OPTION 2

IRREVOCABLE STANDBY LETTER OF CREDIT FORMAT

DATE OF ISSUANCE: ________________

[Address]

Re: Credit No. ______________

We, ______________ (the “Issuing Bank”), hereby establish our Irrevocable Transferable Standby Letter of Credit (the “Letter of Credit”) in favor of _______________(you, the “Beneficiary”) for the account of _________________ (the “Account Party”), for the aggregate amount not exceeding ______________ United States Dollars ($__________), available to you at sight upon demand at our counters at ______________ [designate Issuing Bank’s location for presentments] on or before the expiration hereof against presentation to us of one or more of the following statements, dated and purportedly signed by an authorized representative of the Beneficiary:

1. “An Event of Default (as defined in the Master Renewable Energy Certificate Purchase and Sale Agreement dated as of ________ between [Beneficiary Name] (“Beneficiary”) and [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreement”)) has occurred and is continuing with respect to Account Party under the Master Agreement and no Event of Default has occurred and is continuing with respect to the Beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of ______________ United States Dollars ($__________) [or the entire undrawn amount of the Letter of Credit]”; or

2. “An Early Termination Date (as defined in the Master Renewable Energy Certificate Purchase and Sale Agreement dated as of ________ between [Beneficiary Name] (“Beneficiary”) and [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreement”)) has occurred and is continuing with respect to Account Party under the Master Agreement and no Event of Default has occurred and is continuing with respect to the Beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of ______________ United States Dollars ($__________) [or the entire undrawn amount of the Letter of Credit”.

This Letter of Credit shall expire on ________________.

The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid by the Issuing Bank. Partial drawings and multiple presentations are permitted hereunder.
We hereby agree with you that documents drawn under and in compliance with the terms and conditions of this Letter of Credit shall be duly honored upon presentation as specified.

This Letter of Credit is subject to International Standby Practices (ISP98), International Chamber of Commerce (“ICC”) Publication No. 590, or any successor publication thereto. This Standby Letter of Credit shall be deemed to be made under the laws of the State of New York, including Article 5 of the Uniform Commercial Code, and shall, as to matters not governed by the International Standby Practices (ISP98), be governed by and construed in accordance with the laws of the State of New York, excluding any choice of law provisions or conflict of law principles which would require reference to the laws of any other jurisdiction.

Rule 3.14(a) of the ISP as it applies to this Irrevocable Standby Letter of Credit is hereby modified to provide as follows:

If on the last Business Day for presentation the place for presentation stated in this Letter of Credit is for any reason closed, then the last day for presentation is automatically extended to the day occurring thirty calendar days after the place for presentation reopens for business.

Rule 3.14(a) of the ISP as it applies to this Irrevocable Standby Letter of Credit is hereby further modified to provide that any alternate place for presentation that we designate must be located in the United States.

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our Senior Unsecured Debt is rated “A-” or better by Standard and Poor’s (“S&P”) if rated by S&P, “A3” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A-” or better by Fitch Ratings (“Fitch”) if rated by Fitch. We hereby certify that our Senior Unsecured Debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our senior unsecured debt meets the ratings requirement of this paragraph.

As used herein, the term “Business Day” means any day on which Federal Reserve Banks and Branches are open for business, such that payments can be effected on the Fedwire system.

This Letter of Credit, except as expressly stated herein, is transferable in whole but not in part in accordance with the ICC Publication No. 590. Any transfer request must be presented to us with the attached form (Exhibit A) together with the original Letter of Credit and original amendments, if any. 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.
Except for the transfer, this letter of credit otherwise may not be amended, changed or modified without the express written consent of the Beneficiary, the Issuing Bank, and the Account Party.

We will not make any payment under this Letter of Credit (1) to any entity or person who is subject to the sanctions issued by the United States Department of Commerce, or to whom payment is prohibited by the foreign asset control regulations of the United States Department of the Treasury, or (2) which otherwise is in contravention of United States laws and regulations.

[The Issuing Bank may add specific contact or additional information or administrative-only comments at this point. However, such comments shall not create or alter any rights that vary from the above language].

[BANK SIGNATURE]