



Appendix E

Credit/Collateral Requirements

For

2014 Request For Proposals

For

Long-Term, Supply-Side

and Renewable Generation Resources

Entergy Arkansas, Inc.
May 5, 2015

APPENDIX E CREDIT/COLLATERAL REQUIREMENTS

This Appendix E contains a brief overview of the credit evaluation procedures expected to be utilized during the overall proposal evaluation process. These procedures seek to assure that Seller's credit quality, when considered in the context of Bidder's proposal to EAI, complies with Entergy's corporate risk management standards, and that any requirements for credit support associated with the proposal are identified.

A. Requirements for Submission of Proposal

For purposes of EAI's credit evaluation procedures, a conforming proposal must include the information requested in either Section 6 of Appendix C-1 and in Section 4 of Appendix C-2 for Seller and any Credit Support Provider, including, if financial information is consolidated with other entities, all data related to Seller or Credit Support Provider that must be extracted and submitted as separate documents by Bidder according to Section 2.3 of the Main Body. If the information Bidder provides in support of a proposal falls below the Preliminary Shortlist Requirements for credit (as specified in Section 2.3 of the Main Body), Bidder must, upon EAI's request, provide reasonable evidence of Seller's ability to provide the credit support required to meet this RFP's credit support requirements.

B. Determination of Credit Support Requirements

The Credit Evaluation Team ("CET") will apply its own internal procedures to determine, for each Bidder who submits a proposal, the CET Credit Rating of Seller. These procedures include, without limitation, a credit analysis of financial statements utilizing, among other things, leverage, liquidity and profitability metrics. If Seller has a Published Credit Rating, the CET Credit Rating will, in most cases, be equivalent to such Published Credit Rating.

Based on Seller's CET Credit Rating, the CET will determine how much credit support, if any, Seller will be required to provide initially under the Definitive Agreement, if entered into by Seller and EAI. For rough guidance, a Seller with a CET Credit Rating equivalent to BB+ or below from S&P or Ba1 or below from Moody's will initially be required to provide credit support in the amount set forth in the table below for each MW of nameplate capacity allocated to Buyer under the applicable Definitive Agreement, depending on the length of the Delivery Term and whether Bidder's proposed resource is a Developmental Resource or already in operation:

<u>Length of Delivery Term</u>	<u>\$ per MW of Nameplate Capacity Allocated to Buyer</u>
10 years	\$150,000/MW*
20 years	\$200,000/MW*

* If Bidder proposes a Developmental Resource, this amount will be increased (by an amount not to exceed double the stated amount) depending on the status, technology, development risks and other aspects of the Developmental Resource.

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APPENDIX E

Credit/Collateral Requirements

Sellers with higher CET Credit Ratings will get credit towards these amounts that may reduce or eliminate the requirement for such Sellers to initially provide credit support under the Definitive Agreement.

Required credit support could take the form of:

- a parent guaranty
- a letter of credit from a bank acceptable to EAI
- cash collateral
- a lien on the power generation project and/or other assets
- other forms of credit support suggested by Bidder
- combinations of the foregoing.

The form and substance of any initially provided credit support must be acceptable to EAI in its sole discretion.

For Credit Support Providers, the CET will undertake a similar process. Seller will get credit toward its credit support requirements for the credit support provided by such Credit Support Provider if and only if the CET Credit Rating for such Credit Support Provider meets the requirements for such type of credit support. For rough guidance, a Credit Support Provider that is the direct or indirect parent of Bidder and has a CET Credit Rating equivalent to BBB- or higher from S&P and Baa3 or higher from Moody's will be eligible to provide a parent guaranty. The CET Credit Rating requirements are higher for a bank providing a letter of credit or holding cash collateral. In either case, the amount of credit Seller will receive toward its credit support requirements for the credit support provided by such Credit Support Provider will vary depending on the CET Credit Rating of such Credit Support Provider.

If a Seller's or Seller's Credit Support Provider's CET Credit Rating is sufficiently reduced at any time or Buyer has reasonable grounds for insecurity regarding the payment or performance of an obligation under the Definitive Agreement during the term of the Definitive Agreement, Buyer will have the right to require that additional credit support (or, if such Seller did not initially provide credit support, an initial amount of credit support) be provided by such Seller at that time. Conversely, credit support may be returned to Seller if its CET Credit Rating improves sufficiently during the term of the Definitive Agreement.

With respect to any credit support that does not involve a Credit Support Provider (such as a lien on assets), the CET will apply its own internal procedures to determine the credit Bidder will get toward its credit support requirements for such credit support. Such amount will be discussed with Bidder as part of the credit support discussion if such Bidder is selected for the Primary Selection List and/or the Secondary Selection List.

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APPENDIX E

Credit/Collateral Requirements

C. Minimum Requirements-Based Credit Support

The VAT will notify the CET whether one or more Bidders have submitted proposals for Developmental Resources in which the Developmental Resource or the proposal fails to meet one or more of the Minimum Requirements set forth in Appendix D. If the CET receives such a notice, it may require Bidder to post a letter of credit, generally in the form described herein [the draw conditions will be adjusted, for example], of up to \$5 million, within 30 days after issuance of the Preliminary Shortlist. The amount of the letter of credit will be determined by the CET, with input from the VAT, and in consultation with the IM. The letter of credit must be issued by a U.S. commercial bank or the U.S. branch office of a foreign bank that (in either case) has a Published Credit Rating of at least A from S&P and A2 from Moody's. If Bidder's proposal(s) supported by the letter of credit are eliminated from consideration in this RFP or otherwise do not result in an LOI, the letter of credit will be returned to the posting party within 30 days after such date, provided that if EAI has determined, in its good faith judgment, that EAI has or may have a right to draw under the terms of the letter of credit, EAI will notify Bidder thereof in writing within thirty (30) days after such date and, subject to the following sentence, will not be required to cause the letter of credit to be returned to the posting party until EAI has determined not to draw under the letter of credit. If EAI has provided such notice, but has neither drawn an amount under the letter of credit on or before five (5) months of such notice nor notified Bidder that it has elected not to draw under the letter of credit, then EAI will cause the letter of credit to be returned to the posting party no later than ten (10) days after the expiration of such five (5)-month period.

D. Bidder Selection

A Bidder whose proposal is selected to the Primary Selection List or the Secondary Selection List will be invited to discuss with the CET the CET Credit Rating of Seller proposed for such Bidder and asked to indicate the type of credit support Seller desires to provide in order to meet the RFP's credit support requirements. During such discussions, EAI will also discuss with Bidder the CET Credit Rating for any Credit Support Provider and the value determined by the CET with respect to any proposed credit support that does not involve a Credit Support Provider. While credit support will not, except as provided in Section E below, need to be posted until the execution of the Definitive Agreement, Bidder's proposal may be eliminated from further consideration if, at the time of such discussions, Bidder either fails to describe adequately its strategy for providing (or does not have an adequate strategy), or communicates an unwillingness or inability to provide, the required credit support. Further, while EAI reserves the right to move forward with any Bidder unwilling to offer satisfactory credit support, EAI will be reluctant to select any proposal from any such Bidder unless the proposal, even without satisfactory credit support, is clearly superior to proposals for similar product offerings.

Finally, please note that, in the selection of Bidders for the Primary Selection List and the Secondary Selection List, the CET may establish limits for the aggregate amount of exposure (pursuant to this RFP plus existing transactions) of the Entergy Operating Companies to a Seller

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APPENDIX E

Credit/Collateral Requirements

or to certain groups of suppliers, including groups that are supported by the same Credit Support Provider and groups with weak CET Credit Ratings. These limits may be taken into account in its evaluation of proposals.

E. LOI Execution and Contract Negotiation

Any Bidder notified that its proposal has been selected for final negotiation (and, if different from Bidder, the proposed Seller) may be required by Buyer to enter into an LOI setting forth and/or addressing key terms and conditions of the proposed Transaction. Upon execution of the LOI, Bidder or Seller (as applicable) will be required to provide to EAI or its designee (i) a letter of credit in the amount of \$2 million plus (ii) if Bidder proposes a Developmental Resource and, at the time of execution of the LOI, fails or continues to fail to meet one or more of the Minimum Requirements found in Appendix D, an additional amount, to be determined by the CET, with input from the VAT, of up to \$5 million. The incremental amount in clause (ii) above will not duplicate amounts posted pursuant to Section C above and will be a function of the number, severity, and other aspects of the failures to meet the Minimum Requirements. The letter of credit must be issued by a U.S. commercial bank or the U.S. branch office of a foreign bank that (in either case) has a Published Credit Rating of at least A from S&P and A2 from Moody's and will be in form substantially similar to the form letter of credit attached as Annex E-1. If Bidder puts in place a letter of credit pursuant to Section C and enters into an LOI with Buyer, it is expected that the existing letter of credit would be modified to reflect the new principal amount due under this Section E and the new draw conditions that would apply. If the existing letter of credit is not modified, however, and a new and separate letter of credit is posted in support of the LOI, the incremental amount in clause (ii) above will not duplicate amounts the subject to the existing letter of credit.

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Annex E-1
Form of Letter of Credit

Irrevocable Standby Letter of Credit No. [L/C NUMBER]

Date: [L/C ISSUANCE DATE]

BENEFICIARY:
ENTERGY ARKANSAS, INC.
10055 GROGANS MILL RD, SUITE 300
THE WOODLANDS, TEXAS 77380

APPLICANT:
[INSERT NAME]
[ON BEHALF OF [_____]]
[INSERT ADDRESS]
[INSERT CITY/STATE/ZIP CODE]

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF [INSERT NAME OF APPLICANT] (THE "APPLICANT"), [INSERT ADDRESS OF APPLICANT], [AND ON BEHALF OF [INSERT NAME OF ACCOUNT PARTY] (THE "ACCOUNT PARTY")], WE, [INSERT NAME OF BANK] (THE "ISSUER"), HEREBY ESTABLISH, EFFECTIVE IMMEDIATELY, IN FAVOR OF ENTERGY ARKANSAS, INC. (THE "BENEFICIARY"), OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [L/C NUMBER] IN THE AGGREGATE AMOUNT OF [INSERT AMOUNT REQUIRED PURSUANT TO THE AGREEMENT (DEFINED BELOW)] UNITED STATES DOLLARS (U.S. \$_____) (AS SUCH AMOUNT MAY BE REDUCED FROM TIME TO TIME BY PARTIAL DRAWS HEREUNDER, THE "STATED AMOUNT").

WE ARE INFORMED BY THE APPLICANT THAT THIS LETTER OF CREDIT IS BEING ISSUED PURSUANT TO THAT CERTAIN LETTER OF INTENT, DATED AS OF [INSERT DATE], BETWEEN THE [APPLICANT/ACCOUNT PARTY] AND THE BENEFICIARY (TOGETHER WITH ITS SUCCESSORS AND PERMITTED ASSIGNS, "BUYER") (SUCH LETTER OF INTENT, AS MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "AGREEMENT").

THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR OFFICE LOCATED AT [INSERT PHYSICAL ADDRESS OF BANK'S COUNTERS] AND, EXCEPT AS PROVIDED BELOW, EXPIRES WITH OUR CLOSE OF BUSINESS ON [INSERT DATE THAT IS AT LEAST 364 DAYS AFTER THE EFFECTIVE DATE OF L/C] (AS MAY BE EXTENDED AS PROVIDED BELOW, THE "EXPIRATION DATE").

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT WRITTEN AMENDMENT FOR A PERIOD OF ONE (1) YEAR FROM THE INITIAL EXPIRATION DATE, AND THEREAFTER FOR ONE YEAR FROM EACH FUTURE EXPIRATION DATE, UNLESS, AT LEAST SIXTY (60) DAYS PRIOR TO THE THEN APPLICABLE EXPIRATION DATE, WE NOTIFY YOU IN WRITING BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, OR COURIER SERVICE THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED BEYOND THE THEN APPLICABLE EXPIRATION DATE.

THIS LETTER OF CREDIT SHALL FINALLY EXPIRE ON [INSERT DATE THAT IS AT LEAST ONE YEAR AFTER THE INITIAL EXPIRATION DATE OF L/C], IF IT HAS NOT PREVIOUSLY EXPIRED IN ACCORDANCE WITH THE PRECEDING PARAGRAPH.

FUNDS IN PAYMENT OF A DRAWING UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO THE BENEFICIARY BY PAYMENT AT SIGHT AGAINST PRESENTATION AT OUR OFFICE STIPULATED HEREIN ABOVE OF THE BENEFICIARY'S APPROPRIATELY COMPLETED SIGHT DRAFT(S) IN THE FORM OF EXHIBIT 1 ATTACHED HERETO AND DRAWING CERTIFICATE(S) IN THE FORM OF EXHIBIT 2 ATTACHED HERETO, EACH PURPORTEDLY BEARING THE SIGNATURE OF AN AUTHORIZED PERSON FOR THE BENEFICIARY (COLLECTIVELY, THE "DRAWING DOCUMENTS").

WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED TWO (2) BUSINESS DAYS FOLLOWING THE DATE OF OUR RECEIPT OF THE DRAWING DOCUMENTS, TO EXAMINE SUCH DRAWING DOCUMENTS AND DETERMINE WHETHER TO HONOR OR DISHONOR SUCH DRAWING DOCUMENTS AND TO INFORM YOU ACCORDINGLY. WE MAY DISHONOR SUCH DRAWING DOCUMENTS ONLY IF THEY DO NOT COMPLY WITH THE TERMS OF THIS LETTER OF CREDIT. WE HAVE NO DUTY OR RIGHT TO INQUIRE INTO THE VALIDITY OF, OR THE BASIS FOR, ANY DRAW. ANY NOTICE OF DISHONOR SHALL STATE ALL DISCREPANCIES UPON WHICH OUR DISHONOR IS BASED.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED HEREUNDER. ANY DRAWING HONORED HEREUNDER BY THE ISSUER SHALL REDUCE THE STATED AMOUNT AVAILABLE FOR DRAWINGS BY THE AMOUNT OF ANY DRAWING HONORED BY THE ISSUER. PRESENTATION OF DEMANDS FOR AMOUNTS IN EXCESS OF THE AMOUNT OF THIS LETTER OF CREDIT ARE ACCEPTABLE AND NOT DISCREPANT FOR THAT REASON; HOWEVER, THE AMOUNT PAYABLE ON ANY SUCH DEMAND WILL NOT EXCEED THE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENTS PRESENTED IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED IF PRESENTED FOR PAYMENT ON OR BEFORE THE EXPIRATION DATE.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE EXCEPT AS SET FORTH IN THIS PARAGRAPH. THIS LETTER OF CREDIT (INCLUDING THE DRAWING RIGHTS HEREUNDER) IS TRANSFERABLE BY THE BENEFICIARY, INCLUDING AS COLLATERAL FOR INDEBTEDNESS OF THE BUYER OUTSTANDING FROM TIME TO TIME, AND MAY BE SUCCESSIVELY TRANSFERRED. BY OUR EXECUTION AND DELIVERY OF THIS LETTER OF CREDIT, WE ALSO HEREBY ACKNOWLEDGE AND CONSENT, WITHOUT FURTHER CONDITIONS, TO YOUR PRESENT OR FUTURE ASSIGNMENT OF THE PROCEEDS OF ANY DRAWING UNDER THIS LETTER OF CREDIT. TRANSFER OF THIS LETTER OF CREDIT (INCLUDING THE DRAWING RIGHTS HEREUNDER), OR AN ASSIGNMENT OF THE PROCEEDS OF ANY DRAWING HEREUNDER, TO A TRANSFEREE SHALL BE EFFECTED, WITH NO OTHER CONDITIONS, BY THE PRESENTATION TO US OF AN APPROPRIATELY COMPLETED CERTIFICATE SUBSTANTIALLY IN THE FORM OF EXHIBIT 3 ATTACHED HERETO PURPORTEDLY BEARING THE SIGNATURE OF AN AUTHORIZED PERSON FOR THE BENEFICIARY. UPON RECEIPT OF ANY SUCH CERTIFICATE, WE UNDERTAKE TO PROMPTLY EXECUTE THE CONFIRMATION SET FORTH AT THE END OF SUCH CERTIFICATE AND FORWARD THE SAME DIRECTLY TO THE TRANSFEREE (PROVIDED THAT SUCH CONFIRMATION SHALL NOT BE A CONDITION TO THE TRANSFER). WE HAVE NO DUTY OR RIGHT TO INQUIRE INTO WHETHER ANY TRANSFEREE OF THIS LETTER OF CREDIT (INCLUDING THE DRAWING RIGHTS HEREUNDER) IS BUYER'S PERMITTED ASSIGNEE UNDER THE AGREEMENT AND MAY RELY EXCLUSIVELY ON YOUR CERTIFICATE.

ALL BANKING CHARGES ASSOCIATED WITH THIS LETTER OF CREDIT ARE FOR THE ACCOUNT OF THE APPLICANT.

AS USED HEREIN, "BUSINESS DAY" MEANS (I) ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKS IN THE STATE OF NEW YORK ARE AUTHORIZED OR REQUIRED TO BE CLOSED, AND (II) ANY DAY ON WHICH PAYMENTS CAN BE EFFECTED ON THE FEDWIRE SYSTEM.

THIS LETTER OF CREDIT IS GOVERNED BY THE INTERNATIONAL STANDBY PRACTICES, INTERNATIONAL CHAMBER OF COMMERCE (ICC) PUBLICATION NO. 590 ("ISP98"), EXCEPT TO THE EXTENT THAT THE TERMS OF THIS LETTER OF CREDIT ARE INCONSISTENT WITH THE PROVISIONS OF THE ISP98, IN WHICH CASE THE TERMS OF THIS LETTER OF CREDIT SHALL GOVERN. AS TO MATTERS NOT ADDRESSED BY THE ISP98, AND TO THE EXTENT NOT INCONSISTENT WITH THE ISP98 OR THE TERMS OF THIS LETTER OF CREDIT, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING, WITHOUT LIMITATION, ARTICLE 5 OF THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK) AND APPLICABLE U.S. FEDERAL LAW.

THIS LETTER OF CREDIT, INCLUDING THE EXHIBITS HERETO, SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REASON OF OUR REFERENCE TO ANY AGREEMENTS OR INSTRUMENT REFERRED TO OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO. ANY SUCH AGREEMENTS OR INSTRUMENT SHALL NOT BE DEEMED INCORPORATED HEREIN BY REFERENCE.

SINCERELY,

[ISSUING BANK]

NAME: _____

TITLE: _____

EXHIBIT 1

[BENEFICIARY LETTERHEAD]

SIGHT DRAFT

[DATE]

[BANK NAME AND ADDRESS]

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

FOR THE VALUE RECEIVED, PAY TO THE ORDER OF _____ BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO THE FOLLOWING ACCOUNT:

[NAME OF ACCOUNT]
[ACCOUNT NUMBER]
[NAME AND ADDRESS OF BANK AT WHICH ACCOUNT IS MAINTAINED]
[ABA NUMBER]
[REFERENCE]

THE FOLLOWING AMOUNT:

[INSERT NUMBER OF DOLLARS IN WRITING] UNITED STATES DOLLARS
(US\$ [INSERT NUMBER OF DOLLARS IN FIGURES])

DRAWN UPON YOUR LETTER OF CREDIT NO. _____ DATED
[_____].

[INSERT NAME OF THE BENEFICIARY]

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 2

DRAWING CERTIFICATE

[DATE]

[BANK NAME AND ADDRESS]

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

LADIES AND GENTLEMEN:

THE UNDERSIGNED, A DULY AUTHORIZED OFFICER OF [_____] (THE "BENEFICIARY"), AS THE BENEFICIARY OF THE ABOVE-REFERENCED LETTER OF CREDIT (THE "LETTER OF CREDIT"), HEREBY CERTIFIES TO [_____] (THE "ISSUER") WITH RESPECT TO THE LETTER OF CREDIT (THE TERMS DEFINED THEREIN AND NOT OTHERWISE DEFINED HEREIN BEING USED HEREIN AS THEREIN DEFINED) THAT:

1. THE [APPLICANT/ACCOUNT PARTY], [_____] AND BUYER ARE PARTIES TO THE AGREEMENT.

[PICK ONE OF THE FOLLOWING ALTERNATIVES FOR PARAGRAPH 2]

[2. THE DRAW AMOUNT (AS DEFINED BELOW) IS DUE AND OWING BY THE APPLICANT TO THE BENEFICIARY UNDER THE TERMS OF THE AGREEMENT.] OR

[2. A BREACH BY THE ACCOUNT PARTY HAS OCCURRED UNDER THE AGREEMENT.] OR

[2. THE LETTER OF CREDIT WILL EXPIRE ON OR BEFORE THIRTY (30) DAYS AFTER THE DATE OF THIS CERTIFICATE AND THE APPLICANT HAS FAILED TO DELIVER TO BENEFICIARY A REPLACEMENT LETTER OF CREDIT OR EXTEND THE LETTER OF CREDIT IN ACCORDANCE WITH THE AGREEMENT AND SECURITY IS STILL REQUIRED UNDER THE AGREEMENT.]

3. THE BENEFICIARY IS ENTITLED TO MAKE A DRAWING UNDER THE LETTER OF CREDIT IN THE AMOUNT OF \$_____ (THE "DRAW AMOUNT") *[INSERT BRACKETED LANGUAGE IF THE BENEFICIARY IS NOT THE SAME AS BUYER]*, AND THE BENEFICIARY IS MAKING SUCH DRAWING FOR THE BENEFIT OF BUYER].

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS DRAWING CERTIFICATE AS OF THE ____ DAY OF _____ 20__.

[INSERT NAME OF THE BENEFICIARY]

BY: _____
NAME: _____
TITLE: _____

EXHIBIT 3

FORM OF TRANSFER NOTICE

[DATE]

[BANK NAME AND ADDRESS]

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

LADIES AND GENTLEMEN:

REFERENCE IS MADE TO THAT CERTAIN IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ (THE "LETTER OF CREDIT") ISSUED BY YOU IN FAVOR OF _____ (THE "BENEFICIARY") ON BEHALF OF _____ ("APPLICANT"). THIS TRANSFER NOTICE IS PRESENTED UNDER THE LETTER OF CREDIT. CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS TRANSFER NOTICE HAVE THE MEANINGS GIVEN TO THEM IN THE LETTER OF CREDIT.

FOR VALUE RECEIVED, THE BENEFICIARY HEREBY IRREVOCABLY ASSIGNS TO:

NAME OF TRANSFEREE:
ADDRESS:

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY [PICK FIRST ALTERNATIVE FOR FULL ASSIGNMENT AND SECOND ALTERNATIVE FOR ASSIGNMENT OF PROCEEDS] [UNDER THE LETTER OF CREDIT IN ITS ENTIRETY] [TO THE PROCEEDS OF ANY DRAWINGS UNDER THE LETTER OF CREDIT, WHICH SHALL BE PAYABLE AS FOLLOWS: [INSERT ANY APPLICABLE PAYMENT INSTRUCTIONS]].

THIS ASSIGNMENT SHALL BE EFFECTIVE AS OF _____.

[INSERT ONLY FOR FULL ASSIGNMENT] [BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY UNDER SUCH LETTER OF CREDIT ARE ASSIGNED TO THE TRANSFEREE AND THE TRANSFEREE 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.]

WE ASK YOU TO EXECUTE THE CONFIRMATION SET FORTH BELOW, AND FORWARD IT DIRECTLY TO THE TRANSFEREE.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS TRANSFER NOTICE AS OF THE _____ DAY OF _____ 20__.

[INSERT NAME OF THE BENEFICIARY]

BY: _____
NAME: _____
TITLE: _____

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS TRANSFER NOTICE AS OF THE _____ DAY OF _____ 20__, AND HEREBY CONFIRMS THE ASSIGNMENT OF THE LETTER OF CREDIT TO THE TRANSFEREE REFERENCED ABOVE.

[INSERT BANK NAME]

BY: _____
NAME: _____
TITLE: _____