

CON EDISON PROPOSED AGGREGATOR ELIGIBILITY REQUIREMENTS

Aggregators, as defined in Rider S (“Commercial System Relief Program”) and Rider U (“Distribution Load Relief Program”), must meet the following requirements in order to participate in the Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) commercial demand response programs. These requirements do not apply to customers of the Company who aggregate and enroll accounts at multiple locations where they own or operate facilities.

Aggregator Requirements That Have Been Approved in the March 30, 2015 Order

Aggregators must be able to demonstrate or provide evidence that they can comply with each of the following requirements:

1. Aggregators must have systems and processes in place to be able to respond to demand response events pursuant to notification through Con Edison’s prescribed notification system;
2. Aggregators must have systems and processes in place to ensure that enrolled customers respond to demand response events within demand response program-specific required time periods; and
3. Aggregators must have systems and processes in place to electronically submit enrollments to Con Edison using the enrollment system established and modified by Con Edison.

Con Edison shall have the authority to audit any aggregator to ensure that it complies with these requirements.

Eligibility Operating Procedures and Additional Proposed Requirements

1. Unless indicated otherwise, Aggregators seeking to participate in Con Edison’s commercial demand response programs must meet all eligibility criteria by the application deadline to be eligible to submit enrollments. Each Aggregator must complete and submit an application package, which can be found on the Company’s website, containing the following information and attachments:
 - 1.1. Con Edison Demand Response Program Application; and
 - 1.2. Applicable forms for payment set-up if applying for the first time.
2. If an Aggregator does not meet the required eligibility criteria by the enrollment deadline, it can submit enrollments for the next available enrollment deadline per the demand response program tariff as long as it has met the required eligibility criteria by the next deadline.
3. After reviewing an Aggregator application the Company shall advise the applicant, by e-mail, if the submitted application meets the application requirement.
4. An Aggregator shall notify the Company of any major changes in the information submitted in the Aggregator Application Form and/or application package within seven (7) calendar days of such change.

5. An Aggregator shall advise the Company within seven (7) calendar days of:
 - 5.1. A decrease of 30% or more of an enrolled customer's pledged load relief.
 - 5.1.1. The load relief obligation and performance during any test or events shall be based on the original pledge amount.
6. Aggregators must provide Con Edison with the name, title, phone number, and e-mail address of each authorized customer representative.¹
 - 6.1. Any Aggregator who does not provide the required contact information for a particular customer will not receive payment for that customer's enrollment until the contact information is provided. The performance of these customers will not count and the aggregator will incur a penalty, as applicable, for non-performance during the period that contact information has not been provided.
 - 6.2. Performance and penalties will not be calculated retroactively when contact information is provided.
7. Aggregators must accurately describe any services and products they offer to demand response customers and may not engage in any form of misleading or deceptive marketing conduct as defined by State or Federal law, or by Commission rule, regulation or Order.
 - 7.1. Customer complaints concerning marketing practices will be investigated by Con Edison or an Aggregator within seven (7) calendar days of receipt of the complaint.
 - 7.2. Complaints concerning marketing practices that cannot be resolved by Con Edison or the Aggregator will be referred to the New York State Department of Public Service Office of Consumer Services.
 - 7.3. Aggregators found to be marketing non-existent services to Con Edison demand response customers or that are using deceptive marketing practices as determined by Con Edison or the New York State Department of Public Service Office of Consumer Services may be suspended from enrolling new customers until the violations are corrected. Customers currently being served by the suspended Aggregator will be informed by Con Edison of the availability of additional participating demand response Aggregators.
8. Con Edison reserves the right to review any marketing materials developed by Aggregators that utilize Con Edison program names.

¹ This information will be important for several reasons. First, it will help improve the reliability of operations. If an Aggregator exits the program during the Capability Period, the Company may reach out to the Aggregator's customers and encourage them to participate in the program. This will help maintain resources in the program. Second, this information may be used by Con Edison for such aspects as enrollment conflict resolution and information gathering to aid in the design of load management programs offered by Con Edison.

9. If an Aggregator's average portfolio performance factor is 0%, that Aggregator's customers will be informed by Con Edison of the availability of additional participating demand response Aggregators.
10. Aggregator requests to Con Edison for customer information and usage data must be accompanied by a valid Letter of Authorization ("LOA") executed by the customer, containing the customer's name, address of the facility for which the information is being requested, the customer's Con Edison electric account number, and a statement that the information being requested is for the purpose of participating in a Con Edison demand response program.
 - 10.1. An LOA is not required for a facility that an Aggregator is already representing in a Con Edison demand response program.
11. An Aggregator must maintain proof that each customer has been informed of its enrollment in a Con Edison-administered demand response program or programs. If the Aggregator is unable to furnish such proof upon request by Con Edison, payments to the Aggregator for that customer will be withheld until the Aggregator is able to provide the required proof. The burden of proof can be met by including the required information in the contract entered into with a customer and/or by any record of communication with a customer such as e-mail, fax, or recorded conversations.
12. Aggregators must maintain legally binding customer contracts for customers they enroll in Con Edison demand response programs. An Aggregator may be required to provide to Con Edison any contract for a customer that is part of the Aggregator's current year's capability period portfolio.
 - 12.1. If proof of an Aggregator's customer contract is needed, Con Edison will notify the Aggregator with a formal request through e-mail and confirmed by phone.
 - 12.2. Once the request has been received, the Aggregator will have seven (7) calendar days to provide the requested information.
 - 12.3. If multiple Aggregators claim to have enrolled the same customer for the same Capability period, Con Edison may review the customer's contract with one or more Aggregators to settle the dispute as to who has the right to represent a customer in a Con Edison demand response program.
 - 12.3.1. If only one Aggregator is able to provide a contract allowing it to enroll the customer in question into the demand response program that is in conflict, then that Aggregator will be permitted to represent that customer.
 - 12.3.2. If more than one Aggregator is able to provide a valid contract allowing it to enroll the customer in question into the demand response program that is in conflict, then the final authorization will be at the customer's discretion.
 - 12.3.3. If no Aggregator is able to provide a valid contract for the customer, then the program enrollment that is in conflict for those Aggregators will be rejected.
 - 12.4. If payments were made for all or part of the current year's capability period to an Aggregator that was found to not have a valid contract with a customer, then the payments for that year,

or part of that year, may be adjusted to reflect only enrollments for which that Aggregator processes a valid contract.

13. Aggregators will be placed on the Approved Aggregator List on the Company's demand response website if they certify via e-mail that they meet and maintain all applicable eligibility requirements.

13.1. Aggregators will be removed from the list if they fail to enroll a customer in the Company's commercial demand response programs within 18 months of being placed on the Aggregator list. An Aggregator that is removed from the Approved Aggregator List may be put back on the list if it can provide an executed customer enrollment contract for a Con Edison commercial demand response program for the upcoming Capability Period.

13.2. The Aggregator shall notify the Company within seven (7) calendar days of any changes in the Aggregator's business and customer service information displayed on the Approved Aggregator List so that the Company can update the list in a timely fashion for customers' benefit.

14. Non-compliance with one or more of the Aggregator Requirements or Eligibility Operating Procedures set forth in this document may result in the denial or revocation of an Aggregator's eligibility to participate in the Company's commercial demand response programs. The Company may take into account the nature, the circumstances, including the scope of harm, and the gravity of the failure or non-compliance, as well as the Aggregator's history of previous violations.

Aggregator Financial Requirements

Once enrollments have been submitted for approval, each Aggregator that has enrollments in a program that has penalty provisions must satisfy, and at all times remain in compliance with, the following minimum capitalization/credit requirements to maintain eligibility in that program. These requirements are not applicable for aggregators enrolling in programs that do not have penalties.

1. An Aggregator, or its guarantor shall meet **at least one** of the minimum capitalization criteria set forth below **or** post security in accordance with the following, by providing the information set forth below in sections 2 and 3:

Aggregator Financial Requirements	
Aggregators must satisfy one (1) of the requirements below.	Minimum Required Level
Minimum value of assets (\$) OR	\$10,000,000
Minimum tangible net worth (\$) OR	\$1,000,000
Letter of Credit with Con Edison or Security Deposit (\$) OR	Penalty rate (\$/kW) multiplied by cumulative kW approved enrollments in a program that has penalty provisions
Minimum Credit Rating	BB

2. **Capitalization Certification.** The Aggregator is required to supply the relevant required information for the applicable Aggregator Financial Requirement no later than fifteen (15) calendar days after the first enrollment approval it receives from Con Edison for the applicable Capability Period.
- 2.1. **Minimum Value of Assets or Minimum Tangible Net Worth.** To determine the ability to satisfy either of these categories of Aggregator Financial Requirements, the Aggregator shall supply its most recent audited financial statement that includes December 31 of the prior calendar year to Con Edison. If an Aggregator's most recent audited annual financial statements are more than one (1) year old on the date of submission, as a supplement to the most recent audited financial statements the Company may require that the Aggregator also supply its most recent unaudited financial statements in addition to other reasonable information to verify the Aggregator meets the Financial Requirements.
- 2.1.1. **Minimum Value of Assets.** An Aggregator's minimum value of assets shall be determined by reference to the financial statements and supplemental information described in Section 2.1.
- 2.1.2. **Minimum Tangible Net Worth.** An aggregator's minimum tangible net worth shall be determined by valuing all of the Aggregator's assets as determined by reference to the financial statements and supplemental information described in Section 2.1., then subtracting both: (i) the amount of the Aggregator's liabilities; and (ii) all of the Aggregator's intangible assets, including, but not limited to, patents, trademarks, franchises, intellectual property, and goodwill.
- 2.2. **Maintenance of Value of Assets and/or Tangible Net Worth.** If at any time prior to the end of the Capability Period the Aggregator no longer meets the Minimum Value of Assets or Tangible Net Worth Aggregator Financial Requirement (as selected), the Aggregator must:
- 2.2.1. Notify Con Edison in writing that it no longer complies with the applicable Aggregator Financial Requirement;
- 2.2.2. Cure such noncompliance by satisfying one of the other Aggregator Financial Requirements within 30 calendar days after its first day of noncompliance.
3. **Credit Rating.** "Credit Rating" means with respect to a Party (or its Credit Support Provider, as the case may be) or entity, on any date of determination, the respective ratings then assigned to such party's (or its Credit Support Provider's, as the case may be) or entity's unsecured, senior long-term debt (not supported by third party credit enhancement) or current corporate credit rating (whichever is lower) or if such entity is a financial institution, its long term unsecured unsubordinated deposits by Moody's Investor's Service, Inc. or by Standard & Poor's Rating Services, or their respective successors.. In the event of an inconsistency in ratings by S&P and Moody's (a

“split rating”), the lowest rating assigned shall control. In the event a Party is rated by only S&P or Moody’s, but not both, then the Credit Rating of the applicable rating agency shall apply.

3.1. If the Credit Rating falls below the minimum required based on projected revenue during the Capability Period, the Aggregator must:

3.1.1. Notify Con Edison promptly in writing that the Aggregator no longer complies with the minimum Credit Rating, and

3.1.2. Cure such noncompliance by satisfying one of the other Aggregator Financial Requirements within 30 calendar days after its first day of noncompliance.

4. **Letter of Credit or Security Deposit.** If an Aggregator elects to provide a Letter of Credit to satisfy the Aggregator Financial Requirements, it must do so pursuant to Attachment A (“Letter of Credit”), which is annexed hereto and hereby made a part of these Aggregator Financial Requirements.

4.1. The Letter of Credit must be in the form set forth in Attachment B, which is annexed hereto and hereby made a part of these Aggregator Financial Requirements, as it may be modified by Con Edison from time to time.

4.2. Con Edison may return or agree to cancel the Letter of Credit by the end of the calendar year after the end of the Capability Period. If an Aggregator has not paid any outstanding penalty by the end of the calendar year after the end of the Capability Period, Con Edison reserves the right to draw down the penalty amount from the Letter of Credit.

4.3. If an Aggregator elects to provide a security deposit to satisfy the Aggregator Financial Requirements it can do so through check.

4.3.1. Specific instructions on submitting the deposit will be provided by Con Edison once the deposit amount has been determined. The aggregator must provide the full deposit amount 15 calendar days after receiving the deposit instructions and being notified of the required amount by Con Edison.

4.3.2. An Aggregator deposit may be returned to the Aggregator by the end of the calendar year after the end of the Capability Period. If an Aggregator has not paid any outstanding penalty by the end of the calendar year after the end of the Capability Period, Con Edison reserves the right to withdraw the penalty amount from the deposit.

5. **Failure to comply with Aggregator Financial Requirements.** If an Aggregator fails to comply with the Aggregator Financial Requirements outlined above, Con Edison will suspend incentive payments for the Aggregator’s entire portfolio for the program that has penalties until the Aggregator is in compliance with the Aggregator Financial Requirements.

If payment to an Aggregator is suspended due to noncompliance with the Financial Requirements, the Aggregator must nonetheless continue to comply with the all other terms of the demand response program. Once the Aggregator successfully re-establishes compliance, the Aggregator's portfolio shall be paid incentive payments starting in the next full month in which the Aggregator participates. The Aggregator will also be paid retroactively for payments that were due while the Aggregator's portfolio was suspended.

6. **Exiting Con Edison's Demand Response Market ("Market").** If an Aggregator exits the Market (such that the Aggregator will no longer notify customers of demand response Events), the Aggregator shall notify Con Edison in writing two (2) months in advance of exiting the Market if the Aggregator's exit date falls within the Capability Period.
 - 6.1. Upon: (i) receiving an exit notification from an Aggregator; or (ii) an Aggregator failing to comply with the Aggregator Eligibility Criteria, Con Edison will inform the Aggregator's current customers (if the exit takes place during a Capability period) or its customers from the previous capability period and other participating Aggregators of the Aggregator's intention to exit Con Edison's demand response market.
 - 6.2. If an Aggregator exits during a Capability Period, its approved demand response customers will have the opportunity to enroll with a different Aggregator that is participating in the Capability Period.
7. Con Edison reserves the right to draw upon an Aggregator's Letter of Credit or the security deposit for any financial penalties associated with the program that the Aggregator fails to pay Con Edison.
8. Aggregators must annually demonstrate compliance with an Aggregator Financial Requirement.

Attachment A – Letter of Credit

1. Security.

- (a) Letter of Credit. At least fifteen (15) Calendar Days after receiving approval for an Aggregator's Demand Response portfolio from Con Edison, if the Aggregator selects the letter of credit (the "**Letter of Credit**") option under section 1 of the Aggregator Financial Requirements, Aggregator shall cause a **Letter of Credit** in the amount specified in section 1 of the Aggregator Financial Requirements (the "**Minimum L/C Amount**"), for the benefit of Consolidated Edison Company of New York, Inc. ("**Con Edison**") and satisfying the "**Letter of Credit Requirements**" set forth in section 1(b) of this Attachment A, to be furnished to Con Edison, which Letter of Credit may be drawn against by Con Edison (partial drawings shall be permitted) for the failure to remain an active Aggregator (including maintaining compliance with all Aggregator Eligibility Criteria) during a Capability Period for which that Aggregator has committed load reduction in a Con Edison demand response program or the failure to provide a substitute Letter of Credit pursuant to section 1(c) of this Attachment A (either a "**Failure**" or "**Event of Default**"). The Letter of Credit shall have an expiration date no earlier than (or be renewed or amended, or replaced with a substitute Letter of Credit, to have an expiration date no earlier than) one (1) year after the end of the applicable Capability Period (as such term is defined in the Con Edison Tariff in which that Aggregator is participating) (the "**Required L/C Expiration Date**").
- (b) Letter of Credit Requirements. The Letter of Credit shall be an irrevocable, standby letter of credit issued by a major U.S. commercial bank or the U.S. branch office of a foreign bank (the "**Issuer**"), which, in either case, has counters for presentment and payment located in the City of New York or accepts Requests to Draw (as defined below) via fax, and a Credit Rating satisfying the Minimum Credit Rating and which Letter of Credit is in the form acceptable to Con Edison, including, but not limited to, drawings being permitted solely upon a statement from Con Edison certifying that the amount of the drawing is owed to Con Edison pursuant to Aggregator Eligibility Criteria ("**Request to Draw**"). Further, the Letter of Credit shall provide that: (i) the Letter of Credit shall be governed by (x) the Uniform Customs and Practice For Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "**UCP**") provided that where the UCP is silent, the Letter of Credit shall be governed by New York Law without reference to its choice of law provisions and provide further that if the Letter of Credit shall expire during an interruption of business of the Issuer of such Letter of Credit arising from a cause or circumstance referenced in Article 36 of the UCP (as such Article may be amended from time to time), the Issuer of such Letter of Credit shall specifically agree to honor drafts drawn on such Letter of Credit if they are presented to the Issuer within thirty (30) days after the Issuer's resumption of business from such interruption and such drawings are otherwise in compliance with the terms and conditions of such Letter of Credit or (y) the International Standby Practices – ISP 98, 1998 Version, International Chamber of Commerce Publication No. 590 (the "**ISP**"), provided, however, that where the ISP is silent, the Letter of Credit shall be governed by New York law, without reference to its choice of law provisions. and (ii) in the event of a Failure, the Issuer must honor Con Edison's request to draw on the Letter of Credit within

two (2) Banking Days ("**Banking Days**" as defined in the UCP or ISP, as applicable) of presentation of the Request to Draw.

- (c) Substitute Letter of Credit. If, at any time prior to the Required L/C Expiration Date, the Issuer suffers a Downgrade Event or such Issuer repudiates its obligations under the Letter of Credit, or fails to honor or pay against the Letter of Credit in accordance with the terms of the Letter of Credit, Aggregator shall cause to be furnished to Con Edison a substitute Letter of Credit from a separate Issuer within three (3) Business Days (provided that if the substitute Letter of Credit is being provided because of an Issuer Downgrade Event and the Issuer has a Creditworthy Rating, Aggregator shall have four (4) Business Days) in each case after Con Edison has provided written notice to Aggregator demanding such substitute Letter of Credit.

If at any time prior to the Required L/C Expiration Date, Con Edison draws upon the Letter of Credit, then Aggregator, within three (3) Business Days after such drawing, shall cause to be furnished to Con Edison a substitute Letter of Credit (which may consist of an amendment to the Letter of Credit), which has a total amount available for future drawings when taken together with the initial Letter of Credit (if applicable) that is no less than the Minimum LC Amount. If at any time the Letter of Credit has an expiration date earlier than the Required L/C Expiration Date, Aggregator, at least thirty (30) calendar days prior to the expiration date of the Letter of Credit, shall cause to be provided to Con Edison a substitute Letter of Credit (which may consist of an amendment to the Letter of Credit), which has an expiration date that is at least ninety (90) calendar days later than the expiration date of the Letter of Credit it is amending or replacing. In each case where a substitute Letter of Credit is required to be furnished pursuant to these provisions, the substitute Letter of Credit shall be required to comply with all requirements pertaining to the Letter of Credit set forth in this Agreement, including the Letter of Credit Requirements, and shall be considered the "**Letter of Credit**" following its provision to Con Edison. Promptly following the submission of a substitute Letter of Credit to Con Edison, Con Edison shall return to Aggregator, or at Aggregator's request the Letter of Credit Issuer, any Letter of Credit that is being replaced by such substitute Letter of Credit.

- (d) Should Aggregator fail to furnish a substitute Letter of Credit to Con Edison within the time specified in, and as otherwise required by, this Agreement, then Con Edison, in its sole discretion and in addition to any other rights or remedies that may be available to it, shall be entitled to draw down the entire remaining amount of the Letter of Credit and utilize the cash obtained as a result of such draw down as security for a Failure with such cash constituting security that Con Edison may draw upon in the event of a Failure to the same extent that the Letter of Credit was security that Con Edison could have drawn upon in the event of a Failure. Notwithstanding such a draw down by Con Edison, Aggregator shall remain obligated to furnish the substitute Letter of Credit to Con Edison. Upon the earlier of five (5) Business Days after (a) the Required L/C Expiration Date or (b) such time as Aggregator subsequently furnishes the required substitute Letter of Credit to Con Edison, Con Edison shall return to Aggregator a sum of cash equal to (i) the amount of the cash security obtained as a result of the draw down under the prior Letter of Credit that was made as a result of Aggregator's prior failure to furnish the

substitute Letter of Credit, minus (ii) the aggregate amount of any and all drawings rightfully made by Con Edison on such cash security hereunder.

(e) Aggregator shall remain liable for any amounts owing to Con Edison and remaining unpaid after the application of the amounts so drawn by Con Edison.

(f) All fees and costs associated with the Letter of Credit are the responsibility solely of Aggregator and in no event may the Issuer reduce the amount of a Letter of Credit by deducting therefrom any fees incurred by Aggregator.

(g) Definitions. For the purpose of this Attachment A, the terms below shall be defined as follows:

“Credit Rating” means on any date of determination, the respective ratings then assigned to the Issuer’s senior unsecured long-term debt obligations not supported by third party credit enhancement or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating.

“Credit Watch” means the S&P or Moody’s ratings outlook, i.e., “Negative Watch,” “Credit Watch,” “Negative, for potential downgrade,” “Negative Outlook” or other similar terminology.

“Creditworthy Rating” means a Credit Rating of at least (i) “BBB- (not on Credit Watch)” by S&P and “Baa3 (not on Credit Watch)” by Moody’s, if such entity is rated by both S&P and Moody’s or (ii) BBB- (not on Credit Watch)” by S&P and “Baa3 (not on Credit Watch)” by Moody’s, if such entity is rated by either S&P or Moody’s, but not both.

“Downgrade Event” means the Issuer of the Letter of Credit fails to maintain the Minimum Credit Rating.

“Minimum Credit Rating” means a Credit Rating of at least (i) “A-” by S&P and “A3” by Moody’s, if such entity is rated by both S&P and Moody’s or (ii) “A-” by S&P or “A3” by Moody’s, if such entity is rated by either S&P or Moody’s, but not both.

“Moody’s” means Moody’s Investors Service, Inc. or its successor.

“S&P” means the Standard & Poor’s Rating Services (a division of McGraw-Hill Financial, Inc.) or its successor.

ATTACHMENT B – Letter of Credit Form

Irrevocable Letter of Credit No.

Date:

Issuing Bank:

Beneficiary:

Applicant:

Amount: USD \$_____

Expiration: [date of expiration]

We hereby establish our Irrevocable Letter of Credit No. _____ (the "Credit" or "Letter of Credit") in the favor of Consolidated Edison Company of New York, Inc. ("Beneficiary") for account of [INSERT NAME OF AGGREGATOR/APPLICANT] ("Applicant") for the sum of [INSERT AMOUNT IN BOTH WRITTEN AND NUMERICAL FORMAT] available by your draft(s) at sight drawn on [INSERT NAME OF ISSUING BANK] ("Issuing Bank") bearing the clause "Drawn under [INSERT NAME OF ISSUING BANK] Irrevocable Letter of Credit No. _____ dated _____" accompanied by this original Irrevocable Letter of Credit and all amendments hereto, if any, and the following statement, dated and signed by a representative of Beneficiary:

“An Event of Default, as defined in the Aggregator Financial Requirements agreed to by Aggregator as of _____, 20____, as the same may have been amended, has occurred and is continuing with respect to the Applicant under the Aggregator Financial Requirements.”

Applicant advises without liability on our part that this Irrevocable Letter of Credit is issued pursuant to Applicant having agreed to the Aggregator Financial Requirements by having submitted a Con Edison Demand Response Program Application.

Partial and multiple drawings are permitted, however such drawings in aggregate shall not exceed the total amount available hereunder.

Notwithstanding the foregoing, copies of drafts, document(s) and other communications hereunder may be presented or delivered to us by facsimile transmission. Presentation of documents to effect a draw by facsimile must be made to the following facsimile number: [INSERT ISSUING BANK'S FACSIMILE NUMBER]. In the event of a presentation via facsimile transmission, no mail confirmation is necessary and the facsimile transmission will constitute the operative drawing documents. Beneficiary may contact the Issuing Bank at [INSERT TELEPHONE NUMBER] to confirm receipt of the transmission. Beneficiary's failure to seek such a telephone confirmation shall not affect the Issuing Bank's obligation to honor such a presentation.

If presenting a draw via means other than facsimile, this original Irrevocable Letter of Credit and all amendments hereto, if any, must accompany any drawing for endorsement. The original Letter of Credit, so endorsed, will be returned to the Beneficiary unless no amount remains available or the Letter of Credit has expired.

It is a condition of this Letter of Credit that it shall automatically be extended, without amendment, for additional periods of one year from the present and each future expiration date unless we have sent Beneficiary written notice by overnight courier service at least sixty (60) calendar days prior to the then current expiration date that we elect not to extend this Letter of Credit for such additional period of time.

Any such notice of non-extension shall be effective when sent by us and upon such notice to you, you may draw at any time on or prior to the then current expiration date, up to the full amount then available hereunder, against your draft(s) submitted either by facsimile transmission as provided for above or upon presentation of your drafts along with the original of this Letter of Credit and all amendments thereto to our office located at [insert address], accompanied by your signed statement certifying the following:

"We are in receipt of [INSERT NAME OF ISSUING BANK] Notice of Non-extension under Letter of Credit No. _____ and the "Applicant's obligation to us remains."

This Letter of Credit is transferable successively in its entirety only up to the then available amount in favor of any nominated transferee ("Transferee") assuming such transfer to such Transferee would be in compliance with then applicable law and regulations, including but not limited to the regulations of the U.S. Department of Treasury and U.S. Department of Commerce. At the time of transfer, the original Letter of Credit and original Amendment(s), if any, must be surrendered to us together with our transfer form (available upon request) duly executed, and payment of our transfer commission.

Drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored and payment will be made by us to beneficiary on due presentation and delivery of documents as specified to [INSERT ISSUING BANK NAME AND ADDRESS] on or before [INSERT EXPIRATION DATE] or any extensions thereof.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), ICC Publication No. 600 (the "UCP") and, as to matters not governed by the UCP, the laws of the State of New York, including the UCC. With respect to Articles 14(b) and 16(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed two (2) banking days following the date of its receipt of documents from the Beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform and make payment to the Beneficiary accordingly.

[OR:]

This Letter of Credit shall be governed by the International Standby Practices – ISP 98, 1998 Version, International Chamber of Commerce Publication No. 590 (the "ISP"), provided, however, that where the ISP is silent, this Letter of Credit shall be governed by New York law, without reference to its choice of law provisions; and provided further that to the extent that the terms hereof are inconsistent with the provisions of the ISP, including but not limited to Rules 2.01 and/or 5.01 of the ISP, in which case the terms of this Letter of Credit shall govern. With respect to Rules 2.01 and 5.01 of the ISP, the Issuing Bank shall have a reasonable amount of time, not to exceed two (2) banking days following the date of its receipt of documents from the Beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform and make payment to the Beneficiary accordingly.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended, or amplified by reference to any documents, instruments, or agreements referred to herein, or in which the Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any such documents, instruments, and agreements.

[BANK]

Authorized Signature

Authorized Signature