



**Rappahannock  
Electric Cooperative**

A Touchstone Energy® Cooperative 

# IRREVOCABLE LETTER OF CREDIT

Irrevocable Letter of Credit Account Number: \_\_\_\_\_

PLACE AND DATE OF ISSUE:

\_\_\_\_\_, VIRGINIA  
\_\_\_\_\_, 20\_\_

PLACE AND DATE OF ISSUE:

\_\_\_\_\_, VIRGINIA  
\_\_\_\_\_, 20\_\_

ACCOUNT PARTY: \_\_\_\_\_

BENEFICIARY: Rappahannock Electric Cooperative  
247 Industrial Court, P O BOX 7388  
Fredericksburg, VA 22404

AMOUNT: \$ \_\_\_\_\_

CREDIT AVAILABLE WITH: \_\_\_\_\_  
\_\_\_\_\_

BY: Payment against presentation of the documents detailed herein and your drafts at:

SIGHT DRAWN ON \_\_\_\_\_  
\_\_\_\_\_ BANK, \_\_\_\_\_, VIRGINIA

We hereby establish our Irrevocable Letter of Credit in your favor 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 (Location) on or before the expiration hereof against presentation to us of the following statement, dated, certified as true and signed by a representative of the beneficiary:

"The draft of even date with this certification represents the amount due to us as \_\_\_\_\_ has failed to effect payment to us for electric service, etc.

This Irrevocable Letter of Credit shall be automatically extended for additional periods of one year from the present or each future expiration date, unless at least sixty days prior to such date, we send you notice in writing by certified mail, return receipt requested mail, authenticated teletransmission, or hand delivery at the above address, that we elect not to renew this Letter of Credit for such additional period but in no event shall this Letter of Credit be extended beyond the final expiry date of \_\_\_\_\_. Any such notice shall be effective when sent by us and upon such notice to you, you may draw a draft on us at sight under this Letter of Credit for an amount not to exceed the balance remaining in this Letter of Credit within the then applicable expiry date, by a dated statement dated, certified as true and signed by your representative or by your authenticated teletransmission reading: "We hereby demand U.S. \$ \_\_\_\_\_ as we have received notice from \_\_\_\_\_ of their decision not to extend Letter of Credit No. \_\_\_\_\_. We hereby agree to hold such payment as collateral for the obligations of \_\_\_\_\_ to us, said collateral to be deposited in an interest bearing account, said accrued interest becoming the exclusive property of Rappahannock Electric Cooperative not subject to the claim, demand or offset of \_\_\_\_\_ said interest amounts representing the administrative cost to Rappahannock Electric Cooperative of maintaining a collateral account".

In the event that this Letter of Credit is automatically extended beyond its present expiration date in accordance with the terms and conditions of this Letter of Credit, the aggregate amount available under this Letter of Credit shall be automatically reduced in accordance with the following schedule:

DATE OF REDUCTION	AMOUNT OF REDUCTION	AGGREGATE AMOUNT AVAILABLE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

In the event a drawing is paid under this Letter of Credit prior to the scheduled reduction, the amount of the scheduled reduction shall be reduced by the amount of such (previous) payment(s).

In the event of an amendment (s) increasing or decreasing the credit value, the amount of the scheduled reduction shall be adjusted accordingly.

Partial drawings are permitted hereunder.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 (the "UCP") and the provisions of the Uniform Commercial Code - Letters of Credit, title 8.5A of the Code of Virginia (1950), as amended ("Va. UCC-LOC"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP or Va. UCC-LOC, including but not limited to Articles 13(b) and 17 of the UCP and Section 8.5A-108(b) of the Va. UCC-LOC, in which case the terms of this Letter of Credit shall govern.

With respect to Article 13(b) of the UCP and Section 8.5A-108(b) of the Va. UCC-LOC, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) 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 the beneficiary accordingly.

In the event of an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control that interrupts our business (collectively, an "Interruption Event") and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

This Letter of Credit is transferable, and we hereby consent to such transfer, but otherwise may not be amended, changed or modified without the express written consent of the beneficiary, the Issuing Bank and the Account Party.

[BANK SIGNATURE]

STATE OF \_\_\_\_\_ CITY/COUNTY OF \_\_\_\_\_, to wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, Principal.

My commission expires \_\_\_\_\_ Registration No.: \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public