand hereunder or thereunder and although such obligations may be unmatured. All amounts realized by the Bank upon exercise of the set-off rights set forth herein shall be held and applied by the Bank on a parity basis for the benefit of the Trustee (as defined in the General Resolution) to be distributed in accordance with the terms of the General Resolution; *provided, however*, that the foregoing sentence shall be of no force and effect so long as any Bank Agreement contains a provision permitting the provider thereunder to set off obligations owed to it without regard to the terms of the General Resolution.

(b) To the extent the Bank exercises its right of setoff, and the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or as otherwise legally mandated, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such setoff had not occurred.

**Section 7.4. Remedies Cumulative.** All remedies provided for in this Reimbursement Agreement are cumulative and shall be in addition to any and all other rights and remedies available under the Authority Documents, the Bank Documents or any other document or at law or equity. No exercise of any right or remedy shall in any way constitute a cure or waiver of any Event of Default hereunder, or invalidate any act done pursuant to any notice of default, or prejudice the exercise of any other right or remedy available to the Bank. No failure to exercise, and no delay in exercising, any right or remedy shall operate as a waiver or otherwise preclude enforcement of any of the Bank's rights and remedies, nor shall any single or partial exercise of any right or remedy preclude any further exercise thereof or of any other right or remedy. The Bank need not resort to any particular right or remedy before exercising or enforcing any other.

## **ARTICLE VIII**

### **MISCELLANEOUS**

**Section 8.1. Notices.** All notices and other communications hereunder shall be in writing and shall be delivered by hand, by telex, by telefax, by electronic mail, by prepaid telegram, or by registered or certified United States mail, return receipt requested (postage prepaid), to the notice addresses set forth below or to such other addresses or payment instructions as the parties may provide to one another in accordance with this Section. Such notices and other communications shall, if sent by mail in accordance with this Section, be deemed given three Business Days after deposit in the United States mail, and if sent by any other method, shall be effective only if and when received by the addressee.

Address for notices to the Authority:

Long Island Power Authority  


and copy to:

Long Island Power Authority  


Address for notices to the Bank:

If to the Bank regarding credit matters:

Barclays Capital Inc.

[REDACTED]

If to the Bank regarding operational matters:

Barclays Bank PLC

[REDACTED]

With a copy to:

Barclays Bank PLC

[REDACTED]

Wire instructions with respect to Facility or Other Fees:

Barclays Bank PLC

[REDACTED]

Wire instructions with respect to reimbursement of Drawings under the Letter of Credit:

Barclays Bank PLC

[REDACTED]

**Section 8.2. Amendments, Waivers, Etc.** No amendment or waiver of any provision of this Reimbursement Agreement or other Bank Document, nor consent to any departure by the Authority herefrom or therefrom, shall in any event be effective unless the same shall be in writing

and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Amendments to any provision of this Reimbursement Agreement (or any other Bank Document requiring New York Attorney General and New York State Comptroller approval) shall be subject to approval by the New York Attorney General and New York State Comptroller.

**Section 8.3. Indemnification.**

(a) To the extent permitted by law, in addition to its other obligations hereunder the Authority hereby agrees to indemnify and hold harmless the Bank, its affiliates, officers, directors, employees and agents (collectively, the “Indemnitees”) from and against any and all claims, damages, losses, liabilities, costs or expenses (including reasonable fees and expenses of counsel) that the Indemnitees may incur (or that may be claimed against the Indemnitees by any Person) in connection with the Disclosure Materials, the offering and sale of the Series 2023D Bonds, the issuance by the Bank of the Letter of Credit or any other Bank Document; *provided, however*, that the Authority shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent caused by (i) the Bank’s willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit, (ii) the Bank’s willful failure to make lawful payment under the Letter of Credit after the presentation to it by the Tender Agent of a certificate strictly complying with the terms and conditions of the Letter of Credit or (iii) any written information provided by the Bank specifically for inclusion in the Disclosure Materials.

(b) To the fullest extent permitted by applicable law, the Authority shall not assert, and hereby waives, any claim against any Indemnatee and the Bank shall not assert, and hereby waives, any claim against the Authority, in each case, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Reimbursement Agreement, any other Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, or the use of the proceeds thereof.

(c) Nothing in this Section is intended to limit the obligations of the Authority contained in Article 2. Without prejudice to the survival of any other obligation of the Authority hereunder, the indemnities and obligations of the Authority contained in this Section shall survive performance of all obligations hereunder and the termination of the Letter of Credit, the exercise by the Bank of any of its remedies under this Reimbursement Agreement or any other Bank Document and the repayment of all amounts owing to the Bank hereunder and under the other Documents.

**Section 8.4. Liability of the Bank.** As to the Bank, the Authority assumes all risks of the acts or omissions of the Trustee and the Tender Agent with respect to their use of the Letter of Credit and the proceeds thereof; *provided, however*, that this assumption is not intended to, and shall not, preclude the Authority from pursuing such rights and remedies as it may have against the Trustee or the Tender Agent at law or under any other agreement. Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for:

(a) the use made of the Letter of Credit or any proceeds of the Letter of Credit or for any acts or omissions of the Trustee or the Tender Agent;

(b) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(c) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear adequate reference to the Letter of Credit; or

(d) any other circumstances in making or failing to make payment under the Letter of Credit;

*provided, however*, that the Authority shall have a claim against the Bank, and the Bank shall be liable to the Authority for direct, but not consequential, damages suffered by the Authority which were caused solely by the willful misconduct or gross negligence of the Bank in connection with drawings under the Letter of Credit. By way of amplification, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. Subject to the foregoing, the determination of whether a Drawing has been presented under the Letter of Credit prior to the Termination Date or whether a Drawing under the Letter of Credit or any accompanying document or instrument is in proper and sufficient form shall be made by the Bank in its sole discretion, which determination shall be conclusive and binding upon the Authority. The Authority hereby waives any right to object to any payment made under the Letter of Credit against a Drawing with accompanying documents in the forms provided for in the Letter of Credit but varying in punctuation, capitalization, spelling or similar matters of form.

**Section 8.5. Successors and Assigns.** This Reimbursement Agreement is a continuing obligation and shall be binding upon the Bank, the Authority, and their respective successors, transferees and assigns, and shall inure to the benefit of and be enforceable by the Bank, the Authority and their respective successors, transferees and assigns; *provided, however*, that the Authority shall not assign all or any part of this Reimbursement Agreement or any Bank Bonds without the prior written consent of the Bank.

**Section 8.6. Governing Law.** This Reimbursement Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including New York General Obligations Laws 5-1401 and 5-1402).

**Section 8.7. Survival of Warranties.** All agreements, representations and warranties made in this Reimbursement Agreement and in any related certificates shall survive the execution and delivery of this Reimbursement Agreement and the issuance and expiration of the Letter of Credit and the repayment of the Series 2023D Bonds, and shall continue until any and all the Payment Obligations shall have been paid and performed in full.

**Section 8.8. Severability.** Any provision of this Reimbursement Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the

extent of such prohibition or unenforceability without invalidating the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

**Section 8.9. Counterparts; Electronic Signatures.**

(a) Counterparts. This Reimbursement Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute but one and the same agreement.

(b) Electronic Signatures. Delivery of an executed counterpart of a signature page of this Agreement or any Related Document, that is an Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual manually executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement or such Related Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement or any Related Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual manually executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided, further*, without limiting the foregoing, (i) the Bank shall be entitled to rely on an Electronic Signature purportedly given by or on behalf of the Authority without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Bank, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Authority hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation between the Bank and the Authority, Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual manually executed signature page, or any electronic images of this Agreement, any other Loan Document, or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) agrees that the Bank may, at its option, create one or more copies of this Agreement or any Related Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement or any Related Document based solely on the lack of paper original copies of this Agreement, or such Related Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against the Bank for any liability arising solely from the Bank’s reliance on or use of Electronic Signatures or transmissions by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page, including any liability arising as a result of the failure of the

Authority to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**Section 8.10. Time of Essence.** Time is of the essence of this Reimbursement Agreement and of each provision in which time is an element.

**Section 8.11. Headings.** Article, section and other headings in this Reimbursement Agreement are for convenience of reference only and shall not constitute a part of this Reimbursement Agreement for any other purpose.

**Section 8.12. Independence of Covenants.** All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any one of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

**Section 8.13. Current Rating.** The Bank shall use its commercially reasonable efforts to notify the Authority of any reduction of its long-term or short-term unsecured debt rating; *provided, however*, that the Bank's failure to provide the Authority any such notice will not affect the obligations of the Authority under this Reimbursement Agreement; and, *provided, further*, that the Bank shall not be liable for any consequential damages in the event it fails to provide the Authority any such notice.

**Section 8.14. Entire Agreement.** This Reimbursement Agreement, including Exhibits A-E, Appendix A, Standard Clauses, and the Fee Annex, together with the other Bank Documents, integrates all of the terms and conditions mentioned herein and therein or incidental hereto or thereto, and supersedes all negotiations or prior or contemporaneous agreements, whether written or oral, between the parties hereto with respect to the subject matter hereof and thereof.

**Section 8.15. No Personal Liability.** Notwithstanding anything to the contrary contained herein or in any of the other Authority Documents or Bank Documents, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future trustee, officer, employee or agent of the Authority or the Bank, or of any incorporator, trustor, member, director, trustee, officer, employee or agent of any successor to the Authority or the Bank, in any such Person's individual capacity, and no such Person, in his or her individual capacity, shall be liable personally for any breach or nonobservance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had against any present or future trustee, officer, employee or agent of the Authority for the performance or payment of the Payment Obligations or against any present or future trustee, officer, employee or agent of the Authority or the Bank for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such Person, in his or her individual capacity, either directly or through the Authority or the Bank or any successor to the Authority or the Bank, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such Person, in his or her individual capacity, is hereby expressly waived and released.

**Section 8.16. Usury.** This Reimbursement Agreement is subject to the express condition that at no time shall the Authority be obligated or required to pay interest on any Payment Obligations at a rate that could subject the Bank to either civil or criminal liability as a result of such rate being in excess of the maximum interest rate that the Authority is permitted by law to contract or agree to pay. If the rate of interest payable on any obligation hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period, and, to the extent permitted by law, (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof and (ii) the Maximum Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. To the extent permitted by law, upon the date all Payment Obligations are payable hereunder following the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Authority shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest. Any Excess Interest shall, to the extent permitted by law, bear interest at the Bank Rate until paid in full.

**Section 8.17. Participations.** The Bank may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Reimbursement Agreement, the other Bank Documents and the other Documents (including, without limitation, all or a portion of the Letter of Credit and the Payment Obligations owing to it); *provided, however*, that (i) the Bank's obligations under this Reimbursement Agreement (including, without limitation, its Letter of Credit and the Payment Obligations owing to it hereunder) shall remain unchanged, (ii) the Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Authority shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Reimbursement Agreement and the other Documents.

(a) The Bank may, in connection with any participation or proposed participation pursuant to this Section 8.17, disclose to the Participant or proposed Participant any information relating to the Authority furnished to the Bank by or on behalf of the Authority, *provided* that the Participant shall agree to maintain the confidentiality of any confidential information provided to the Bank.

(b) The Authority shall not be responsible for any cost or expense incurred by the Bank in connection with any participation in the Payment Obligations or the Letter of Credit.

**Section 8.18. Discretion of Bank as to Manner of Funding.** Subject to Section 2.11, but notwithstanding any other provision of this Reimbursement Agreement, the Bank shall be entitled to fund and maintain its funding of the Letter of Credit in any manner it sees fit.

**Section 8.19. No Waiver, Remedies.** No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**Section 8.20. Comptroller's Approval; Standard Clauses.** In accordance with Section 112 of the New York State Finance Law, this Reimbursement Agreement shall not be valid, effective or binding upon the Authority until it has been approved by the State Comptroller and filed in his office. All contracts entered into by the Authority are required under State law to contain certain terms and conditions, as set forth in Appendix A hereto. The Bank agrees to comply with such terms and conditions. To the extent of any conflict between any other provision of this Reimbursement Agreement and Appendix A, Appendix A shall control.

**Section 8.21. USA PATRIOT Act.** The Bank hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "PATRIOT Act"), it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Bank to identify the Authority in accordance with the PATRIOT Act, and the Authority hereby agrees to take any action necessary to enable the Bank to comply with the requirements of the PATRIOT Act.

**Section 8.22. Anti-Money Laundering; OFAC; PATRIOT Act.**

(a) (i) As of the date hereof none of the funds or other assets of the Authority constitute property of any Person subject to trade restrictions under United States Law, including those who are covered by the International Emergency Economic Powers Act, 50 U.S.C. §§1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder (an "Embargoed Person") with the result that the investment in the Authority (whether directly or, to the Authority's knowledge, indirectly) is prohibited by such applicable law or the proceeds of any Drawing is in violation of such law; (ii) no Embargoed Person has any direct or, to the knowledge of the Authority, indirect interest of any nature whatsoever in the Authority with the result that the investment in the Authority (whether directly or indirectly) is prohibited by such applicable law or the proceeds of any Drawing is in violation of such law; and (iii) none of the funds of the Authority has been derived, to the knowledge of the Authority, from any unlawful activity with the result that the investment in the Authority (whether directly or indirectly) is prohibited by such applicable law or the proceeds of any Drawing is in violation of such law.

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

(c) The Authority is not a Person with whom United States Persons are restricted from doing business under (a) regulations issued by OFAC (including those

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

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

(e) The Authority shall cause the proceeds of Drawings under the Letter of Credit to be used solely to pay the principal of and interest on the Series 2023D Bonds on their respective maturity dates.

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

**Section 8.23. Assignment to Federal Reserve Bank.** Pursuant to the Non-Assignment Clause of Appendix A hereto, the Authority hereby consents and agrees that the Bank may at any time assign or pledge a security interest in all or any portion of its rights under this Reimbursement Agreement or any Bank Bonds to secure its obligations, including any pledge or assignment to secure obligations to a Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned Payment Obligations made by the Authority to the Bank in accordance with the terms of this Reimbursement Agreement shall satisfy the Authority's Payment Obligations hereunder in respect of such assigned Payment Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

**Section 8.24. Waiver of Jury Trial; Consent to Jurisdiction and Venue.**

(a) The Authority and the Bank hereby irrevocably waive, to the fullest extent permitted by law, any and all right to trial by jury in any legal proceeding arising out of or

relating to this Reimbursement Agreement or any Document or the transactions contemplated hereby or thereby.

(b) Each party hereto consents to and submits to in personam jurisdiction and venue in the State of New York and in the federal district courts which are located in the Borough of Manhattan in the State of New York and in Nassau County, New York. Each party asserts that it has purposefully availed itself of the benefits of the laws of the State of New York and waives any objection to in personam jurisdiction on the grounds of minimum contacts, waives any objection to venue, and waives any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Reimbursement Agreement. Regardless of whether the party's actions took place in the State of New York or elsewhere in the United States, this submission to jurisdiction is nonexclusive, and does not preclude either party from obtaining jurisdiction over the other in any court otherwise having jurisdiction.

**Section 8.25. Redaction.** The Authority agrees that it shall not post this Reimbursement Agreement, the Letter of Credit or any amendment hereto or thereto on Electronic Municipal Market Access ("EMMA") or any other website until the Bank or its counsel has provided redacted versions of this Reimbursement Agreement, the Letter of Credit or such amendment, as applicable.

**Section 8.26. No Fiduciary Relationship.** The Authority acknowledges and agrees that its dealing with the Bank are solely in the nature of a debtor/creditor relationship and that in no event shall the Bank be considered to be a partner or joint venturer of the Authority. Also, the Authority represents and warrants that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Bank (including agents of the Bank), if any, in deciding to pursue such undertaking. As the Authority is experienced in business, in no event shall the Bank owe any fiduciary or similar obligations to it in connection with the subject transaction.

**Section 8.27. Arm's Length Transaction.** The Authority acknowledges and agrees that the transaction described in this Reimbursement Agreement is an arm's length, commercial transaction between the Authority and the Bank in which: (i) the Bank is acting solely as a principal (i.e., as a lender) and for its own interest; (ii) the Bank is not acting as an advisor (municipal, financial or otherwise) to the Authority; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Authority with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Authority on other matters); (iv) the only obligations the Bank has to the Authority with respect to this transaction are set forth in this Reimbursement Agreement and the Letter of Credit; and (v) the Bank is not recommending that the Authority take an action with respect to the transaction described in this Reimbursement Agreement and the other Documents, and before taking any action with respect to this transaction, the Authority should discuss the information contained herein with the Authority's own legal, accounting, tax, financial and other advisors, as the Authority deems appropriate.

**Section 8.28. Bail-In Action Acknowledgment.** The Authority acknowledges and agrees that notwithstanding any other term of this Agreement, the Letter of Credit or any other agreement,

arrangement or understanding with the Bank or any other Person, any liability arising under or in connection with this Agreement or the Letter of Credit may be subject to Bail-In Action and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to such liability, including (without limitation):

(i) a reduction, in full or in part, of any amount due in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, the Authority, the Trustee or any other Person; and

(iii) a cancellation of any such liability; and

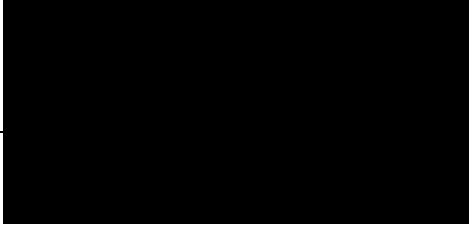
(b) a variation of any term of this Agreement or the Letter of Credit to the extent necessary to give effect to Bail-In Action in relation to any such liability.

“Bail-In Action” means the exercise by a resolution authority of any write-down or conversion power existing from time to time (including, without limitation, any power to amend or alter the maturity of eligible liabilities of an institution under resolution or amend the amount of interest payable under such eligible liabilities or the date on which interest becomes payable, including by suspending payment for a temporary period and together with any power to terminate and value transactions) under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the United Kingdom relating to the transposition of the Bank Recovery and Resolution Directive, as amended from time to time (including but not limited to, the Banking Act 2009 as amended from time to time, and the instruments, rules and standards created thereunder) pursuant to which the Bank’s obligations (or those of the Bank’s affiliates) can be reduced (including to zero), cancelled or converted into shares, other securities, or other obligations of the Bank or any other Person.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Reimbursement Agreement to be duly executed and delivered by their respective duly authorized officers or representatives as of the day and year first above written.

LONG ISLAND POWER AUTHORITY

By: 

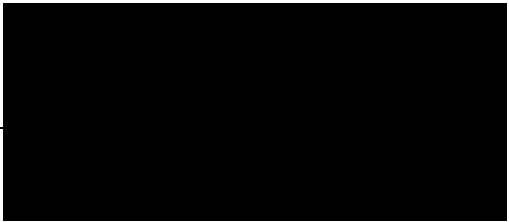
APPROVED BY:

OFFICE OF THE STATE COMPTROLLER

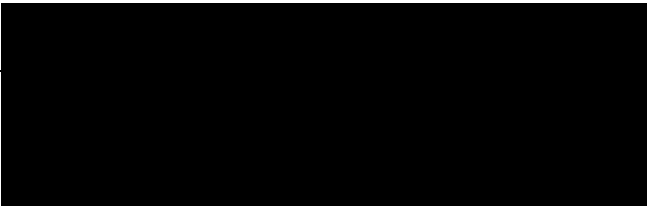
By: 

APPROVED AS TO FORM BY:

OFFICE OF THE NEW YORK ATTORNEY  
GENERAL

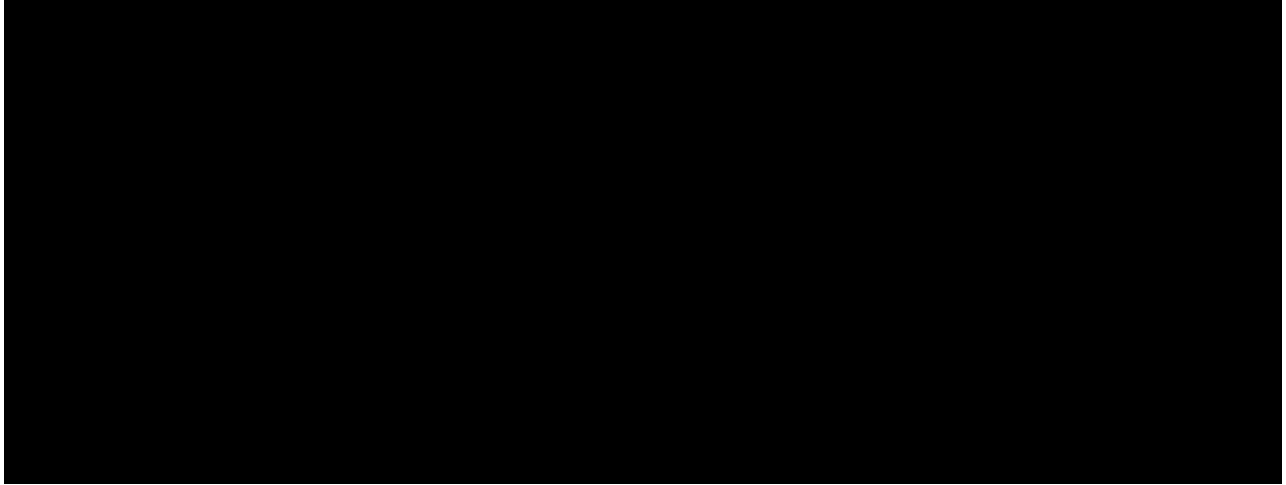
By: 

BARCLAYS BANK PLC

By: 

**FORM OF ACKNOWLEDGEMENT\***

STATE OF NEW YORK            )  
                                          ) ss:  
COUNTY OF NEW YORK        )



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\*To be completed by each signatory

**EXHIBIT A**

**IRREVOCABLE LETTER OF CREDIT NO. [REDACTED]**

**ELECTRIC SYSTEM GENERAL REVENUE BONDS, SERIES 2023D**

No. \_\_\_\_\_

August 18, 2023

\*\*U.S. \$129,935,781

The Bank of New York Mellon, as trustee (the “*Trustee*”) under the Electric System General Revenue Bond Resolution adopted by the Long Island Power Authority (the “*Authority*”) on May 13, 1998 (the “*Bond Resolution*”) the Twenty-Ninth Supplemental Electric System General Revenue Bond Resolution adopted by the Authority on December 18, 2019, as amended on May 20, 2020 (the “*Supplemental Resolution*”) and the Certificate of Determination, dated August 18, 2023 (the “*Certificate of Determination*”)

Attention: Corporate Trust - Trustee Administration

Ladies and Gentlemen:

Barclays Bank PLC (“*we*” or the “*Bank*”) hereby establishes in your favor as Trustee (the “*Beneficiary*”) for the benefit of the holders of the Bonds (as hereinafter defined), our Irrevocable Transferable Letter of Credit No. [REDACTED] for the account of the Long Island Power Authority (the “*Authority*”), whereby we hereby irrevocably authorize you to draw on us from time to time (each, a “*Drawing*”) from and after the date hereof to and including the earliest to occur of our close of business on: (i) August 18, 2028 (as extended from time to time, the “*Stated Expiration Date*”), (ii) the earlier of (A) the date which is one (1) Business Day following the date upon which all of the Bonds are converted to bear interest at a rate other than the Daily Rate or the Weekly Rate (each as defined in the Certificate of Determination) as such date is specified in a certificate in the form of Annex A hereto (the “*Conversion Date*”) or (B) the date on which the Bank honors a Liquidity Drawing under the Letter of Credit on or after the Conversion Date, (iii) the date which is one (1) Business Day following receipt from you of a certificate in the form set forth as Annex B hereto, and (iv) the date which is fifteen (15) days following receipt by you of a written notice from us in the form of Exhibit F to the Reimbursement Agreement dated as of August 1, 2023 (the “*Reimbursement Agreement*”), between the Authority and the Bank, specifying the occurrence of an Event of Default under the Reimbursement Agreement and stating that the Letter of Credit shall terminate fifteen (15) days following your receipt of such notice and directing you to cause a

Exhibit A-1

Contract No. C-001030

mandatory tender for purchase of the Bonds as provided in the Certificate of Determination (the "*Termination Date*"), a maximum aggregate amount not exceeding One Hundred Twenty-Nine Million, Nine Hundred Thirty-Five Thousand, Seven Hundred Eighty-One and no/100 United States Dollars (U.S. \$129,935,781) (the "*Stated Amount*") to pay principal of and accrued interest on, or the purchase price of, the Electric System General Revenue Bonds, Series 2023D issued by the Authority, pursuant to the Supplemental Resolution and the Certificate of Determination (the "*Bonds*"), in accordance with the terms hereof (said Stated Amount having been calculated to be equal to \$128,000,000, the outstanding principal amount of the Bonds, plus \$1,935,781, which is at least 46 days' accrued interest on said principal amount of the Bonds (calculated on the basis of a 365-day year) at the rate of twelve percent (12%) per annum (the "*Cap Interest Rate*"). This credit is available to you against presentation of the following documents (the "*Payment Documents*") presented to the Bank as described below:

A certificate (with all blanks appropriately completed) (i) in the form attached as Annex C hereto to pay accrued interest on the Bonds as provided for under Section A-502(c) of the Certificate of Determination (an "*Interest Drawing*"), (ii) in the form attached as Annex D hereto to pay the principal amount of and accrued interest on the Bonds in respect of any redemption of the Bonds as provided for in Section A-301(b) or A-302 of the Certificate of Determination (a "*Redemption Drawing*"), provided that in the event the date of redemption coincides with an Interest Payment Date (as defined in the Certificate of Determination), the Redemption Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iii) in the form attached as Annex E hereto, to allow the Tender Agent to pay the purchase price of Bonds tendered for purchase as provided for in Section A-401, A-403 or A-405 of the Certificate of Determination which have not been successfully remarketed or for which the purchase price has not been received as required by the Certificate of Determination (a "*Liquidity Drawing*"), provided that in the event the purchase date coincides with an Interest Payment Date, the Liquidity Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iv) in the form attached as Annex F hereto to pay the principal amount of Bonds maturing on May 1, 2033 (a "*Stated Maturity Drawing*") or (v) in the form attached as Annex J hereto, to pay the principal of and accrued interest in respect of the Bonds, the payment of which has been accelerated pursuant to the terms of the Bond Resolution (an "*Acceleration Drawing*"), each certificate to state therein that it is given by your purportedly duly authorized representative and dated the date such certificate is presented hereunder. No drawings shall be made under this Letter of Credit for Bank Bonds (as defined in the Reimbursement Agreement), or Bonds owned by or held for the benefit of the Authority or any of its affiliates or for Bonds bearing

interest at a rate other than the Daily Rate or the Weekly Rate (each as defined in the Certificate of Determination) (“*Ineligible Bonds*”).

All drawings shall be made by presentation of each Payment Document to Barclays Bank PLC by PDF via email to [REDACTED], Attention: [REDACTED], or at such other address or facsimile number as we may specify to you in writing without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of drawing.

The Bank agrees to honor any Interest, Redemption, Liquidity, Stated Maturity Drawing or Acceleration Drawing if presented to the Bank in compliance with all of the terms of this Letter of Credit. If such drawing, other than a Liquidity Drawing, is presented prior to 3:00 P.M., New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 10:00 A.M., New York time, on the following Business Day. If any such drawing, other than a Liquidity Drawing, is presented at or after 3:00 P.M., New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 2:00 P.M., New York time, on the following Business Day. If a Liquidity Drawing is presented on or prior to 12:30 P.M., New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 3:00 P.M., New York time, on the same Business Day. If a Liquidity Drawing is presented after 12:30 P.M., New York time, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 11:00 A.M., New York time, on the following Business Day. Payments made hereunder shall be made by wire transfer to you in accordance with the instructions specified by the Trustee in the drawing certificate relating to a particular drawing hereunder. “*Business Day*” means any day other than a day on which banking institutions in the city in which the principal corporate trust office of the Trustee, or the principal office of the Remarketing Agent (as defined in the Certificate of Determination) is located, or in the City of New York, New York, are required or authorized by law to remain closed, or a day on which the payment office of the Bank at which drawings under this Letter of Credit are to be honored is lawfully closed, and other than a day on which the New York Stock Exchange is closed.

The Available Amount (as hereinafter defined) will be reduced automatically by the amount of any drawing hereunder; *provided, however*, that the amount of any Interest Drawing hereunder, less the amount of the reduction in the Available Amount attributable to interest as specified in a certificate in the form of Annex D or G hereto, shall be automatically reinstated effective as of the opening of business at the office of the Bank at which drawings under this Letter of Credit are to be honored on the fifth (5th) Business Day from the date of such drawing unless you shall have received from us by telecopy or in writing on or before the close of business at the office of the Bank at which drawings under this Letter of Credit are to be honored on the fourth (4th) Business Day from the date of such drawing notice in the form of Exhibit F to the Reimbursement Agreement that the Bank has not been reimbursed in full for such drawing or any other Event of Default under the Reimbursement Agreement has occurred and as a consequence thereof the Letter of Credit will not be so reinstated. After payment by the Bank of a Liquidity Drawing, the obligation of the Bank to honor drawings under this Letter of Credit will be automatically reduced by an amount equal to the Original Purchase Price of any Bonds (or portions thereof) purchased pursuant to said drawing. In addition, prior to the Conversion Date, in the event of the remarketing

of the Bonds (or portions thereof) previously purchased with the proceeds of a Liquidity Drawing, the obligation of the Bank to honor drawings hereunder will be automatically reinstated concurrently upon receipt by the Bank of an amount equal to the principal amount of such Bonds (or portion thereof) plus interest accrued on such Bonds (or portion thereof) to the date of remarketing; the amount of such reinstatement shall be equal to the Original Purchase Price of such Bonds (or portions thereof). “*Original Purchase Price*” shall mean the principal amount of any Bond purchased with the proceeds of a Liquidity Drawing plus the amount of accrued interest on such Bond paid with the proceeds of a Liquidity Drawing (and not pursuant to an Interest Drawing) upon such purchase unless such interest component of the Liquidity Drawing shall have been previously repaid to the Bank.

Upon receipt by the Bank of a certificate of the Trustee in the form of Annex D or G hereto, the amount available to be drawn under this Letter of Credit will be automatically and permanently reduced by the amount specified in such certificate.

The “*Available Amount*” shall mean the Original Stated Amount (i) less the amount of all prior reductions pursuant to Interest, Redemption, Liquidity, Acceleration or Stated Maturity Drawings, (ii) less the amount of any reduction thereof pursuant to a reduction certificate in the form of Annex D or G hereto to the extent such reduction is not already accounted for by a reduction in the Available Amount pursuant to (i) above, (iii) plus the amount of all reinstatements as above provided.

Prior to the Termination Date, we may extend the Stated Expiration Date from time to time at the request of the Authority by delivering or causing to be delivered to you an amendment to this Letter of Credit in the form of Annex I hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective immediately. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

Upon the Termination Date, this Letter of Credit shall automatically terminate and be delivered along with any amendment(s) thereto to the Bank for cancellation.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Trustee under the General Resolution, and may be successively transferred in its entirety. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by presenting to the Bank the attached form of Annex H (“*Transfer Certificate*”) signed by the Beneficiary and the transferee (each a “*Transfer*”) together with the original Letter of Credit and any amendments thereto. Transfers to designated foreign nationals and /or specially designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon the Effective Date, as set forth in such Transfer, the transferee instead of the Beneficiary shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the Beneficiary’s place.

Communications with respect to this Letter of Credit shall be in writing and shall, unless otherwise indicated herein, be addressed to the Bank at Barclays Bank PLC, by PDF via email to [REDACTED], Attention: [REDACTED] (or to such other address as we may specify to you in writing); specifically referring to the number of this Letter of Credit.

Exhibit A-4

Contract No. C-001030

To the extent not inconsistent with the express terms hereof, this Letter of Credit shall be governed by, and construed in accordance with, the terms of the International Standby Practice 98 (“ISP98”). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

BARCLAYS BANK PLC

By: \_\_\_\_\_  
Authorized Signatory for and on behalf of  
Barclays Bank PLC

**ANNEX A  
TO  
LETTER OF CREDIT**

No. [REDACTED]

**NOTICE OF CONVERSION DATE**

Barclays Bank PLC  
[Bank Address]

Attention: Letter of Credit Department

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. [REDACTED] dated \_\_\_\_\_, 202\_ (the “*Letter of Credit*”), which has been established by Barclays Bank PLC, for the account of the Long Island Power Authority, in favor of the Trustee.

The undersigned hereby certifies and confirms that the conversion to a rate other than the Daily Rate or the Weekly Rate of all of the Bonds has occurred on [insert date] (the “*Conversion Date*”), and, accordingly, said Letter of Credit shall terminate in accordance with its terms on the earlier of (i) one (1) Business Day after such Conversion Date and (ii) the date on which you honor a Liquidity Drawing in the form of Annex E under the Letter of Credit on or after the Conversion Date.

The original of such Letter of Credit and any amendments thereto are herewith returned for cancellation.

All defined terms used herein which are not otherwise defined herein shall have the same meaning as in the Letter of Credit.

Exhibit A-6

Contract No. C-001030

IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
as Trustee

By: \_\_\_\_\_  
[Title of Authorized Representative]

**ANNEX B  
TO  
LETTER OF CREDIT**

**No.** [REDACTED]

**NOTICE OF TERMINATION**

Barclays Bank PLC  
[Bank Address]

Attention: Letter of Credit Department

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. [REDACTED] dated \_\_\_\_\_, 202\_ (the “*Letter of Credit*”), which has been established by Barclays Bank PLC, in favor of the Trustee.

The undersigned hereby certifies and confirms that [(i) no Bonds remain Outstanding within the meaning of the General Resolution, (ii) all drawings required to be made under the Certificate of Determination and available under the Letter of Credit have been made and honored, or (iii) an Alternate Credit Facility and an Alternate Liquidity Facility (each as defined in the Certificate of Determination) has been issued and delivered to replace the Letter of Credit pursuant to the Certificate of Determination] and, accordingly, the Letter of Credit shall be terminated in accordance with its terms immediately following your receipt of this certificate.

The original of such Letter of Credit and any amendments thereto are herewith returned for cancellation.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Letter of Credit.

Exhibit A-8

Contract No. C-001030

IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
as Trustee

By: \_\_\_\_\_  
[Title of Authorized Representative]

**ANNEX C  
TO  
LETTER OF CREDIT**

**No.**

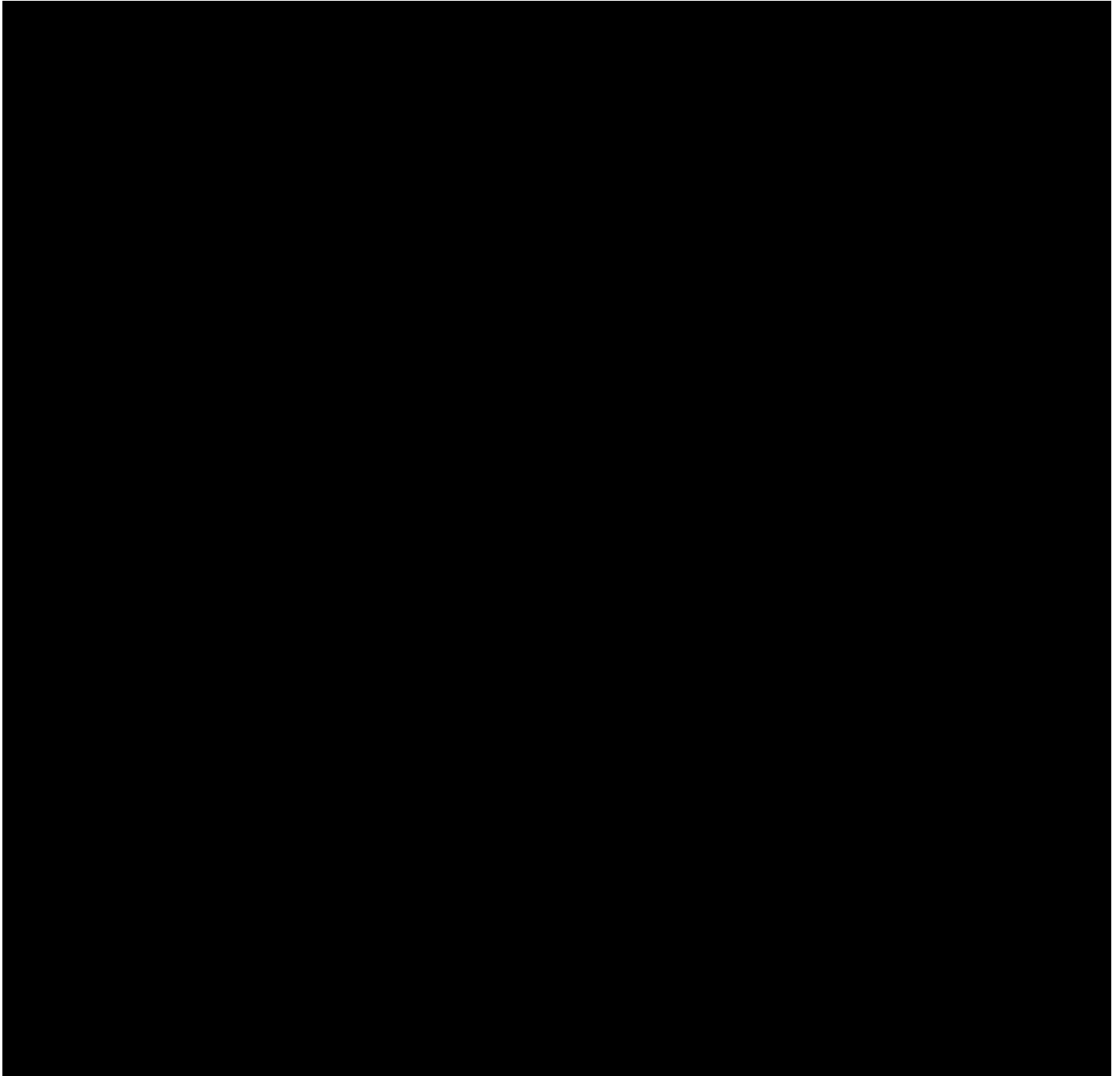


Exhibit A-10

Contract No. C-001030

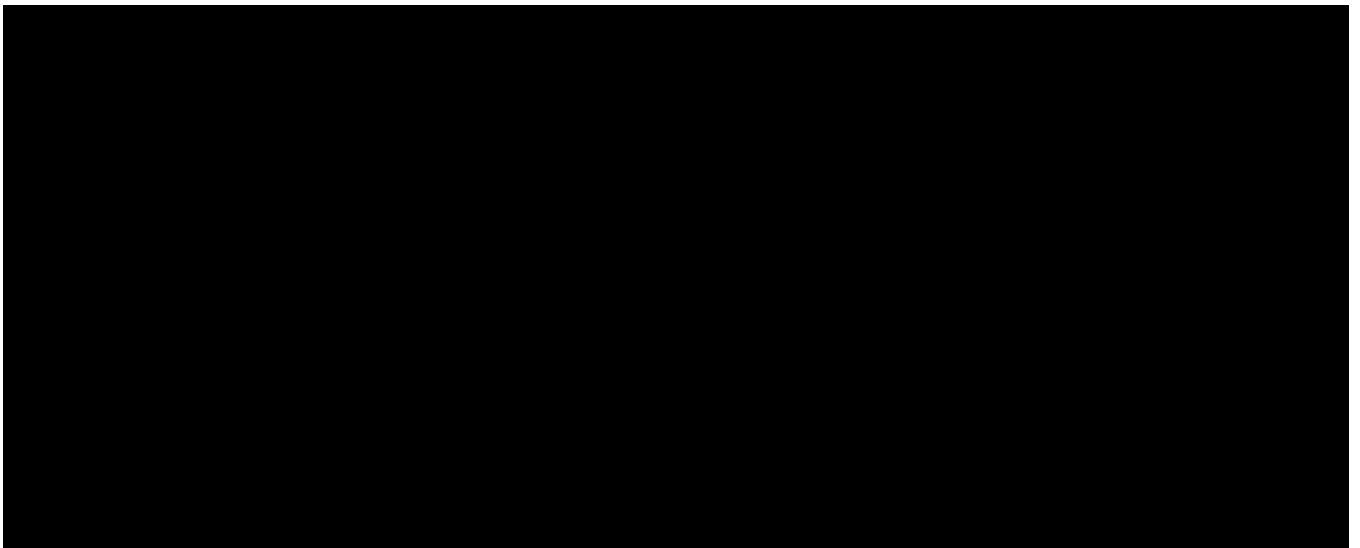
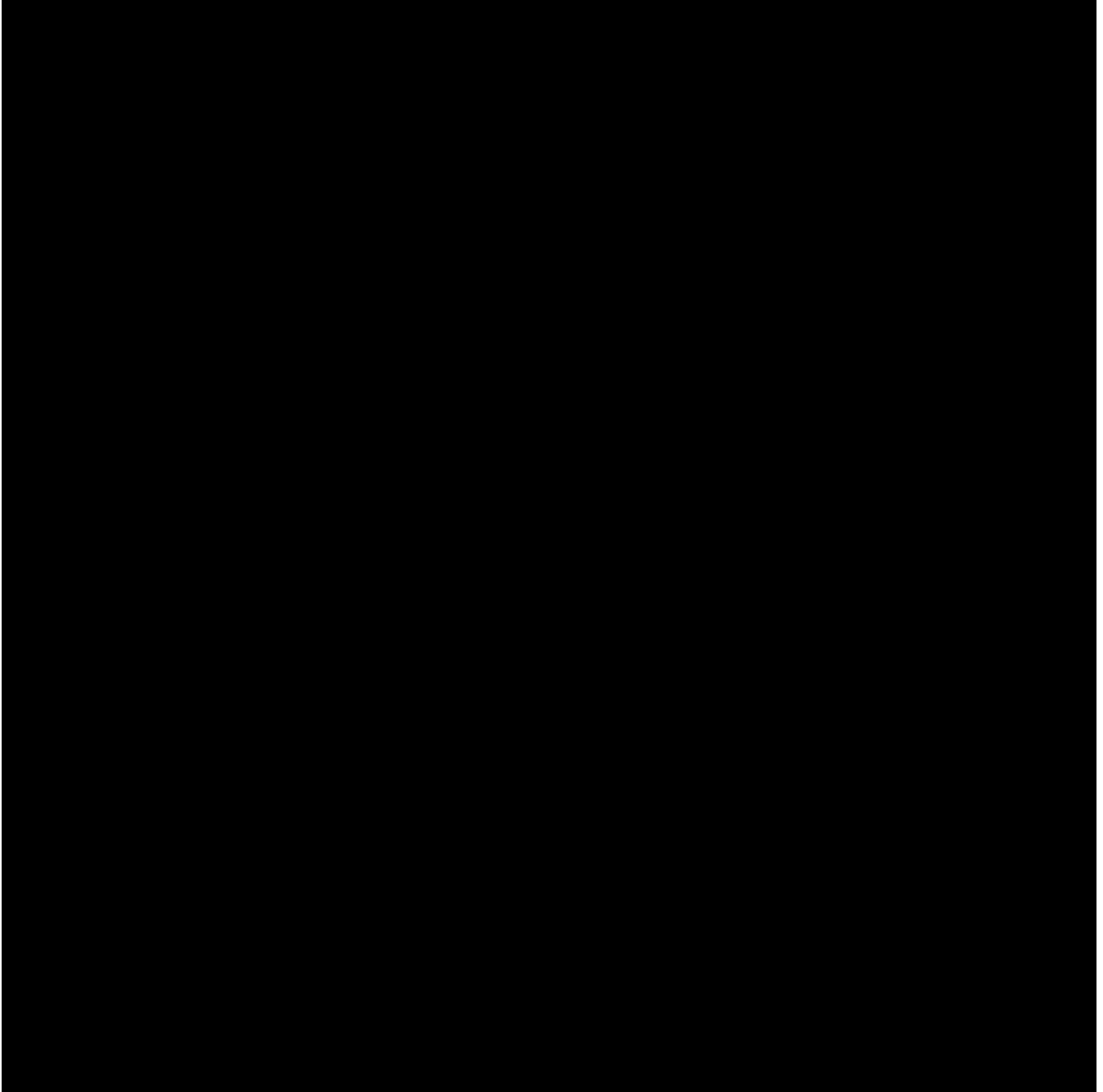


Exhibit A-11

Contract No. C-001030

**ANNEX D  
TO  
LETTER OF CREDIT**

**No.**

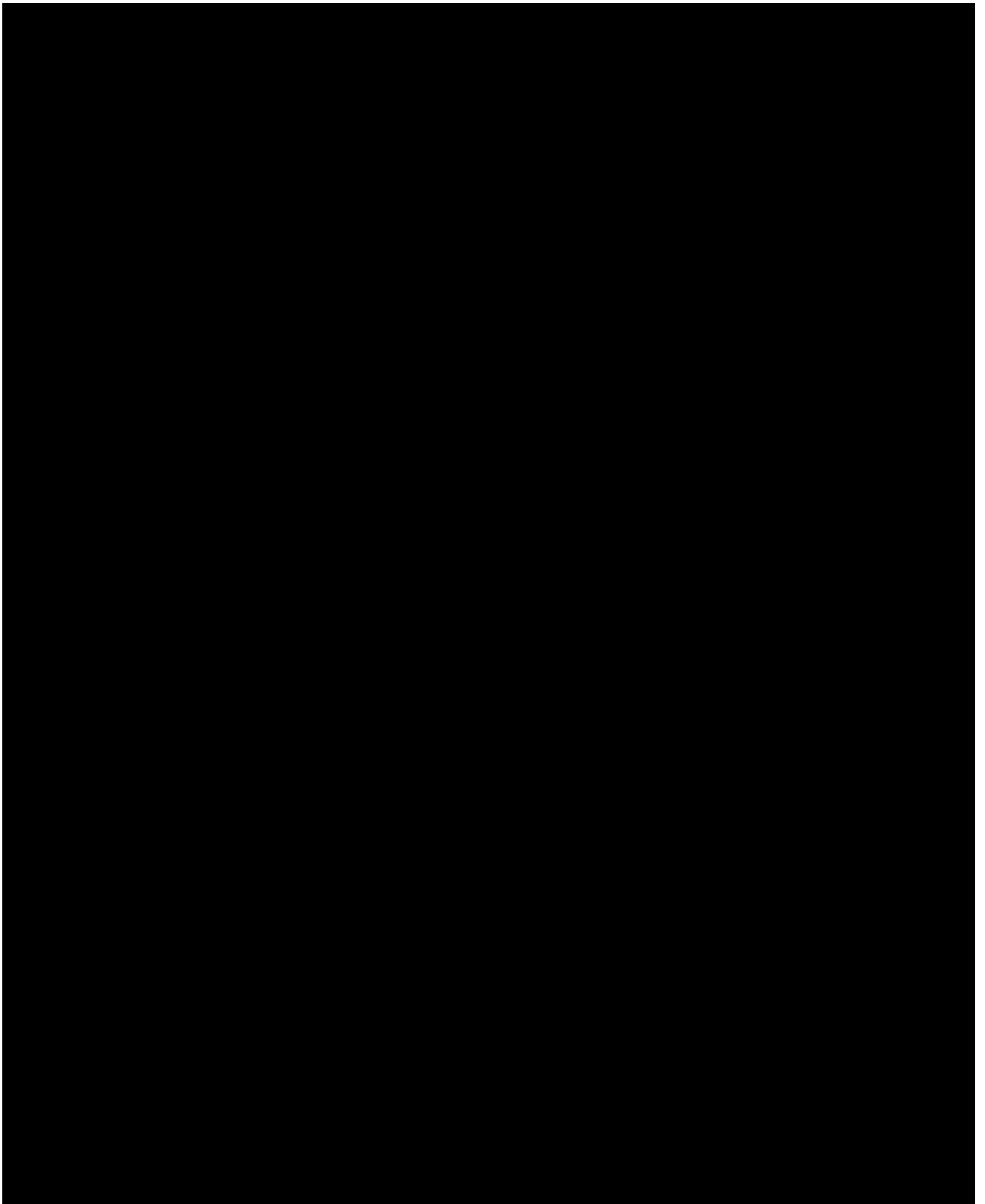


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\* Insert as appropriate

Exhibit A-12

Contract No. C-001030



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\*

[Redacted text]

Exhibit A-13

Contract No. C-001030

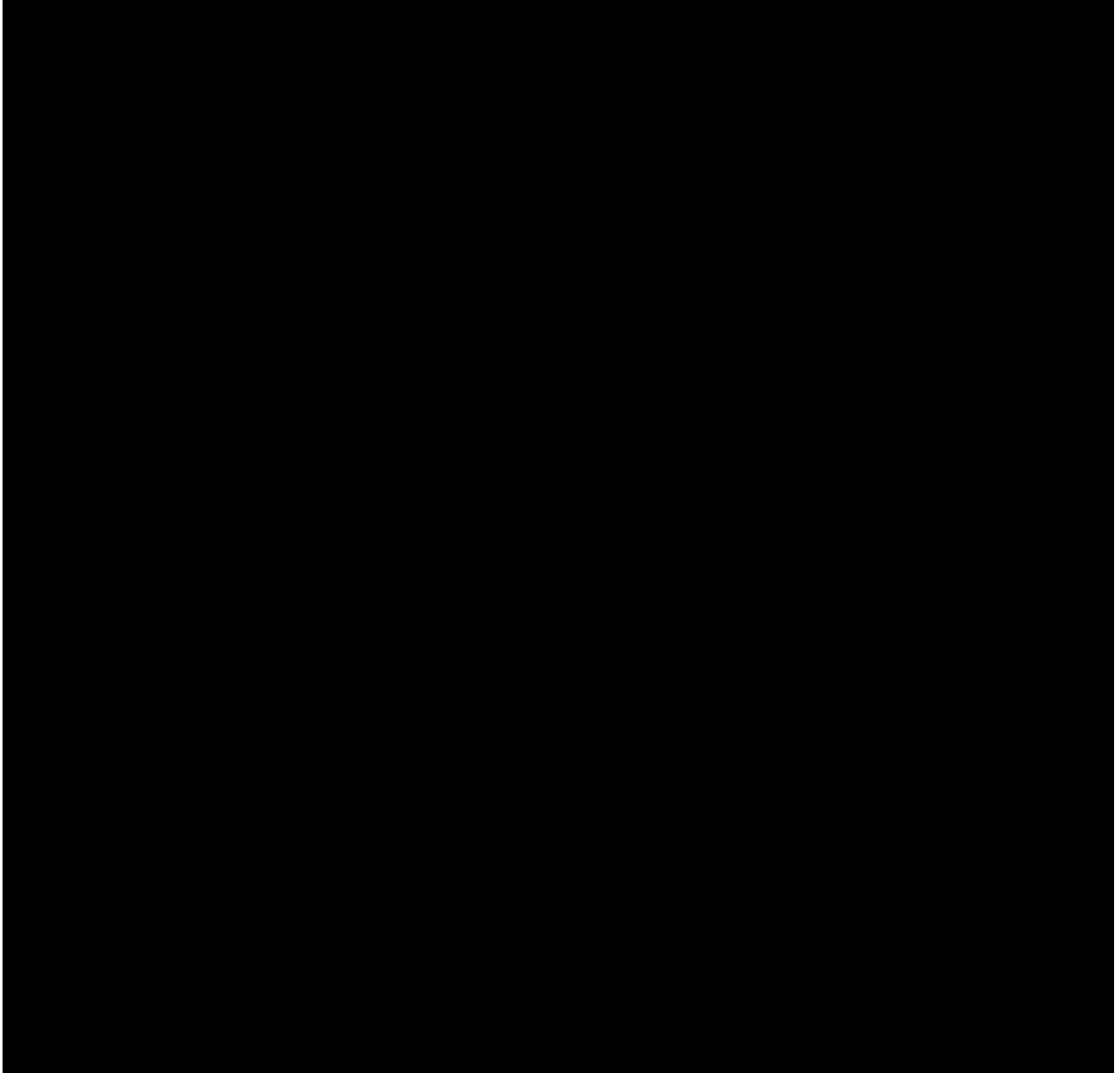


Exhibit A-14

Contract No. C-001030

**ANNEX E  
TO  
LETTER OF CREDIT**

**No.**



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\* Insert as appropriate.

Exhibit A-15

Contract No. C-001030

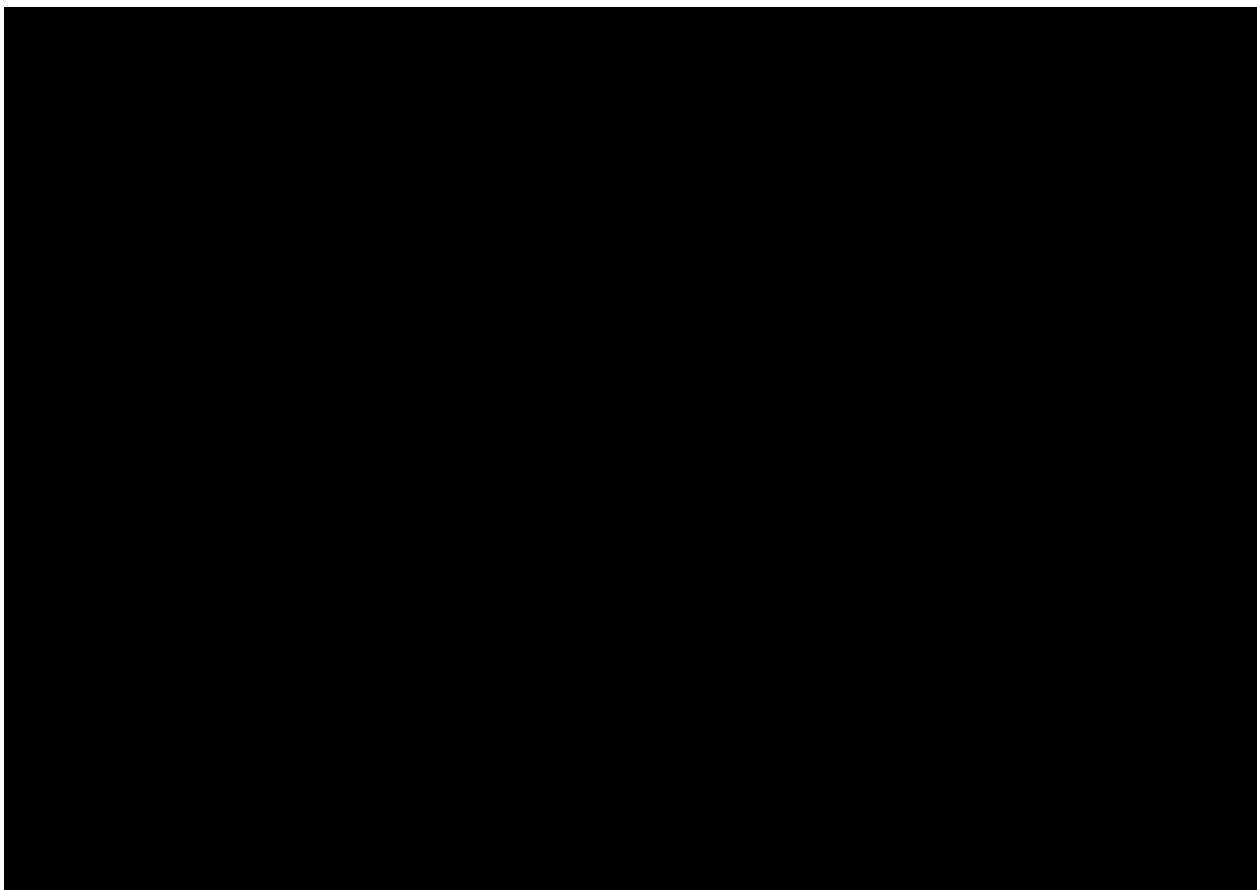


Exhibit A-16

Contract No. C-001030

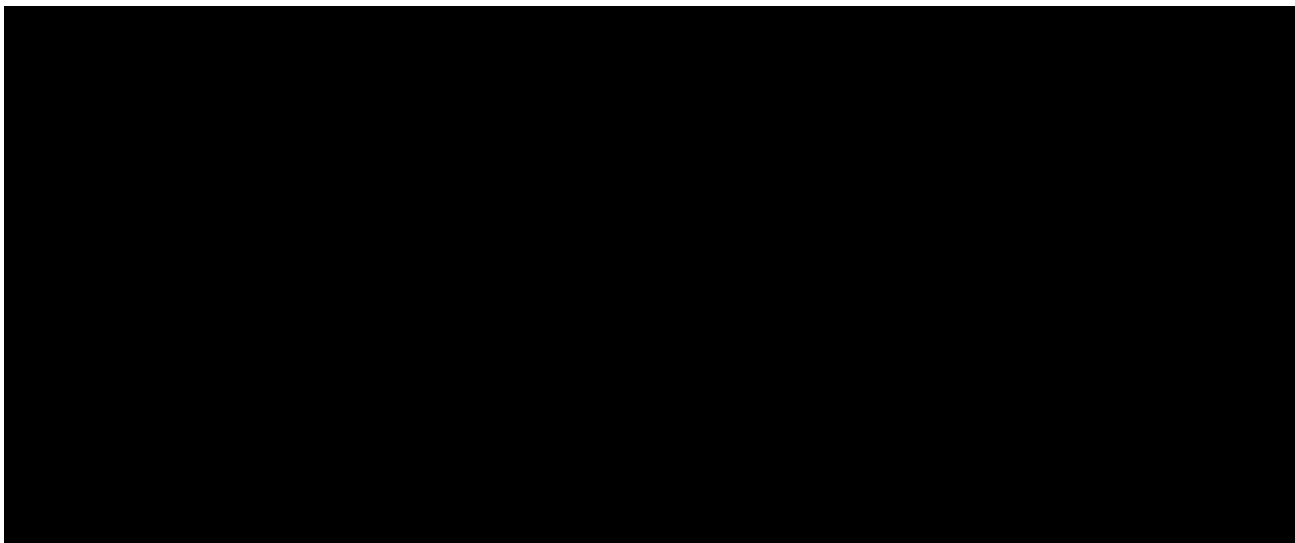


Exhibit A-17

Contract No. C-001030

**ANNEX F  
TO  
LETTER OF CREDIT**

**No.**

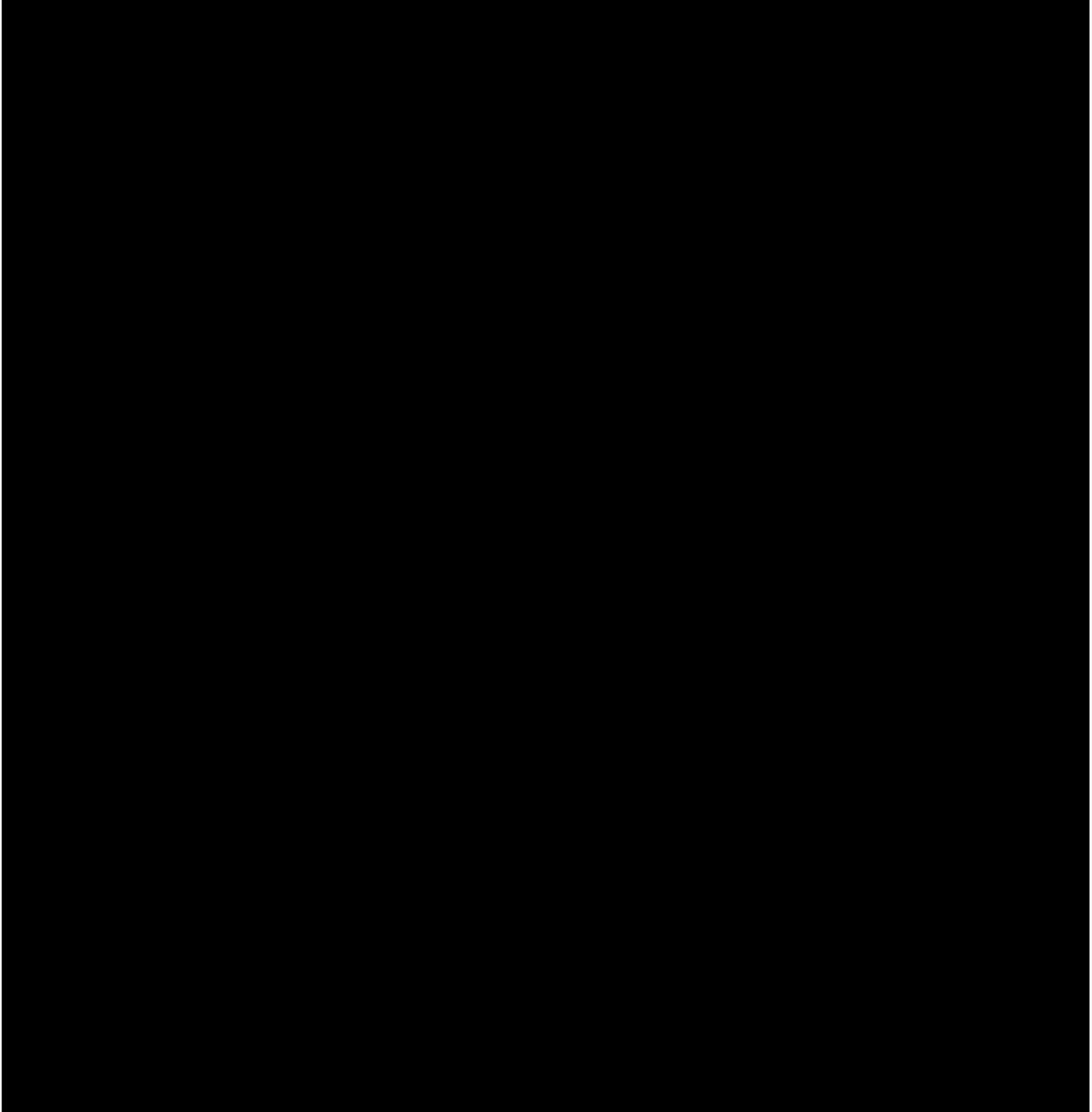


Exhibit A-18

Contract No. C-001030



**ANNEX G  
TO  
LETTER OF CREDIT**

No. [REDACTED]

**REDUCTION CERTIFICATE**

Barclays Bank PLC  
[Bank Address]

Attention: Letter of Credit Department

The undersigned hereby CERTIFIES with respect to (i) that certain Irrevocable Transferable Letter of Credit No. [REDACTED] dated \_\_\_\_\_, 202\_ (the "*Letter of Credit*"), issued by Barclays Bank PLC, in favor of the Trustee; (ii) those certain Bonds (as defined in the Letter of Credit); (iii) that certain Supplemental Resolution (as defined in the Letter of Credit); and (iv) that certain Certificate of Determination (as defined in the Letter of Credit):

1. The Trustee is the Trustee under the Certificate of Determination.
2. Upon receipt by you of this Certificate, the Available Amount (as defined in the Letter of Credit) shall be reduced by \$\_\_\_\_\_ and the Available Amount shall thereupon equal \$\_\_\_\_\_. \$\_\_\_\_\_ of the new Available Amount is attributable to principal and \$\_\_\_\_\_ to interest.
3. The amount of the reduction in the Available Amount has been computed in accordance with the provisions of the Letter of Credit.
4. Following the reduction, the Available Amount shall be at least equal to the aggregate principal amount of the Bonds outstanding (other than Bank Bonds and Ineligible Bonds (each as defined in the Letter of Credit)) plus 46 days' interest thereon at the Cap Interest Rate (as defined in the Letter of Credit).

Exhibit A-20

Contract No. C-001030

IN WITNESS WHEREOF, this Certificate has been executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
as Trustee

By: \_\_\_\_\_  
[Title of Authorized Representative]

**ANNEX H  
TO  
LETTER OF CREDIT**

No. [REDACTED]

**TRANSFER CERTIFICATE**

Barclays Bank PLC  
[Bank Address]

Attention: Letter of Credit Department

Ladies and Gentlemen:

We, the undersigned (the “Beneficiary”), hereby irrevocably transfer all of our rights to draw under the above-referenced Letter of Credit (the “Letter of Credit”) in its entirety to:

NAME OF TRANSFEREE

---

(Print Name and complete address of the Transferee) “Transferee”

ADDRESS OF TRANSFEREE

---

CITY, STATE/COUNTRY ZIP

---

(Address)

In accordance with ISP98, Rule 6 (regarding transfer of drawing rights), all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Beneficiary.

The original of the Letter of Credit, including amendments to this date, is attached and the undersigned Beneficiary requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Beneficiary requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of Credit as transferred. The undersigned Beneficiary acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

Exhibit A-22

Contract No. C-001030

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Payment of a transfer fee of U.S. \$ \_\_\_\_\_ is for the account of Long Island Power Authority ("the Authority"), who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Said Transferee has succeeded the Beneficiary as Trustee. The enclosed Letter of Credit along with any amendments thereto are original and complete, and there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred.

By its signature below, the Transferee acknowledges that it has duly succeeded the Beneficiary as Trustee.

The Effective Date of this Transfer shall be the date hereafter on which the undersigned Beneficiary effects such transfer by giving notice thereof to the Transferee.

The Letter of Credit and any amendments thereto are returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

|                                                      |                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sincerely yours,                                     | <b>SIGNATURE GUARANTEED</b><br>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank. |
| _____<br>(Print Name of Beneficiary)                 |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Beneficiary's Authorized Signature)        |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Print Authorized Signers Name and Title)   |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Telephone Number/Fax Number)               |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Print Name of Bank)                        |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Address of Bank)                           |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(City, State, Zip Code)                     |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Print Name and Title of Authorized Signer) |                                                                                                                                                                                                                                                                                                                                              |
| _____<br>(Authorized Signature)                      |                                                                                                                                                                                                                                                                                                                                              |

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                       | (Telephone Number) _____<br>(Date) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Acknowledged:<br><br>_____<br>(Print Name of Transferee)<br><br>_____<br>(Transferee's Authorized Signature)<br><br>_____<br>(Print Authorized Signers Name and Title)<br><br><br>(Telephone Number/Fax Number) _____ | SIGNATURE GUARANTEED<br>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.<br><br>_____<br>(Print Name of Bank)<br>_____<br>(Address of Bank)<br>_____<br>(City, State, Zip Code)<br>_____<br>(Print Name and Title of Authorized Signer)<br>_____<br>(Authorized Signature)<br>_____<br>(Telephone Number)<br>_____<br>(Date) _____ |

**ANNEX I  
TO  
LETTER OF CREDIT**

No. [REDACTED]

**NOTICE OF EXTENSION**

The Bank of New York Mellon, as trustee (the “*Trustee*”) under the Electric System General Revenue Bond Resolution adopted by the Long Island Power Authority (the “*Authority*”) on May 13, 1998 (the “*Bond Resolution*”), the \_\_\_\_\_ Supplemental Electric System General Revenue Bond Resolution adopted by the Authority on \_\_\_\_\_, 202\_ (the “*Supplemental Resolution*”) and the Certificate of Determination, dated \_\_\_\_\_, 202\_ (the “*Certificate of Determination*”)

[REDACTED]

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. [REDACTED] dated \_\_\_\_\_, 202\_ (the “*Letter of Credit*”), established by Barclays Bank PLC, in your favor as Trustee. We hereby notify you that, in accordance with the terms of the Letter of Credit and that certain Reimbursement Agreement dated as of \_\_\_\_\_, 202\_, between the Long Island Power Authority and Barclays Bank PLC, the Stated Expiration Date (as defined in the Letter of Credit) has been extended to \_\_\_\_\_, \_\_\_\_\_.

This letter should be attached to the Letter of Credit and made a part thereof.

BARCLAYS BANK PLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title \_\_\_\_\_

**ANNEX J  
TO  
BARCLAYS BANK PLC  
LETTER OF CREDIT**

No. 

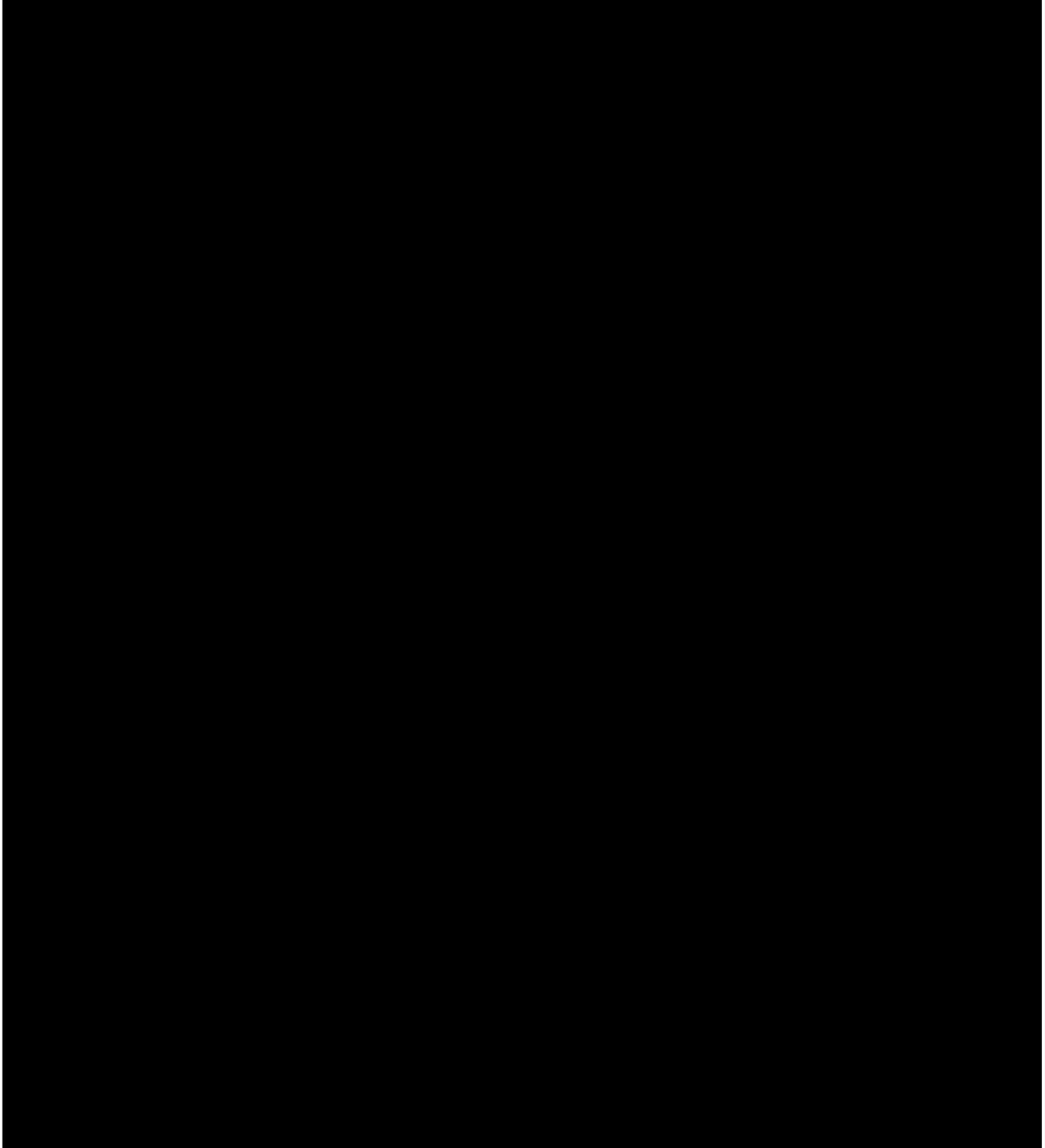


Exhibit A-26

Contract No. C-001030

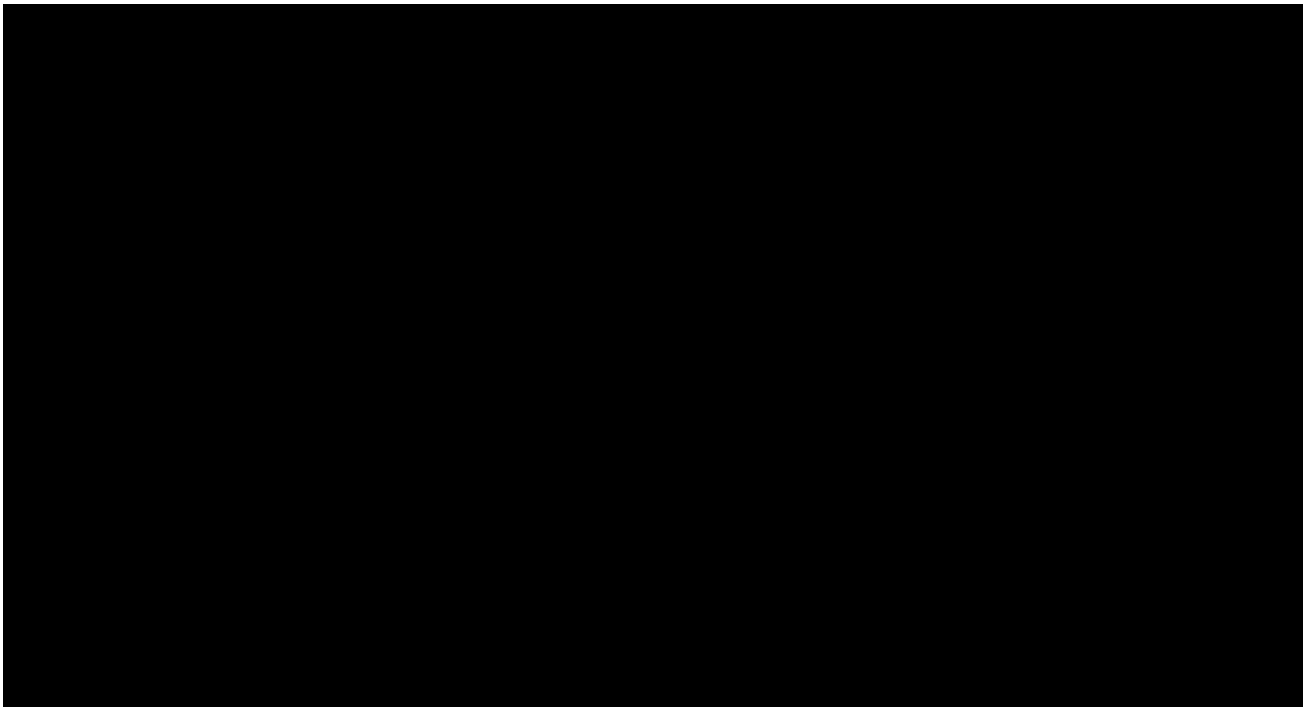


Exhibit A-27

Contract No. C-001030

## **EXHIBIT B**

### **FORM OF REIMBURSEMENT AGREEMENT CERTIFICATE OF THE AUTHORITY**

I, \_\_\_\_\_, the \_\_\_\_\_ of the Long Island Power Authority (the “Authority”) hereby certify that, pursuant to Sections 3.1(b), 3.2, and 7.1(xv) of the Reimbursement Agreement dated as of \_\_\_\_\_, 202\_\_ (the “Reimbursement Agreement”) between the Authority and [\_\_\_\_\_] (the “Bank”):

1. The representations and warranties of the Authority contained in the Reimbursement Agreement and in each written document delivered by the Authority, to the Bank in connection with the Reimbursement Agreement are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of this date;

2. No Event of Default or Potential Default has occurred and is continuing and neither will result from the issuance of the Letter of Credit or the making of any Liquidity Advance or Term Loan; and

3. No event or circumstance has occurred since December 31, 2022, which could reasonably be expected to materially and adversely affect the rights or remedies of the Bank under the Reimbursement Agreement or the ability of the Authority to perform its obligations under the Reimbursement Agreement or under any other Document to which it is a party or which could have a Material Adverse Effect.

4. Since the date of the Bond Rating Evidence, no long or short term rating assigned to either the Bonds or the Subordinated Indebtedness has been reduced, withdrawn or suspended.

Terms not defined herein are defined as in the Reimbursement Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 202\_.

By:\_\_\_\_\_

Name:

Title:

Exhibit B-2

Contract No. C-001030

## EXHIBIT C

### FORM OF CERTIFICATE OF LIPA SUBSIDIARY

I, \_\_\_\_\_, the \_\_\_\_\_ of the Long Island Lighting Company d/b/a LIPA ("the LIPA Subsidiary"), certify as follows pursuant to Sections 3.1(b) and 3.2 of the Reimbursement Agreement, dated as of \_\_\_\_\_, 202\_\_ (the "Reimbursement Agreement"), between the Long Island Power Authority (the "Authority") and [\_\_\_\_\_] (the "Bank"):

1. The persons holding the following offices and positions and duly appointed thereto and acting therein are as follows:

|       |                                      |
|-------|--------------------------------------|
| _____ | Chief Executive Officer              |
| _____ | Chief Financial Officer              |
| _____ | Acting General Counsel and Secretary |

2. The LIPA Subsidiary is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Financing Agreement, dated as of May 1, 1998, by and between the Authority and the LIPA Subsidiary.

3. The representations and warranties with respect to the LIPA Subsidiary contained in the Reimbursement Agreement and in each written document delivered by the Authority to the Bank in connection with the Reimbursement Agreement are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of this date.

4. Attached hereto as Exhibit A is a true and complete copy of the restated Certificate of Incorporation of the LIPA Subsidiary.

5. Attached hereto as Exhibit B is a true and complete copy of the By-Laws of the LIPA Subsidiary.

6. Attached hereto as Exhibit C is a true and complete copy of the Certificate of Assumed Name of the LIPA Subsidiary.

7. The LIPA Subsidiary is a business corporation validly existing and in good standing under the laws of the State of New York. Attached hereto as Exhibit D is a certificate of the Secretary of State of the State of New York certifying that the LIPA Subsidiary is a subsisting corporation under the laws of the State of New York.

[Signature Page of this Certificate Follows]

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_,  
202\_.

By: \_\_\_\_\_

Name:

Title:

## EXHIBIT D

### FORM OF OPINION OF BOND COUNSEL

\_\_\_\_\_, 202\_\_

Barclays Bank PLC  
[Address]

Ladies and Gentlemen:

We are bond counsel to the Long Island Power Authority (the “Authority”), a corporate municipal instrumentality of the State of New York. We hereby deliver to you herewith, pursuant to the Reimbursement Agreement dated as of \_\_\_\_\_, 202\_\_ (the “Reimbursement Agreement”), between the Authority and Barclays Bank PLC, a copy of our approving opinion, dated \_\_\_\_\_, 202\_\_ (the “Approving Opinion”), relating to the issuance of the Authority’s Electric System General Revenue Bonds, Series [\_\_\_\_\_] (the “Bonds”).

You are entitled to rely on the Approving Opinion as though the same were addressed to you.

The following opinions are being rendered herein pursuant to 3.1(c) of the Reimbursement Agreement. All capitalized terms used herein shall, unless otherwise defined herein, have the meanings set forth in the Reimbursement Agreement.

We are of the opinion that the Reimbursement Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Reimbursement Agreement by the other parties thereto, constitutes the valid, legal and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms, except to the extent that the enforceability of the Reimbursement Agreement may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors’ rights generally and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We are further of the opinion that the General Resolution creates, for the benefit and security of the Reimbursement Obligations under the Reimbursement Agreement, the legally valid and binding lien on and pledge of the Trust Estate, including without limitation the Revenues, subject only to the provisions of the General Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the General Resolution, which lien and pledge ranks on a parity with the lien and pledge securing the Bonds. No filing, registering, recording or publication of the General Resolution or any other instrument is required to establish such pledge which secures the Payment Obligations, or to perfect, protect or maintain the lien created to secure the same. To the extent that any Letter of Credit Fee or other amount payable under the Reimbursement Agreement does not constitute a Reimbursement Obligation, such Letter of Credit Fee or other amount constitutes Operating Expenses under the General Resolution.

Very truly yours,

Exhibit D-1

Contract No. C-001030

## EXHIBIT E

### FORM OF OPINION OF COUNSEL TO THE AUTHORITY AND LIPA SUBSIDIARY

\_\_\_\_\_, 202\_\_

Barclays Bank PLC  
[Address]

The Bank of New York Mellon,  
as Tender Agent

Ladies and Gentlemen:

Reference is made to (i) Section 3.1(d) of the Reimbursement Agreement dated as of \_\_\_\_\_, 202\_\_ (the “Reimbursement Agreement”), between the Long Island Power Authority (the “Authority”) and Barclays Bank PLC, and (ii) the Electric System General Revenue Bond Resolution, adopted by the Authority on May 13, 1998, as supplemented by the Twenty-Ninth Supplemental Electric System General Revenue Bond Resolution, adopted by the Authority on December 18, 2019, as amended on May 20, 2020, and (iii) a Certificate of Determination, dated \_\_\_\_\_, executed by an authorized representative of the Authority (collectively, the “Resolution”), in connection with the issuance of the Authority’s Electric System General Revenue Bonds, Series 2023D (the “Bonds”).

As to various questions of fact material to this opinion, I have relied on certificates of officers of the Authority and Long Island Lighting Company d/b/a LIPA (“LIPA”).

In addition, as Acting General Counsel to the Authority and to LIPA, I have examined and relied on originals or copies certified or otherwise identified to my satisfaction of such documents, instruments or corporate records, and have made such investigations of law, as I have considered necessary or appropriate for the purposes of this opinion.

Except as otherwise defined herein, all terms used herein shall have the meanings assigned to such terms in the Resolution or the Reimbursement Agreement.

Based on the foregoing, I am of the opinion that:

1. The Authority is a corporate municipal instrumentality and a body corporate and politic constituting a political subdivision of the State of New York (the “State”), duly created and established and validly existing under the provisions of 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 (the “Act”).
2. The Authority has the right, power and authority to (a) execute and deliver the Reimbursement Agreement and (b) perform its obligations under the Reimbursement Agreement.

Exhibit E-1

Contract No. C-001030

3. The execution and delivery of, and the performance by the Authority and LIPA of their respective obligations under, the Resolution and the documents specified in paragraph 2 above (the “Authority Transaction Documents”) have been duly authorized by proper corporate proceedings of the Authority and LIPA, as applicable, and duly executed and delivered by the Authority and LIPA, as applicable. Each of the Authority Transaction Documents, assuming the due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding agreement of the Authority and LIPA enforceable in accordance with their respective terms.

4. The Resolution has been duly and lawfully adopted by the Authority and is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for, or filing or recording of, the Resolution is required.

5. Except as permitted by the Resolution and the Financing Agreement, the items pledged by the Resolution and the Financing Agreement are, and under the Resolution, the Financing Agreement and existing law will be, free and clear of any material pledge, lien, charge or encumbrance thereon or with respect thereto created by the Authority or LIPA prior to, or of equal rank with, the pledge created by the Resolution and the Financing Agreement.

6. The execution and delivery of the Authority Transaction Documents, the Bonds, the Financing Agreement Note and the Resolution, under the circumstances contemplated by the Reimbursement Agreement and Official Statement, and compliance with the provisions thereof and the provisions of the Financing Agreement, will not conflict in any material respect with or constitute on the part of the Authority or LIPA a material breach of, or an event of default under, any agreement or other instrument to which the Authority or LIPA is subject or by which it is bound.

7. Except as described in the Official Statement, there is no litigation or other proceeding pending or, to the best of my knowledge, threatened in any court, agency or other administrative body (either State or Federal) restraining or enjoining the issuance, sale or delivery of the Bonds, or in any way questioning or affecting (i) the issuance, sale and delivery of the Bonds, (ii) the proceedings under which the Bonds are to be issued, (iii) the validity or enforceability of any provision of the Bonds, the Resolution, the Authority Transaction Documents or the Financing Agreement Note, (iv) the pledge by the Authority effected under the Resolution, (v) the pledge by LIPA effected under the Financing Agreement, (vi) the legal existence of the Authority or LIPA, (vii) the power of the Authority to issue the Bonds for the purposes described in the Official Statement or to undertake and perform the transactions contemplated by the Resolution or the Official Statement or (viii) the accuracy, completeness or fairness of the Official Statement.

8. The Authority and LIPA are not in default in any material respect under the terms of the Resolution or the Authority Transaction Documents.

9. All authorizations, consents, approvals and reviews of governmental bodies or regulatory authorities required for (i) the adoption by the Authority of the Resolution,

(ii) the execution, issuance and delivery by the Authority of the Bonds, and (iii) the execution, delivery and performance by the Authority and LIPA of their respective obligations under the Authority Transaction Documents, have been obtained or effected and are in full force and effect.

10. The Authority has the right and power under the Act to adopt the Resolution and to perform its obligations thereunder, including its rate covenant relating to the establishment and maintenance of System fees, rates, rents, charges and surcharges; provided, however, that in connection with certain Authority rate proposals, the Act directs the Authority to seek the review and recommendation of the New York State Public Service Commission as to such proposals prior to implementation and to implement such recommendations unless the Authority determines, after complying with certain procedural requirements and subject to any applicable judicial review proceeding, that any particular recommendation is inconsistent with the Authority's sound fiscal operating practices, any existing contractual or operating obligations or the provision of safe and adequate service.

11. The Authority is authorized to adopt the rates, credits, surcharges and riders provided for in the Authority's existing rates; said rates, credits, surcharges and riders have been duly adopted and are in full force and effect.

12. The Authority is authorized to adopt an Open Access Transmission Tariff (the "OATT"); and said OATT has been duly adopted and is in full force and effect.

13. The adoption by the Authority of its rates and the supplementation thereof, and compliance with all of the terms and conditions of the Resolution and the Bonds, and the execution and delivery of the Bonds, and the execution, delivery and performance of the Reimbursement Agreement, will not result in a violation of or be in conflict with any term or provision of any applicable law, or of any approval by any governmental agency, board or commission applicable thereto.

14. The rates for retail distribution service approved by the Authority for assessment and collection by its subsidiary, LIPA (jointly, the "LIPA Entities"), are not subject to regulation by the Federal Energy Regulatory Commission ("FERC") or any other federal agency, under the Federal Energy Regulatory Laws; and neither the FERC nor any other federal agency, under the Federal Energy Regulatory Laws<sup>1</sup>, may deny either of the LIPA Entities the ability to recover in LIPA's retail distribution rates the portion of the "Acquisition Adjustment" associated with the "Shoreham Regulatory Asset" or the

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<sup>1</sup> As defined herein, the Federal Energy Regulatory Laws are: the Federal Power Act, Part II, 16 U.S.C. §§ 824 et seq., as amended ("FPA"); the Public Utility Regulatory Policies Act of 1978 (appearing generally at 16 U.S.C. § 2601 and following) ("PURPA"), as amended; the Public Utility Holding Company Act of 1935, 15 U.S.C. §§ 79a et seq., as amended; and the Powerplant and Industrial Fuel Use Act of 1978, Pub. L. No. 95-620, 92 Stat. 3289 (1978), as amended.

inclusion in LIPA's retail distribution rates applicable in Suffolk County, New York of costs with respect to the Shoreham Property Tax Settlement Agreement<sup>2</sup>.

The obligations of the Authority and LIPA and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights. The enforceability of such obligations is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

This opinion is solely for your information and assistance and is not to be used, circulated, quoted or otherwise referred to, except that reference to this opinion may be made in any list of closing documents pertaining to the delivery of the Letter of Credit under the Reimbursement Agreement or in such closing documents.

Very truly yours,

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<sup>2</sup>The terms "Acquisition Adjustment" and "Shoreham Regulatory Asset" are used as defined in the Official Statement.

## EXHIBIT F

### NOTICE OF TERMINATION

The Bank of New York Mellon, as trustee (the “*Trustee*”) under the Electric System General Revenue Bond Resolution adopted by the Long Island Power Authority (the “*Authority*”) on May 13, 1998 (the “*Bond Resolution*”), the Twenty-Ninth Supplemental Electric System General Revenue Bond Resolution adopted by the Authority on December 18, 2019, as amended on May 20, 2020 (the “*Supplemental Resolution*”) and the Certificate of Determination, dated August [18], 2023 (the “*Certificate of Determination*”)

[REDACTED]

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. [REDACTED] dated August [\_\_\_], 2023 (the “*Letter of Credit*”), established by Barclays Bank PLC, in your favor as Trustee. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Letter of Credit. We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement:

1. An event described in Section 7.1 of the Reimbursement Agreement has occurred and is continuing and the Bank is entitled to give this notice in accordance with Section 7.2(a) of the Reimbursement Agreement.
2. **[an “*Event of Default*” has occurred under Section 7.1 of the Reimbursement Agreement dated as of August 1, 2023, between the Authority and the Bank, and the Bank has elected to direct the Trustee to cause a mandatory tender for purchase of the Bonds pursuant to Section A-405 of the Certificate of Determination], whereby the Letter of Credit will terminate on the fifteenth (15th) day following the receipt by the Trustee of this Notice of Termination.**

**[the Bank has not been reimbursed for an Interest Drawing under the Letter of Credit or an “*Event of Default*” has occurred under Section 7.1 of the Reimbursement Agreement dated as of August 1, 2023, between the Authority and the Bank, and, as a result thereof, the amount of such Interest Drawing will not be reinstated and the Bank has elected to direct the Bond Trustee to cause a mandatory tender for purchase of the Bonds pursuant to Section A-405 of the Certificate of Determination.]**

Exhibit F-1

Contract No. C-001030

3. On the date described in section 2 hereto, you shall surrender the Letter of Credit to us.

BARCLAYS BANK PLC

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## APPENDIX A

### STANDARD CLAUSES FOR LIPA CONTRACTS

For the purposes of this Appendix A, the Long Island Power Authority and its operating subsidiary the Long Island Lighting Company d/b/a LIPA are hereinafter referred to as “LIPA.”

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, “*the contract*” or “*this contract*”) agree to be bound by the following clauses which are hereby made a part of the contract (the word “*Contractor*” herein refers to any party other than LIPA, whether a contractor, consultant, licensor, licensee, lessor, lessee or other party):

**NON-ASSIGNMENT CLAUSE.** In accordance with Section 138 of the State Finance Law, this contract may not be assigned by Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of LIPA, and any attempts to assign the contract without LIPA’s written consent are null and void. Contractor may, however, assign its right to receive payment without LIPA’s prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

**COMPTROLLER’S APPROVAL.** In accordance with Section 112 of the New York State Finance Law (the “*State Finance Law*”), this Agreement shall not be valid, effective or binding upon LIPA until it has been approved by the State Comptroller and filed in his office.

**WORKER’S COMPENSATION BENEFITS.** In accordance with Section 142 of the State Finance Law, this Agreement shall be void and of no force and effect unless Contractor provides and maintains coverage during the life of this Agreement for the benefit of such employees as are required to be covered by the provisions of the Workers’ Compensation Law.

**NON-DISCRIMINATION REQUIREMENTS.** In accordance with Article 15 of the Executive Law (also known as the Human Rights Law) and all other New York State and Federal statutory and constitutional non-discrimination provisions, Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, sex (including gender identity or expression), national origin, age, disability, marital status, sexual orientation, genetic predisposition or carrier status. Furthermore, in accordance with Article 220-e of the New York Labor Law, and to the extent that this Agreement shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, national origin, sexual orientation, genetic predisposition or carrier status; (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee for the performance of work under this Agreement.

**NEW YORK STATE EXECUTIVE ORDER NO. 177 (PROHIBITING STATE CONTRACTS WITH ENTITIES THAT SUPPORT DISCRIMINATION) CERTIFICATION.** The New York State Human Rights Law, Article 15 of the Executive Law, prohibits discrimination and harassment based on age, race, creed, color, national origin, sex, pregnancy or pregnancy-related conditions, sexual orientation,

gender identity, disability, marital status, familial status, domestic violence victim status, prior arrest or conviction record, military status or predisposing genetic characteristics.

The Human Rights Law may also require reasonable accommodation for persons with disabilities and pregnancy-related conditions. A reasonable accommodation is an adjustment to a job or work environment that enables a person with a disability to perform the essential functions of a job in a reasonable manner. The Human Rights Law may also require reasonable accommodation in employment on the basis of Sabbath observance or religious practices.

Generally, the Human Rights Law applies to:

- all employers of four or more people, employment agencies, labor organizations and apprenticeship training programs in all instances of discrimination or harassment;
- employers with fewer than four employees in all cases involving sexual harassment; and,
- any employer of domestic workers in cases involving sexual harassment or harassment based on gender, race, religion or national origin.

In accordance with Executive Order No. 177, the Bidder hereby certifies that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

Executive Order No. 177 and this certification do not affect institutional policies or practices that are protected by existing law, including but not limited to the First Amendment of the United States Constitution, Article 1, Section 3 of the New York State Constitution, and Section 296(11) of the New York State Human Rights Law.

**WAGE AND HOURS PROVISIONS.** If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law and shall comply with all requirements set forth in Article 8 or Article 9 of the Labor Law whichever Article applies.

**NON-COLLUSIVE BIDDING CERTIFICATION.** In accordance with Section 2878 of the Public Authorities Law, if this contract was awarded based upon the submission of bids, Contractor warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further warrants that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to LIPA a non-collusive bidding certification on Contractor's behalf.

**INTERNATIONAL BOYCOTT PROHIBITION.** In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, Contractor

agrees, as a material condition of the contract, that neither Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC app. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

**SET-OFF RIGHTS.** LIPA shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, LIPA's option to withhold for the purposes of set-off any moneys due to Contractor under this contract up to any amounts due and owing to LIPA with regard to this contract, any other contract with LIPA, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to LIPA for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. LIPA shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by LIPA, its representatives, or the State Comptroller.

**RECORDS.** Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "*the Records*"). The Records must be kept for six (6) years following the expiration or earlier termination of the contract. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. LIPA shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "*Statute*") *provided* that: (i) Contractor shall timely inform LIPA in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

**DISCLOSURE OF LIPA RECORDS OR INFORMATION.** If any third party requests that Contractor disclose LIPA records or information, as defined in subdivision 4 of section 86 of the Public Officers Law, to the extent permitted by law, Contractor shall notify LIPA of such request and LIPA shall determine, in accordance with Chapter 39 of the Laws of 2010, whether such LIPA records or information may be disclosed.

**EQUAL EMPLOYMENT FOR MINORITIES AND WOMEN.** In accordance with Section 312 of the New York Executive Law: (i) Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status and shall undertake or continue existing

Appendix A-3

Contract No. C-001030

programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation; (ii) at the request of LIPA, Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status and that such union or representative will affirmatively cooperate in the implementation of Contractor's obligations herein; and (iii) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of this Agreement, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, genetic predisposition or carrier status. Contractor shall include the provisions of (i), (ii) and (iii) above, in every subcontract over twenty-five thousand dollars (\$25,000.00) for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of Contractor.

**MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES.** It is the policy of the Authority to provide Minority and Women-Owned Business Enterprises (M/WBEs) the greatest practicable opportunity to participate in the Authority's contracting activity for the procurement of goods and services. To effectuate this policy, Contractor shall comply with the provisions of this Schedule A and the provisions of Article 15-A of the New York Executive Law. The Contractor will employ good faith efforts to achieve the below-stated M/WBE Goals set for this contract, and will cooperate in any efforts of the Authority, or any government agency which may have jurisdiction, to monitor and assist Contractor's compliance with the Authority's M/WBE program.

Minority-Owned Business Enterprise (MBE) Subcontracting 0%

Women-Owned Business Enterprise (WBE) Subcontracting Goal U 0%

Waivers shall only be considered in accordance with the provisions of Article 15-A of the Executive Law.

To help in complying, Contractor may inspect the current New York State Certification Directory of Minority and Women Owned Businesses, prepared for use by state agencies and contractors in complying with Executive law Article 15-A, (the Directory) at the same location where the Authority's bid document or request for proposals may be obtained or inspected and also at the Authority's office at 333 Earle Ovington Boulevard, Suite 403, Uniondale, NY 11553. In addition, printed or electronic copies of the Directory may be purchased from the New York State Department of Economic Development, Minority and Women's Business Division.

If requested, Contractor shall submit within ten (10) days of such request, a complete Utilization Plan, which shall include identification of the M/WBEs which the Contractor intends to use; the dollar amount of business with each such M/WBE; the Contract Scope of Work which the Contractor intends to have performed by such M/WBEs; and the commencement and end dates

of such performance. The Authority will review the plan and, within twenty (20) days of its receipt, issue a written acceptance of the plan or comments on deficiencies in the plan.

The Contractor shall include in each Subcontract, in such a manner that the provisions will be binding upon each Subcontractor, all of the provisions herein including those requiring Subcontractors to make a good faith effort to solicit participation by M/WBEs.

If requested, the Contractor shall submit monthly compliance reports regarding its M/WBE utilization activity. Reports are due on the first business day of each month, beginning thirty (30) days after Contract award.

The Contractor shall not use the requirements of this section to discriminate against any qualified company or group of companies.

**CONFLICTING TERMS.** In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

**GOVERNING LAW.** This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

**LATE PAYMENT.** Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Section 2880 of the Public Authorities Law and the guidelines adopted by LIPA thereto.

**PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS.** Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165 (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of Contractor to establish to meet with the approval of the State. In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of Contractor to meet with the approval of the State.

**MACBRIDE FAIR EMPLOYMENT PRINCIPLES.** In accordance with the MacBride Fair Employment Principles (Chapter 807 of the New York Laws of 1992), Contractor hereby stipulates that Contractor either (i) has no business operations in Northern Ireland, or (ii) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Article 165 of, the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

**OMNIBUS PROCUREMENT ACT OF 1992.** It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts. Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development  
[REDACTED]

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development  
[REDACTED]

The Omnibus Procurement Act of 1992 requires that by signing this Agreement, Contractor certifies that:

(a) Contractor has made commercially reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and woman-owned business enterprises, on this Project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended; and

(c) Contractor agrees to make commercially reasonable efforts to provide notification to New York State residents of employment opportunities on this Project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. Contractor agrees to document these efforts and to provide said documentation to the State upon request.

(d) Contractor acknowledges that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

**RECIPROCITY AND SANCTIONS PROVISIONS.** Contractor is hereby notified that if its principal place of business is located in a state that penalizes New York State vendors, and if the goods or services it offers are substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 amendments (Chapter 684, Laws of 1994) require that Contractor be denied contracts which it would otherwise obtain.

**PURCHASES OF APPAREL.** In accordance with State Finance Law 162 (4-a), LIPA shall not purchase any apparel from any Contractor unable or unwilling to certify that: (i) such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) Contractor will supply, with its bid (or, if not a bid situation, prior to or at the time of signing a contract with LIPA), if known, the names and addresses of each subcontractor and a list of all manufacturing plants to be utilized by the bidder.

**CONTRACTOR AFFIRMATION OF COMPLIANCE AND CERTIFICATION OF DISCLOSURE.** Contractor affirms that it understands and agrees to comply with the procedures of the Governmental Entity relative to permissible contacts as required by the State Finance Law § 139-j (3) and § 139-j (6)(b). Furthermore, Contractor certifies that the information disclosed pursuant to State Finance Law § 139-k (5) is complete true and accurate.

**OPTIONAL TERMINATION BY THE AUTHORITY.** LIPA reserves the right to terminate this contract in the event it is found that the certification filed by Contractor in accordance with New York State Finance Law § 139-k was intentionally false or intentionally incomplete. Upon such finding, LIPA may exercise its termination right by providing written notification to Contractor in accordance with the written notification terms of the contract.

**CONTINGENT FEES.** Contractor hereby certifies and agrees that (a) Contractor has not employed or retained and will not employ or retain any individual or entity for the purpose of soliciting or securing any LIPA contract or any amendment or modification thereto pursuant to any agreement or understanding for receipt of any form of compensation which in whole or in part is contingent or dependent upon the award of any such contract or any amendment or modification thereto; and (b) Contractor will not seek or be paid an additional fee that is contingent or dependent upon the completion of a transaction by LIPA.

**NONPUBLIC PERSONAL INFORMATION.** Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208). Contractor shall be liable for the costs associated with such breach if caused by Contractor's negligent or willful acts or omissions, or the negligent or willful acts or omissions of the Contractor's agents, officers, employees or subcontractors.

**IRAN DIVESTMENT ACT CERTIFICATION.** Contractor certifies under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law. In addition, Contractor agrees that no person on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law will be utilized as a subcontractor on this contract.

**SEXUAL HARASSMENT PREVENTION CERTIFICATION.** In accordance with New York State Finance Law Section 139-L, Contractor certifies that: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that the bidder has and has implemented a written policy addressing sexual harassment prevention in the workplace and provides annual sexual harassment prevention training to all of its employees. Such policy shall, at a minimum, meet the requirements of" New York State Labor Law Section 201-g.

**ADMISSIBILITY OF REPRODUCTION OF CONTRACT.** Notwithstanding the best evidence rule or any other legal principle or rule of evidence to the contrary, the Contractor acknowledges and agrees that it waives any and all objections to the admissibility into evidence at any court proceeding or to the use at any examination before trial of an electronic reproduction of this contract, in the form approved by the State Comptroller, if such approval was required, regardless of whether the original of said contract is in existence.

## FEE ANNEX

This FEE ANNEX forms part of the Reimbursement Agreement dated as of August 1, 2023 (as from time to time amended, supplemented, modified or restated, the “Agreement”), between the LONG ISLAND POWER AUTHORITY, a corporate municipal instrumentality of the State of New York (the “Authority”) and BARCLAYS BANK PLC (together with its successors and assigns, the “Bank”), relating to the Authority’s Electric System General Revenue Bonds, Series 2023D. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Reimbursement Agreement.

The purpose of this Fee Annex is to confirm the agreement between the Bank and the Authority with respect to the Letter of Credit Fees (as defined below) and certain other fees payable by the Authority to the Bank in connection with the Agreement. This Fee Annex and the Agreement are to be construed as one agreement between the Authority and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Annex. This Fee Annex is the Fee Annex referenced in the Agreement and the terms of this Fee Annex are incorporated by reference into the Agreement.

### ARTICLE I. FEES.

Section 1.1. Letter of Credit Fees. The Authority agrees to pay to the Bank, in immediately available funds, without any requirement of notice or demand, on the first Business Day of July, for the period from and including the Closing Date to and including June 30, and in arrears on the first Business Day of each October, January, April, and July occurring thereafter to and including the Termination Date, and on the Termination Date, a non-refundable letter of credit fee (the “Letter of Credit Fee”) in an amount equal to the sum of, for each day during the related fee period, the product of (x) the rate per annum associated with the Rating (as defined below) as specified in the applicable Level in the pricing matrix below for such day (the “Letter of Credit Fee Rate”) multiplied by (y) the Stated Amount (without regard to any temporary reductions of the Stated Amount) for such day during each related period.

| LEVEL | FITCH RATING | S&P RATING | MOODY’S<br>RATING | LETTER OF<br>CREDIT FEE<br>RATE |
|-------|--------------|------------|-------------------|---------------------------------|
|       |              |            |                   |                                 |

The term “Rating” as used above means the lowest long term unenhanced rating assigned to any Bonds or any Parity Obligations by Fitch, S&P and Moody’s. In the event of a split rating (i.e., one of the Rating Agencies’ Rating is at a different Level than the Rating of any of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 5 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). Any change in the Letter of Credit Fee Rate resulting

Fee Annex 1

Contract No. C-001030

from a change in a Rating will be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as determined by the Rating Agencies at the date hereof and, in the event of adoption of any new or changed rating system by any Rating Agency, including, without limitation, any recalibration or realignment of the Ratings in connection with the adoption of a “global” rating scale, each of the Ratings referred to above from the Rating Agency in question will be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as in effect at the date hereof. The Authority represents that as of the Closing Date the Letter of Credit Fee Rate is that specified above for Level 1. If (i) a Rating is withdrawn, suspended or otherwise unavailable from any Rating Agency for any reason or reduced below “BBB-” (or its equivalent) by S&P, “BBB-” (or its equivalent) by Fitch or “Baa3” (or its equivalent) by Moody’s or (ii) an Event of Default occurs and is continuing, the Letter of Credit Fee Rate will immediately and without notice increase by an additional [REDACTED] % from the Letter of Credit Fee Rate otherwise in effect for so long as such Rating remains withdrawn, suspended or otherwise unavailable or below “BBB-” (or its equivalent) by S&P, “BBB-” (or its equivalent) by Fitch or “Baa3” (or its equivalent) by Moody’s or such Event of Default is continuing. The Letter of Credit Fee will be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed. To the extent any Letter of Credit Fee is not paid when due, such Letter of Credit Fee shall accrue interest from the date payment is due until payment in full at a per annum rate of interest equal to the Default Rate, such interest to be payable on demand.

Section 1.2. Amendment, Waiver or Consent Fees. The Authority agrees to pay to the Bank on the date (i) of each amendment, supplement or modification to the Agreement or any other Document a non-refundable fee of \$ [REDACTED], or such greater amount as agreed to by the Authority and the Bank, or (ii) on which the Bank consents to or provides a waiver with respect to the Agreement or any other Document, an amount to be determined at the time of such consent or waiver, plus, in each case, the reasonable fees and expenses of legal counsel to the Bank.

Section 1.3 Drawing Fees. The Authority agrees to pay to the Bank a non-refundable drawing fee of \$ [REDACTED] for each Drawing under the Letter of Credit, payable on the date such Drawing is made.

Section 1.4. Transfer Fee. Upon each transfer of the Letter of Credit in accordance with its terms or appointment of a successor Tender Agent under the Tender Agency Agreement, the Authority agrees to pay the Bank a non-refundable fee of \$ [REDACTED], and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, but not limited to, the reasonable fees and expenses of legal counsel to the Bank), payable on the date of such transfer or appointment.

Section 1.5.

Termination Fee; Reduction Fee. (a) The Authority hereby agrees to pay to the Bank a termination fee in connection with any termination or replacement of the Letter of Credit by the Authority prior to the second anniversary of the Closing Date, in an amount equal to the product of (1) the L/C Fee Rate on the date of such termination, (2) the Available Amount in effect on the

Fee Annex 2

Contract No. C-001030

day prior to the date of termination, and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the second anniversary of the Closing Date, and the denominator of which is 360 (the “*Termination Fee*”), payable on the date of such termination. Notwithstanding the foregoing or any provision in the Reimbursement Agreement to the contrary, the Authority may terminate or replace the Letter of Credit in accordance with the Documents at any time without payment of the Termination Fee (i) if Moody’s shall have withdrawn or lowered the short-term debt rating of the Bank below “P1” (or its equivalent), (ii) if S&P shall have withdrawn or lowered the short-term debt rating of the Bank below “A1” (or its equivalent), (iii) if Fitch shall have withdrawn or lowered the short-term debt rating of the Bank below “F1” (or its equivalent), (iv) upon a refunding of the Series 2023D Bonds with proceeds received from a fixed rate term debt issuance purchased by a public investor or upon a conversion of the interest rate on the Series 2023D Bonds to a fixed rate to maturity, in each case, that does not require a letter of credit, liquidity facility, credit facility, or bank direct purchase from a bank, financial institution or other third party, or (v) if the Letter of Credit is terminated or replaced as a result of the Bank imposing increased costs on the Authority in accordance with Section 2.13 of the Reimbursement Agreement.

(b) Notwithstanding the foregoing and anything set forth herein or in the Reimbursement Agreement to the contrary, the Authority agrees not to permanently reduce the Available Amount below the Initial Stated Amount of the Letter of Credit prior to the second anniversary of the Closing Date, without the payment by the Authority to the Bank of a reduction fee in connection with each and every permanent reduction of the Available Amount (other than in connection with reductions of the Initial Stated Amount of the Letter of Credit as a result of scheduled mandatory redemptions of the Series 2023D Bonds in accordance with the terms of the Supplemental Resolution) as set forth herein in an amount equal to the product of (A) the L/C Fee Rate in effect on the date of such reduction, (B) the difference between the Available Amount (without regard to any reduction of the Available Amount subject to reinstatement) prior to such reduction and the Available Amount (without regard to any reduction of the Available Amount subject to reinstatement) after such reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the second anniversary of the date hereof, and the denominator of which is 360 (the “*Reduction Fee*”).

## ARTICLE II MISCELLANEOUS.

Section 2.1. Legal Fees. The Authority shall pay the reasonable legal fees and expenses of the Bank incurred in connection with the preparation and negotiation of the Agreement, this Fee Annex and certain other Documents in an amount not to exceed \$ [REDACTED] for counsel for the Bank, plus disbursements. Legal fees shall be paid directly to the Bank’s counsel, McDermott Will & Emery LLP, in accordance with the instructions provided by such counsel.

Section 2.2. No Disclosure. Unless required by law, the Authority shall not deliver or permit, authorize or consent to the delivery of this Fee Annex to a Remarketing Agent or any other Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.